



CABINET AGENDA

TUESDAY 13 DECEMBER 2016 AT 7.30 PM
DBC BULBOURNE ROOM - CIVIC CENTRE

The Councillors listed below are requested to attend the above meeting, on the day and at the time and place stated, to consider the business set out in this agenda.

Membership

Councillor Williams (Leader)
Councillor Griffiths (Deputy Leader)
Councillor Elliot

Councillor Harden
Councillor Marshall
Councillor G Sutton

For further information, please contact Michelle Anderson or Member Support

AGENDA

20. NEW BUILD PROGRAMME UPDATE (Pages 2 - 18)



Report for:	Cabinet
Date of meeting:	13 December 2016
Part:	Part 1
If Part II, reason:	

Title of report:	Council New Build Programme Update
Contact:	Margaret Griffiths, Portfolio Holder for Housing Julia Hedger, Housing Development Group Manager Elliott Brooks – Assistant Director - Housing
Purpose of report:	To provide a full update on the Council New Build Programme
Recommendations	1. To note progress of the Council New Build Programme That Cabinet 2. Recommend to Council the approval of a supplementary estimate to fund a consultancy budget of £50,000 to develop plans to build new homes on 2 garage sites at Westerdale and Northend garage sites (as detailed in the report, subject to securing planning permission).
Corporate Objectives:	Delivering Affordable Housing
Implications:	<u>Financial</u> A detailed breakdown of the tendered costs for Stationers Place is included in the additional Part II report.
'Value For Money Implications'	<u>Value for Money</u> This has been achieved through a successful procurement programme.
Risk Implications	Risk Assessment completed within the New Build Project

	<p>Initiation Document (PID) and updated on Corvu on a monthly basis.</p> <p>A risk assessment is completed for each site by the Employers Agent and reviewed monthly from the award of the contract.</p>
Equalities Implications	Equality Impact Assessment completed as part of the Development Strategy – Building for the Future.
Health And Safety Implications	Each new build scheme has in place a Principal Designer as required under the Construction Design and Management Regulations. Contractors are required to comply with the Council's H&S policy along with Considerate Constructors requirements.
Monitoring Officer/S.151 Officer Comments	<p>Monitoring Officer:</p> <p>No comments to add to the report.</p> <p>Deputy S.151 Officer</p> <p>The recommendations in this report require the approval of supplementary estimate of £50k to undertake the feasibility and associated work to progress the potential garage development scheme. This can be funded through the release of Section 106 funds already held by the Council.</p>
Consultees:	<p>Mark Gaynor, Director of Housing & Regeneration</p> <p>Richard Baker, Group Manager, Financial Services</p> <p>Andrew Linden, Team Leader, Commissioning, Procurement & Compliance</p>
Background papers:	HRA Business Plan September 2015
Glossary of acronyms and any other abbreviations used in this report:	

1. Introduction

- 1.1 Dacorum Borough Council's Development Strategy - New Council Homes 2013-2020 '**Building for the Future**' was approved by Cabinet in December 2013 and sets out the Council's ambitious plans for the Council New Build Programme. The Council completed the first three new build developments in Summer 2015, with a further two developments completed in Summer 2016.
- 1.2 This report is to provide a full update on the current development programme and also seeks approval for a consultancy budget of £50,000



3. Stationers Place, London Road, Apsley

- 3.1** This is a 31 flat development which will deliver 10x 1 bed & 21x 2 bed new Council homes for rent.
- 3.2** The Council received pre-application planning advice for a scheme of 31 unit scheme in July 2015. A formal response was received and the architect revised the drawings based on this response. A full planning application was submitted in October 2015, after completing a revised flood risk assessment and a Hydraulic Modelling exercise as requested by the Environment Agency and our specialist consultant.
- 3.3** Full planning permission was granted in March 2016.



3.4 Procurement and Tender process

3.4.1 The full procurement and tender process with the proposed award of building contract is set out in the Part II Cabinet report.

- Start on site – February 2017
- Practical completion estimated – March 2018

4. Wood House, Maylands Avenue, Hemel Hempstead.

4.1 Situated in the Heart of Maylands this project forms an important part of the regeneration of the overall area. This is the largest project to date in the new build programme and comprises a 79 unit development, 42 x1 bedroom flats, 37x 2 bedroom. The Council appointed RG&P as architects in February 2015. The architects submitted a scheme to planning in September 2015, with planning permission granted in March 2016. The development will provide 79 units, 40 shared ownership and 39 social rented.

4.2 At the Cabinet meeting in November 2015 it was agreed the ground floor units of the development would be used for an extension of the Maylands Business Centre and provide office space for new businesses.

