

North Lanarkshire Council

Report

Communities and Housing Committee

approval noting

Ref PH/TM

Date 11/09/19

New Build Programme - Procurement

From Pamela Humphries, Head of Planning and Regeneration

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Executive Summary

The purpose of this report is to update the Committee on current procurement activity relating to the new build programme and to seek approval to commence procurement for the former site of Columba High School, Coatbridge utilising the Scottish Procurement Alliance (SPA) Housing Construction Framework and for the re-provisioning site at Dykehead Road, Holehills, Airdrie utilising the Scotland Excel New Build Residential Construction Framework. The use of these frameworks is subject to benchmarking and best value being established and approval of the outcome by a future committee in accordance with Contract Standing Orders.

Recommendations

It is recommended that the Committee:

- 1) Agree to the commencement of procurement activity with the Scottish Procurement Alliance (SPA) to potentially deliver new build housing at the site of the former site of Columba High School, School Street, Coatbridge.
 - 2) Agree to the commencement of procurement activity with Scotland Excel to potentially deliver new build housing at the re-provisioning site at Dykehead Road, Holehills, Airdrie.
 - 3) Note that the outcome of the procurement with SPA and Scotland Excel and approval of costs would be subject to approval by a future report to committee.
 - 4) Note the award of a call off contract for the construction of new build housing at Dimsdale Road, Wishaw to CCG (Scotland) Ltd in revised sum of £9,947,183.07.
 - 5) Approve the award of call off contracts in line with the Scottish Procurement Alliance (SPA) framework conditions for the construction of new build housing at Caledonian Avenue and Community Road, Belshill to CCG (Scotland) Ltd and at Berwick Street, Coatbridge to Crudens Buildings and Renewals Ltd up to the value of £13.82M.
 - 6) Note the current position with other procurement exercises underway.
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The Plan for North Lanarkshire

Priority Improve economic opportunities and outcomes

Ambition statement (1) Ensure a housing mix that supports social inclusion and economic growth

1. Background

- 1.1 The council has an approved programme to deliver 5,000 new homes by 2035. The delivery of such a large scale programme presents a number of challenges, not least of which is the procurement of contractors to build the houses to the required standard, within the timescale required and at a competitive cost. In order to increase the pace of delivery, secure best value and minimise risk to the council a range of procurement options have been utilised. These include competitively tendering projects through restricted procedure, the use of a national framework agreement between Scape and Wilmott Dixon, the use of the SPA Housing Construction Framework and more recently the use of Hub South West. Further information regarding the sites currently included within the programme is attached at Appendix 1.
- 1.2 The council has also recently agreed to participate in the establishment of a future new build framework through Scotland Excel, and it is anticipated that this will be available for use in October 2019. The Framework is for the delivery of new build housing projects for local authorities, housing associations and other public bodies and includes a number of lots covering different geographical areas and different size of developments. North Lanarkshire is included in the framework as a separate geographical area.

2. Report

- 2.1 Following consideration of available options it is proposed that the Council should seek to obtain tender costs utilising the Scotland Excel new build residential construction frameworks for the new build housing site at the re-provisioning site at Dykehead Road, Holehills, Airdrie. The site has capacity for around 150 new build homes.

The site is in council ownership and will be considered for viability following ground investigations works, title ownership checks and site restrictions. The holding Service has declared the site surplus to requirements and site layout is being agreed subject to planning and roads approval.

The site is at the design stage and feasibility costs have still to be obtained. It is proposed to progress with this project subject to best value being demonstrated, and in accordance with contract standing orders. Should the final price be determined to represent Best Value then, subject to finalisation of a Sourcing Methodology including an options appraisal, this will be reported to Committee for approval prior to entering into a contract with the contractor.

