



AGENDA ITEM: 11
COUNCIL NEW BUILD UPDATE

Report for:	Housing and Community Overview and Scrutiny Committee
Date of meeting:	13 November 2013
PART:	I

Title of report:	Council New Build Update
Contact:	Margaret Griffiths, Portfolio Holder for Housing Jack Burnham, Housing Development Manager
Purpose of report:	To update Housing and Community Overview and Scrutiny Committee on the progress of the current New Build Programme (Phase I)
Recommendations	1. To note the progress of the new build programme phase I
Corporate Objective:	Affordable Housing
Implications:	<u>Financial</u> The financial budget for phase I was agreed at the October 2012 Cabinet meeting and the September 2013 Cabinet meeting.
'Value For Money Implications'	<u>Value for Money</u> All of the schemes are set to deliver high quality homes to the prescribed budget, timeframe and standards as agreed by Cabinet.

Risk Implications	Risk Assessment completed within the New Build PID
Equalities Implications	Equality Impact Assessment completed within the New Build PID/Housing Strategy
Health And Safety Implications	All development sites have been registered with the Health and Safety Executive (HSE) in line with the CDM 2007 (Construction Design and Management Regulations) as required by statute, by the Council's appointed CDM Coordinator.
Consultees:	<p>Corporate Director – Housing & Regeneration</p> <p>Assistant Director – Finance</p> <p>Assistant Director – Housing</p> <p>Group Manager – Strategic Housing</p> <p>Group Manager – Commissioning Procurement & Compliance</p> <p>Group Manager – Commercial Assets & Property</p> <p>Group Manager – Estates</p> <p>Team Leader – Commissioning Procurement & Compliance</p> <p>Lead Officer – Housing Development & Delivery</p> <p>HRA Accountant</p>
Background papers:	<p>Cabinet Report – 23 October 2012 "Update on Council Home New Build Programme – Phase 1"</p> <p>Cabinet Report – 30 April 2013 "Housing Revenue Account Business Plan Update"</p>
Glossary of acronyms and any other abbreviations used in this report:	<p><i>HSE – Health and Safety Executive</i></p> <p><i>CDM – Construction Design and Management Regulations</i></p> <p><i>JCT – Joint Contracts Tribunal</i></p> <p><i>HCA – Homes and Communities Agency</i></p> <p><i>NAHP – National Affordable Housing Programme</i></p> <p><i>HRA – Housing Revenue Account</i></p>

1. BACKGROUND

In April 2012 the Council agreed its 30 year Housing Revenue Account (HRA) Business Plan. It was a requirement following the introduction of Self Financing (replacing the HRA Housing Subsidy System) for Local Authorities with housing stock to have such a plan.

A new webpage has been created to update the public on the progress of the New Build Programme. This is located at www.dacorum.gov.uk/newbuild

2. PHASE ONE UPDATE

THE ELMS HOMELESS HOSTEL

41 Rooms & Ancillary Facilities



Pre-application planning advice was sought on the 9th May 2013, and a public consultation event took place on the 28th May 2013 at the Maylands Business Centre. Full planning permission was granted at the September Development Control Committee.

The procurement process to appoint a main contractor commenced in May 2013, with the first pre-qualification questionnaire stage closing in June 2013. The invitation to tender was sent to shortlisted bidders in July 2013, with tenders returned in September 2013. The contract was awarded to Durkan Ltd in September 2013 who have since taken possession of the site.

Increase to 41 Bed Homeless Hostel

Following the appointment of the project architects in January 2013, the hostel design concept was further developed and it was considered to be acceptable in principle to develop a four storey building (as opposed to a three storey building as originally proposed as part of the initial feasibility exercise).

A Proposal for a hostel with 41 bedrooms comprising four storeys and a basement were presented to the planning case officer as part of the pre-application planning advice application (REF – 4/00722/13/PRE). The planning case officer returned the following comments as part of their initial advice and guidance:

“The proposed development, although tall is considered to be acceptable in terms of height for several reasons. Firstly, it is noted that the four-storey maximum height is not repeated across the development. Rather there are two staggers in height with the southernmost section limited to single / one and a half storeys in height and the easternmost section of the northern main building three storeys in height. This staggers are critical in breaking up the bulk and mass of the building.”

Secondly, it is noted that the site is set slightly below the road and that the ground floor of the building has been dug below the existing levels. These factors would help to reduce the perceived height of the building.

Thirdly, it is noted that there a considerable number of semi-mature or mature trees along Redbourn Road and this would provide a softening and a screening of the development. Finally, it is recognised that there are equally tall buildings within the adjacent Industrial Estate, such as Viking House.”

The revised layout and size of the hostel to include 41 bedrooms was agreed by September Cabinet and has since been granted full planning permission and included in the main build contract.

Key dates:

- **NOVEMBER 2013** – Completion of the demolition and preparation phase
- **BY MARCH 2015** – Completion of the development

FARM PLACE, BERKHAMSTED

12 x 1 Bedroom Flats, 8 x 2 Bedroom Flats, 6 x 3 Bedroom Houses



The planning permission and intellectual rights were purchased from Aldwyck in January 2013. The Council has appointed an Employers Agent (Robinson Lowe Francis) to assist in transposing the technical work to date into a format, which has now been tendered over during Summer 2013. The site has full planning permission for 26 new Council homes.

