

# North Lanarkshire Council

## Report

### Communities and Housing Committee

approval  noting

Ref PH/TM

Date 20/11/19

### New Build Programme - Procurement

**From** Pamela Humphries, Head of Planning and Regeneration

**Email** mallaghant@northlan.gov.uk **Telephone** Tony Mallaghan, Housing Development Manager, 01236 632866

#### 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 of the first phase of development in Gowkthrapple, Wishaw using Hub South West, and approve the award of contracts at Roberts Street, Wishaw, and Lindsaybeg Road, Chryston.

#### Recommendations

It is recommended that the Committee:

- 1) Agree to the commencement of procurement activity with the Hub South West to potentially deliver new build housing at the site of the first phase of the regeneration masterplan for the Gowkthrapple estate, Wishaw
- 2) Note that the outcome of the procurement with Hub South West and approval of costs would be subject to approval by a future report to committee.
- 3) Note the current difficulties being experienced in progressing planned developments at Caledonian Avenue and Community Road, Bellshill; Berwick Street, Coatbridge, Bon Accord Crescent, Shotts and Laburnum Road, Viewpark, and the action being taken to address these issues.
- 4) 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 the former Belhaven House, Roberts Street, Wishaw to Hadden Group up to the value of £2.875M, including contingency allowance.
- 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 the former Chiltern's House, Lindsaybeg Road, Chryston to Hadden Group up to the value of £3.748M including contingency allowance.

#### 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 Scottish Procurement Alliance (SPA) Housing Construction Frameworks, and more recently the use of Hub South West.
  - 1.2 The council also participated in the establishment of a new build framework through Scotland Excel, and a contract award has now been made and has been available for use from August 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.
  - 1.3 Hub South West are a public private partnership that enables cost-efficient design and construction of facilities within South West Scotland Hub Territory. North Lanarkshire Council are a named participant contracting authority within the territory and have entered into a shareholders agreement. They provide value for money and generate growth in the local economy through a new method of partnership working and procurement, maximising local investment and improved community services.
  - 1.4 Further information regarding the new build programme is contained in Appendix 1.
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## **2. Report**

- 2.1 Following consideration of available options it is proposed that the Council should seek to obtain tender costs utilising the Hub South West Construction Framework for the new build social housing site comprising the first phase of the regeneration masterplan for the Gowkthrapple estate, Wishaw. The site is currently under the ownership of Garrion People's Housing Co-operative and is in the process of being transferred to council ownership in exchange for a site of a similar size which will be transferred following the completion of the demolition of the flats.
- 2.2 At this stage there is no fee payable to either the contractor or Hub South West. Should the final price be determined to represent Best Value then, subject to finalisation of a Sourcing Methodology including an options appraisal, the contract will be progressed in accordance with Contract Standing Orders.
- 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 Caledonian Avenue and Community Road, Bellshill to CCG (Scotland) Ltd. a final combined tender price was agreed to allow the contract award. However, the contract award is on hold due to difficulties in obtaining technical approval from Scottish Water to connect to their combined foul and surface water sewer at Community Road. In order to progress the programme, the option of awarding the contract for Caledonian Avenue separately is being progressed, with Community Road following at a later date if, and when, an economically viable solution is found for the sewer connection.

- 2.4 Work is progressing to agree final tender prices for the projects at Bon Accord, Shotts; Berwick Street, Coatbridge, and Laburnum Rd, Viewpark, which are being procured through the SPA framework. However, there is also difficulty obtaining technical approval from Scottish Water due to their refusal to allow a connection to the combined foul and surface water sewer. Work is progressing to find a viable solution for the sewer connections that would allow the contract awards to be made.
- 2.5 Following approval at the November 2018 Enterprise and Housing Committee the Council has progressed procurement activity utilising the SPA housing construction framework and feasibility costs have been obtained for the following projects:
- Former Belhaven House, Roberts Street, Wishaw – Hadden Group (16 units) – £2.875m including a 10% contingency allowance.
  - Former Chilterns House, Lindsaybeg Road, Chryston – Hadden Group (22 units - £3.748M 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.

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### **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.

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### **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.

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**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

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**6. Supporting Documents**

Appendix 1 Summary of New Build Programme



**Pamela Humphries**  
**Head of Planning and Regeneration**

## Appendix 1

### New Build Sites – as at 17 October 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	Cambusnethan PS	20	Completed - Amenity
Viewpark	Laburnum Rd	40	Completed
Moodiesburn	Gartferry Road	50	Completed
Cumbernauld	Westfield Drive,	30	Completed
Airdrie	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	Blair Road	27	completed
Motherwell	Cleekhimmin, Ravenscraig	10	Completed (off the shelf)
Coatbridge	Blair Road	13	Completed (Ph 3)
Motherwell	Calder PS	30	Completed
Cumbernauld	Former Cedar Road Nursery	14	Completed
Gartcosh	Inchnock Ave (Bellway)	16	Completed (off the shelf)
<b>Sub total</b>		<b>743</b>	<b>Completed</b>
Chryston	Main St (Bellway)	18	On Site (off the shelf)
Wishaw	Meadowhead Rd, Ravenscraig	11	On Site, (off the shelf)
Coatbridge	St James PS / Lismore Drive	58	On Site

<b>Sub Total</b>		<b>87</b>	<b>On Site</b>
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	Planning app approved
Chryston	Chilterns Care Home	22	Planning app submitted
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	Planning app approved
Motherwell	Mabel Street	20	Planning app approved
Plains	Former Plains PS	16	Planning app approved
Waterloo	Mossburn St	20	Planning app submitted
Glenmavis	McArthur Ave	22	Design development
Coatbridge	Former Columba High School	160	Design development
Viewpark	Laburnum Rd	26	Planning app submitted
<b>Sub Total</b>		<b>593</b>	<b>design development</b>
Airdrie	Northburn Place	31	Re-provisioning site
Airdrie	Dykehead Rd, Holehills, Airdrie	150	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
<b>Sub total</b>		<b>622</b>	<b>Re-provisioning sites</b>
Moodiesburn	Avenuehead Road	40	Potential Off the shelf
Stepps	Gateside & Hornshill Farm	30	Potential Off the shelf
<b>Sub total</b>		<b>70</b>	<b>Future off the shelf</b>
<b>Total</b>		<b>2115</b>	