- 2.2 Following consideration of available options it is proposed that the Council should seek to obtain tender costs utilising the most appropriate SPA housing construction framework for the new build housing site at the former site of the Columba High School, School Street, Coatbridge. The site is to be considered for mixed tenure housing, comprising around 100 new build council homes and approximately 60 homes to be considered for mid market rent and/or shared equity.
- 2.3 Following approval at the November 2018 Enterprise and Housing Committee of the feasibility costs obtained for the construction of new build housing at Dimsdale Road, Wishaw a final tender price was agreed to allow the contract award. The award of call off for the contract was made to CCG (Scotland) Ltd in revised sum of nine million, nine hundred and forty seven thousand, one hundred and eighty three pounds and seven pence (£9,947,183.07). The works are expected to commence on site in September 2019 subject to the contractor obtaining the statutory consents, although some enabling works have already been undertaken.
- 2.4 Following approval at the May 2018 Committee the Council has progressed procurement activity utilising the most appropriate SPA housing construction framework. Feasibility costs have been obtained for the following two projects:
- Caledonian Ave and Community Road, Bellshill – CCG (Scotland) Ltd – (56 units) - £10.32m including a 10% contingency allowance.
 - Berwick Street, Coatbridge – Crudens Buildings and Renewals (19 units) – £3.50m including a 10% contingency allowance

The feasibility costs obtained are considered to represent best value and, subject to benchmarking against the appropriate SPA framework rates, it is proposed that a final tender price be agreed to allow the contract award.

- 2.5 Following receipt of the ground investigation report at Bon Accord Crescent, Shotts, part of the site is no longer considered viable due to the extent of the abnormal costs associated with the ground conditions. A new layout has been agreed avoiding this area of the site and the current proposal is to construct 16 units instead of the 19 units originally proposed. A revised feasibility cost has still to be provided and subject to best value being demonstrated and, benchmarking against the appropriate SPA framework rates, it is proposed that a final tender price be agreed to allow the contract award. The programme site start has been subsequently delayed until January 2020.
- 2.6 The village sites programme currently comprises the following three sites which have been approved by committee:
- Former Plains Primary School, Plains
 - Mossburn Road, Waterloo
 - McArthur Avenue, Glenmavis

Following completion of the Sourcing Methodology and finalisation of the best route to market, the procurement for these sites is being progressed by a competitively tendered restricted process. Tender documents were issued for the former Plains Primary School site to five shortlisted contractors. The outcome of this tender process is subject to a separate report to this committee.

3. Equality and Diversity

3.1 Fairer Scotland Duty

The new build programme has accounted for measures that will reduce inequalities of outcome via a number of activities relating to design parameters including:

- Housing for Varying Needs;
- Secure by Design;
- Achieving the Scottish Government requirements for Greener Homes to reduce the incidence of fuel Poverty;
- The inclusion of design standards relating to access to internet capabilities including 'fibre to the property'.

3.2 Equality Impact Assessment

An Equality Impact Assessment has been conducted for the Delivery of additional housing stock via the New Supply Team and the contribution to Local Housing Strategy, Strategic Housing Outcomes.

4. Implications

4.1 Financial Impact

The funding for all of the projects referred to in this report can be met from the Housing Revenue Account budget for the New Build Programme. Grant support is also provided by the Scottish Government.

4.2 HR/Policy/Legislative Impact

The contract will be awarded in accordance with the Council's Contract Standing Orders.

4.3 Environmental Impact

The works contract will ensure that the impact on the Council's carbon footprint is mitigated. The specifications incorporated within the contract documentation will: deliver reduced energy need; encourage sustainable construction; promote health and wellbeing; reduce waste and resources through effective storage, collection and composting of waste and recyclable materials and; include measures which will reduce CO2 emissions.).

4.4 Risk Impact

Risk associated with the New Supply Programme is managed within the Enterprise & Communities Risk Register process. By undertaking detailed ground investigation and other relevant site assessments prior to proceeding with the development of any particular site, the council is mitigating the risk of unforeseen costs relating to ground conditions, although this risk cannot be eliminated entirely.

5. Measures of success

5.1 The measure of success will be the cost effective delivery of the council's new supply programme which aims to deliver 5,000 homes by 2035

6. Supporting Documents

Appendix 1 Summary of New Build Programme

A handwritten signature in black ink, appearing to read 'P. Humphries'.