Invitation to Tender (ITT) returns were submitted to the Council in August 2013. The main contract was awarded to Hill Partnerships in November 2013 and is currently on programme to complete in January/February 2015. The site has been hoarded to match the other Council developments, with sufficient hoarding to last the duration of the redevelopment.

The tender process asked contractors to provide a price for this development to be built to the Code for Sustainable Homes Level 4 standard. Hill's contract has included this clause, meaning that the new homes will be built to Code level 4, making them amongst the highest environmentally efficient dwellings in the Borough. The new homes will be built to this level and still come in under the original budget.

Officers have met with Hills to ensure that good relations are maintained with local neighbours throughout the duration of the build. Hills and the Council will engage with the local primary school and offer their pupils the opportunity to have an interactive presentation about construction provided by Hills at the school.

Key dates:

- **FEBRUARY 2014** – Completion of foundation works
- **BY MARCH 2015** – Completion of the development

GALLEY HILL, GADEBRIDGE

9 x 2 Bedroom Flats to 'Passivhaus' standard



Planning permission was obtained in January 2013 for the development of 9 Passivhaus flats at Galley Hill, Gadebridge. Architects and Engineers have been appointed to complete the further design work, and undertake detailed studies regarding the site, such as the ground condition (which is favourable for development).

This development is being built to the Passivhaus standard, providing very high levels of thermal efficiency to keep gas heating bills to around £100 per annum per property. Further information on Passivhaus is available at www.passivhaus.org.uk

Tender Process

The original tender process for the procurement of the main contractor to construct the new dwellings began in February 2013. Five contractors were shortlisted following evaluation of their skills, experience and qualifications to deliver the proposed Passivhaus homes. The second stage of the tender process started in July 2013 with the issue of more detailed documents. Within three weeks of the issue of documents, four of the five contractors withdrew from the process. It would not have been possible to demonstrate value for money or competitiveness with only one prospective bidder, and therefore the tender process was aborted on the 13th August 2013

The affordable housing construction market is currently experiencing a heightened level of demand. This is due to the lack of supply in the construction industry, which shrank rapidly as a result of the economic downturn of 2008. There is currently a considerable increase in the supply of work which contractors are able to choose from, as a result of the HCA's grant funding deadline of March 2015 for the completion of affordable housing development. Schemes which complete after March 2015 will not be eligible for grant funding from the HCA.

Galley Hill is a relatively small scheme of a highly complicated technical nature, which carries considerable risk for contractors who (under the proposed tender route) would have taken all responsibility for design under a JCT Design and Build contract.

Revised Tender Process

Officers have worked closely with the design team at Galley Hill to come up a revised proposal for the tender of the main contract. The revised tender process will use the JCT Standard Form of Contract as opposed to Design and Build. Both forms of contract are briefly explained below:

Design & Build Approach

The Design & Build approach for construction projects consists of the appointment of a designer & a contractor on the one side who take responsibility for all design and construction works and risk.

Traditional Approach

The traditional approach for construction projects consists of the appointment of a designer on one side, and the appointment of a contractor on the other side.

Using the traditional approach, the Council employs its own designers for the scheme, who will carry insurance for negligence. The Council then works with the contractor to sign off each stage of the development, maintaining complete control over all aspects of the build.

Feedback from contractors in the market has shown that there is considerable interest in this development using this method. Demolition was be arranged and carried out by the Council in October 2013 which marked the start of physical works on site, and ensured that the Council do not lose time on the completion of the scheme. These changes have slightly change the procurement timetable, but have not affected the key completion date of March 2015:

	Previous Date	New Date
Contract Award	Sep 2013	Nov 2013
Demolition	Oct 2013	Oct 2013
Complete Detailed Design	Dec 2013	Oct 2013
Site Preliminaries	Dec 2013	Dec 2013
Foundation Works	Jan 2014	Jan 2014
Completion	by Mar 2015	by Mar 2015

The use of this procurement route will mean that the Council pays an increased fee to its design team, rather than pay the main contractor to undertake the detailed design. The Invitation to Tender is currently with interested contractors who will return their prices to the Council in mid-November.

Key dates:

- **OCTOBER 2013** – Started on Site
- **JANUARY 2014** – Foundation works to start
- **BY MARCH 2015** – Completion of the development

LONDON ROAD, APSLEY

13 x 1 Bedroom Flats, 23 x 2 Bedroom Flats



The site has been acquired by the Council, and has been secured with hoarding and gates. The land is currently owned by the General Fund and the site will be appropriated as a whole to the Housing Revenue Account's ownership.

Several site investigations have been concluded and an ecology report has confirmed that there are no habitat/ecology concerns with regard to developing homes on this site. A full planning application was heard by the 8th August 2013 Development Control Committee who gave a resolution to grant the scheme planning consent subject to s106 agreement.

The tender for a main contractor began in June 2013. The first stage of the tender (the Pre-Qualification Questionnaire) concluded in September 2013, and the second stage of the tender (Invitation to Tender) began in October 2013. The total procurement process (including selection, interview and authorisation to appoint) will take 3-5 months with an appointment expected in November/December 2013.

The substation relocation will be undertaken outside of the main contract, to ensure the scheme is completed by March 2015. Work on relocating the substation has already begun with payments made to UK Power Networks in October and November 2013 to allow this work to progress.

Key Dates:

- **AUGUST 2013** – Planning consent granted
- **NOVEMBER/DECEMBER 2013** – Start on site
- **MARCH 2015** – Practical Completion