4.3



4.4 Procurement process

- 4.4.1 The tender documents for the appointment of the main contractor at Wood House were issued in January 2016. As the estimated construction cost was over £10m an OJEU compliant tender process was required. Following a review of the options it was decided to use a restricted procedure with separate pre-qualification (PQQ) and Invitation to Tender (ITT) stages.
- 4.4.2 Each invite to tender (ITT) return has been scored in line with the scoring methodology set out in the ITT documentation. The scoring was completed by the Housing Development Team and the Council's Employers Agent (John Lester Partnerships).
- 4.4.3 The form of contract for this appointment will be an amended Joint Contract Tribunal (JCT) 2011 Design and Build Contract, as provided by Eversheds in their capacity as legal advisers for the Council's New Build Programme. A draft copy of this contract was included in the ITT documentation.
- 4.4.4 A Design and Build Contract was selected as the Council are able to establish the financial commitments prior to works commencing, providing that changes are not introduced during the project.

4.5 Tender returns

- 4.5.1 The Council received 3 tender returns. The level of tender returns received indicated that a competitive level of tendering was achieved.
- 4.5.2 A financial assessment was carried out by the Council's Finance Department based on the bidders set of accounts (last 3 financial years) and a credit reference report. The recommended successful bidder passed this financial assessment.

4.5.3 The quality assessment related to technical merit and business capability. This assessment equated to 20% of the overall marks available. (10% for technical and 10% for business capability). A summary of all marks awarded by the evaluation team for the pricing, quality and technical assessments is included as an appendix to this report.

4.5.4 Following the analysis, subsequent interviews and meetings to agree to further contract qualifications on ground conditions and services it is recommended and agreed by Cabinet in August 2016 that **Jarvis Contracting Ltd** was awarded the build contract on the basis of a 75 working week build, with a lead in period of 8 weeks.

4.5.5 Estimated Timescales:

- Start on site – November 2016
- Estimated Practical completion – Spring/Summer 2018

5. Swing Gate Lane

This development will deliver 12 new Council homes - 6X1 bedroom flats, 3X2 bedroom flats and 2X2 bedroom houses and 1x 1bed house.



5.1 Planning permission for an 11 unit development was granted in June 2015. The Council purchased the site from a private developer in May 2016.



5.2 The Council are currently reviewing the planning permission and are likely to seek an adjustment to the current plans and submit a change to the existing units on the site. It is proposed the scheme will be 6 x one-bed flats, 3 x two-bed flats (all new builds, built to the current planning permission) with conversion of the current properties on site to 2 x two-bed houses and 1x 1bed house. This option ensures the current frontage onto the high street does not change.

5.3 The Council is currently out to tender for the building contractor for the new build part of this scheme with an additional requirement to provide proposals and costs for the separate conversions (subject to them achieving planning permission). The tender closes on 16th November. They will be reviewed during December with a recommendation to award a contract for the new build part of the scheme to Cabinet in January 2017. Once the contract has been awarded for the new build, the final designs for the converted units will be completed (as part of the design and build contract for the new builds) and submitted to planning for consideration.

5.4 Estimated Timescales –

- Recommend the award of the build contract at January 2017 Cabinet
- Start on site summer 2017
- Completion summer 2018

6. Martindale School, Boxted Road, Hemel Hempstead, HP1 2QS

6.1 The Council purchased the site from Hertfordshire County Council in May 2015. The scheme had already received outline planning permission for 43 units in February 2015. The Council appointed PCKO as architects in October 2015. PCKO are further developing the scheme designs to potentially increase the number of units to be provided on the site.

6.2 Martindale School had not been occupied for several years and the building was in poor condition. In order to mitigate health and safety issues the Council needed to demolish the existing buildings. The Council appointed DSR as the demolition contractor in October 2015. Demolition works started on site in October and were completed before Christmas 2015.

6.3 The Council tendered for an Employers Agent for this scheme in Autumn 2015. Three were invited to interview with the contract being awarded to Welling Partnership.

6.4 The planning application is about to be submitted for consideration and comprises of 65 new homes;

33 proposed for outright sale – 17x 2 bed houses and 16x 3 bed houses
32 new Council homes for social rent – 19 flats (14x 1 beds & 5x 2beds) plus 5x 3 bed houses and 8x 2 bed houses.

6.5 Further work is required to the HRA business plan to understand the impact of the proposed changes to numbers and the tenures. Further information will be brought to Cabinet at a later date on these proposals for discussion and decisions.





Current estimated timescales:

- Start on site – April 2018
- Practical completion – December 2019

7. New Build Schemes which have been completed to date

7.1 St Peters Court, The Nokes, Hemel Hempstead



9x 2 bed flats for rent were completed in May 2015. Tenants moved in within a week of the building being completed. The twelve month defect period has been completed in the summer of 2016 with no issues with the building identified. The external parking area which is paved does need to be relayed and this work will be completed shortly by the original contractor as a defect.

Tenants are receiving reduced bills due to the nature of the pasivhaus building. A full report will be available after 2 years of being tenanted which

will provide the Council with up to date efficiency savings information. This report will be brought to Cabinet in due course for information.