Pamela Humphries
Head of Planning and Regeneration

Appendix 1

New Build Sites – as at 23 August 2019

Area	Location	Units	Comments
Holytown	Main St	10	Completed - Amenity
Holytown	Spruce Way	10	Completed
Motherwell	Ravenscraig	18	Completed (off the shelf)
Airdrie	Clarkston PS	19	Completed
Millerston	Coshneuk Rd	11	Completed - Amenity
Cumbernauld	North Rd	29	Completed
Wishaw	Former Cambusnethan PS	20	Completed - Amenity
Viewpark	Laburnum Rd	40	Completed
Moodiesburn	Gartferry Road	50	Completed
Cumbernauld	Westfield Drive,	30	Completed
Airdrie	Former Albert PS	14	Completed
Chryston	Lanrig Rd	27	Completed - Amenity
Coatbridge	Corsewall St	14	Completed
Bellshill	Belvidere PS	20	Completed
Kilsyth	Fisher Ave	30	Completed
Chryston	Old Lindsaybeg Rd	14	Completed (off the shelf)
Motherwell	Glencairn Tower site	25	Completed
Viewpark	Former Tannochside PS,	16	Completed
Wishaw	Walkerburn Dr, Coltness	20	Completed
Cumbernauld	Cardowan Drive	30	Completed
Cumbernauld	Former Kildrum Nursery	16	Completed
Chryston	Station Rd	30	Completed (off the shelf)
Chapelhall	Former St Aloysius PS	30	Completed
Cumbernauld	Brown Road	20	Completed
New Stevenston	Former New Stevenston PS	15	Completed
Chryston	Greenlea Road	21	Completed
Coatbridge	Old School Court	20	Completed
Airdrie	Former Alexandra PS	14	Completed
Harthill	Former Harthill PS	20	Completed
Coatbridge	Former St Ambrose HS	40	completed
Motherwell	Cleekhimmin, Ravenscraig	10	Completed (off the shelf)
Sub total		683	Completed
Motherwell	Calder PS	30	On site
Cumbernauld	Former Cedar Road Nursery	14	On site
Gartcosh	Inchnock Ave (Bellway)	16	On site (off the shelf)
Chryston	Main St (Bellway)	18	On Site (off the shelf)
Wishaw	Meadowhead Rd, Ravenscraig	11	On Site, (off the shelf)
Coatbridge	Former St James PS	58	On site
Sub Total		147	On site

Wishaw	Dimsdale	61	Planning app approved
Cumbernauld	Community Growth Area	50	Design development
Cumbernauld	Former Abronhill HS	60	Design Development
Shotts	Bon Accord Cres	16	Design development
Chryston	Chilterns Care Home	22	Design development
Glenboig	Marnoch (CGA)	30	Design development
Coatbridge	Berwick St	19	Planning app approved
Bellshill	Community Road	29	Planning app approved
Bellshill	Caledonian Road	27	Planning app approved
Wishaw	Roberts Street	16	Design development
Motherwell	Mabel Street	20	Planning app approved
Plains	Former Plains PS	16	Planning app approved
Waterloo	Mossburn St	20	Design development
Glenmavis	McArthur Ave	22	Design development
Coatbridge	Former Columba High School	100	Design development
Viewpark	Laburnum Rd	27	Design development
Sub Total		535	Design development
Airdrie	Northburn Place	30	Re-provisioning site
Airdrie	Dykehead Rd, Holehills, Airdrie	150	Re-provisioning site
Coatbridge	Burnside Court	18	Re-provisioning site.
Coatbridge	Shawhead	111	Re-provisioning site
Wishaw	Gowkthrapple (Ph1)	100	Re-Provisioning site
Coatbridge	Dunbeth	170	Re-provisioning site
Motherwell	Coursington	60	Re-provisioning site
Sub total		639	Re-provisioning sites
Moodiesburn	Avenuehead Road	40	Potential Off the shelf
Steps	Gateside & Hornshill Farm	30	Potential Off the shelf
Sub total		70	Potential off the shelf
Total		2074	