7.2 Farm Place, Berkhamsted.



26 new Council Homes were completed in June 2015. Tenants moved in within a week of the building being completed. The twelve month defect period has been completed during this summer with very minor issues identified; with almost all of these completed to date. There are 2 trees in the court yard waiting for replacement and the development sign board at the front of the development needs to be removed. The final retention payment has not yet been paid to the contractor Hill Partnerships, and will not be paid until all the defects work has been completed. If the work is not completed within the next 3 months the retention payment is withheld and used to fund the outstanding defect work.

7.3 The Elms Homeless Hostel



The Elms is a 41 bed homeless hostel for predominantly single people either with or without a defined priority need (under the homelessness legislation) with a local connection to the Dacorum area. There is also the facility for emergency crash pad to allow any street homeless to have a bed for the night as part of the governments “no second night out” initiative. A local connection is not required for the crash pad; however DENS are successful with assisting applicants without a local connection to the area.

The 41 bedrooms all have en-suite bathroom and there are communal lounge and games area. There is a large kitchen which provides breakfast and a hot evening meal to the residents. There is a very succesful allotment garden at the rear of the building.

DENS were appointed as the managers of the building following a successful tender process. DENS provide regular performance information to the Startegic Housing Team as part of their contract requirements. The

Elms has been more than 95% occupied since it opened and has been a very helpful resource to the local community.

7.4 Aspen Court, London Road, Apsley



London Road, Apsley

This development provided 36 new Council homes and 2 retail units. There are 9x 1 bedroom flats, 24x 2 bedroom flats.

The scheme had experienced delays due to an electricity substation and live cables on the site. The old substation was decommissioned and the new substation constructed. The ground works started on site in January 2015 and was completed in July 2016.

There were some additional delays at the end of the contract with problems with the boilers which were installed and delays with the S278 highways work. The boilers were replaced before handover of the building with them all being fully checked by the Councils contractor – Sunrealm. The S278 works are still to be completed but are estimated for completion in January 2017. This includes the removal of the concrete blocks in Sealy Way and the closure of Storey Street to through traffic.

The Housing management team will be installing bollards and a barrier to the car parking area in early 2017 to stop traffic using the car park as a cut through in the area and to enable only residents to use the car park.

Residents moved in over a 2 week period at the end of July. Feedback to date on the size and quality of the flats has been positive from residents.

The defects period for the internal buildings will end in July 2017, although the external areas (which include the s278 works) will continue to January 2018.

7.5 Elizabeth Court, Queen Street, Tring



Elizabeth Court, Queen Street, Tring

This development provided 5 new Council homes for rent; 1x3 bedroom house, 4x2 bedroom flats.

Planning permission was obtained in February 2015 for the development of five units. The procurement process to appoint the main contractor began in late 2014, however due to a lack of response to the first tender issued, the tender documents were re-issued in February 2015. The tender returns were assessed with Modplan awarded the contract in June 2015.

Work began on site in September 2015; there were some initial issues with the ground conditions and the site was decontaminated. Once the foundations began there were no major issues with the build.

Work completed in September 2016, with residents moving in within one week of completion. Feedback again from residents has been very positive with regard to design and quality of the homes.

8.0 Garage Redevelopment proposal – Westerdale and Northend garage sites, Hemel Hempstead.

Background

The Council has identified 2 garage sites as part of the garage asset strategy for redevelopment of new housing. The Housing Development Team are

currently working on a financial appraisal for the 2 sites to consider re-development for new temporary accommodation units.

Westerdale proposed site



Northend

Several of the properties have pedestrian access to the edge of the garage block, which will need be considered.



The land is currently a general fund asset and any new housing built on the land would remain a general fund asset.



Initial design proposal for Westerdale

The 2 sites are likely to be redeveloped in tandem to deliver 10x 2 bed flats at Westerdale and 4x 2 bed flats at Northend. Parking on a 1-1 basis would be provided and details would be provided as part of any planning application. The indicative plan above for Westerdale currently shows what may be possible to be delivered on this site. This has enabled estimated costs to be assessed also.

To progress the possible redevelopment of these schemes a consultancy budget of £50,000 is required to enable site surveys to be progressed together with the feasibility study and the new planning applications. It is proposed the £50k will be funded from S106 funds that can be released pending approval by COuncil. The aim is to try and start building on site in Q1 17/18. The full budget to redevelop the 2 sites is subject to the full budget approval process for 17/18 budgets.

It is proposed if the schemes are able to be developed as currently suggested a further update would be provided for Cabinet at a later date. The re-development proposals are subject to receiving full planning permission which will include public consultation including local ward members.

The report recommends the approval of a supplementary estimate for the consultancy budget of £50,000 for the feasibility reports, site surveys and to submission of planning permission to construct 14 new Council homes at Westerdale and Northend garage sites – Hemel Hempstead.