

**Council House Building Programme Phases 1 and 2  
Progress Report April 2014****Report by Garry Sheret, Head of Property & Facilities Management****1 Purpose of Report**

The purpose of this report is to provide Cabinet with an update on the progress made on the Council's Housing Building Programmes.

**2 Background**

A separate progress report was also submitted to the Performance Review and Scrutiny Committee on 29 April 2014 and included information on Housing Supply, Housing Demand, Phases 1 and 2 Development progress.

**2.1 Housing Phase 1**

Phase 1 of the Council Housing Programme has provided 864 additional Council Homes within the Midlothian area over a period of 7 years and with a total budget of £108.7m. Construction works are completed and 4 sites remain in defects liability period.

A separate joint report was presented to Cabinet on 22 April 2014 by the Director, Corporate Resources and Joint Director, Health and Social Care regarding emissions at Newbyres Crescent, Gorebridge. Further reports will be considered at future meetings of the Council.

**2.2 Council Housing Phase 2**

Phase 2 of the Council Housing Programme aims to deliver the maximum number of social homes within Midlothian over the next 4 - 5 years within the approved development budget of £63.7m. There are currently 2 completed sites now within defects period.

Table 1 details the preferred mix of house sizes for the initial identified sites.

Table 1: Preferred Housing Mix for Phase 2 Sites

Site	Settlement	1 Bed	2 Bed	3 Bed	4 + Bed	Total
Site 37 Eastfield Drive*	Penicuik	28	22	9	3	62
Site 2 Woodburn Road*	Dalkeith	-	14	-	-	14
Site 9 Craigiefield	Penicuik	12	2	3	-	17
Site 18 Eastfield Drive	Penicuik	6	11	-	-	17
Site 42 Jackson Street	Penicuik	6	8	-	-	14
Site 60 Edgefield Road	Loanhead	16	18	5	-	39
Site 108 Polton Street	Bonnyrigg	18	-	-	-	18
Site 41 Eastfield Farm Rd**	Penicuik	12	-	-	-	12
Site 101 Old Edinburgh Rd	Penicuik	-	10	6	-	16
Site 47 Kirkhill Rd	Penicuik	10	18	7	-	35
Site 57 Rosewell Rd	Bonnyrigg	30	28	11		69
Site 51 Stobhill Road	Gorebridge	34	29	12	3	78
Total		172 (44%)	160 (41%)	53 (14%)	6 (<2%)	391

\*These sites are now completed.

\*\* Site 41 accommodation numbers reflect the Complex Care specification.

## 2.3 Framework Tender

Following the review process of Pre Qualification Questionnaires seven Contractors were shortlisted and Invitations to Tender were issued on 4 October 2013.

The Contractors invited to Tender were:

- CCG Scotland Ltd
- Hadden Construction Ltd
- Hart Builders (Edinburgh) Ltd
- J Smart & Co Ltd
- Lovell Partnerships
- McTaggart Construction Ltd
- Wates (Scotland) Construction

To accommodate as many contractors as possible including small and local contractors the Framework of projects was organised across 3 Lots based on tender value. In relation to the Tenders issued this comprised the following sites:-

Table 2: Framework Tendered Lots

Lot	Size	Details	Units
Lot 1	Small	Site 42 Jackson Street, Penicuik (with Planning Approval)	14
		Site 108 Polton Street, Bonnyrigg	18
Lot 2	Medium	Site 9 Craigiefield Crescent, Penicuik (with Planning Approval)	17
		Site 18 Eastfield Drive, Penicuik (with Planning Approval)	17
Lot 3	Large	Site 51a Stobhill Road, Gorebridge	78
		Site 60 Edgefield Road, Loanhead	39

During the tender period a total of 43 queries were received on a variety of subjects, the most prominent being several requests to extend the submission deadline beyond the planned date of 12 December 2013. To maintain competition and receive valid tenders for the Council, it was agreed to extend the submission deadline to 23 January 2014 in the first instance.

Furthermore to respond fully to contractors queries and clarify relevant matters a Bidders Meeting took place on 12 December 2013. Three contractors participated and feedback from this was productive from each of these contractors.

Following the Bidders Meeting further requests to extend the deadline were received. Accordingly to maintain alignment with the Council's intended delivery programme an extension no later than the end of February 2014 was granted.

Final submissions were therefore subsequently received on 27 February 2014 from 2 contractors:-

- CCG Scotland Ltd
- Hart Builders (Edinburgh) Ltd

## 2.4 Tender Evaluation

The exercise is primarily in relation to establishing the framework and also to use this assessment to progress with Contract Award subject to Contractors Proposals and values being acceptable to the Council. These tenders require evaluation of both quality and price in relation to Contractors Proposals responses.

### **Quality (70%)**

Quality evaluation was carried out internally, using a matrix process with consensus scoring. Queries were raised with the Contractors during the process and responses have been received and final scores thereafter compiled based on the information provided.

### **Price (30%)**

In order to maintain a procurement requirement for Quality and Price to initially be kept separate. Queries arising from this were issued to the Contractors and some responses received. Price checking was carried out by external provider (Hardies LLP).

This information has been used to establish a score which combines quality and price together.

### **Tender Report**

The Framework Tender report is now complete and subject to no objections being received based on procurement requirements of an OJEU related to the standstill period allowed for in the programme, will be concluded in May 2014.

Both of the Contractors (CCG Scotland Ltd and Hart Builders (Edinburgh) Ltd) have now been notified that they are to be appointed to the Framework.

The Council are continuing to work with these Framework Contractors to develop separate site by site Contract Awards and targeting a start on each site as early as possible.

## **2.5 Construction Delivery Programme**

As part of the Framework tender returns the contractors were requested to submit programmes for each of the 6 sites tendered.

Subject to final contract details indications are that construction work could commence in June 2014 for:

- Site 9 - Craigiefield Crescent, Penicuik
- Site 42 - Jackson Street, Penicuik
- Site 18 - Eastfield Drive, Penicuik

At this stage the Council are close to identifying which Contractors are leading in the process in relation to each of these sites as separate contracts. This is being progressed as a priority towards finalising award of contracts for each separate build through the Framework and to align with intended start of construction in June 2014.

The remaining 3 other separate sites tendered at this stage and listed below will be developed on a staged contract award with start on site/completion aligned with the overall programme, but subject to the Contractors Proposed Programme/Methodology.

- Site 51a - Stobhill Road, Gorebridge
- Site 60 - Edgefield Road, Loanhead
- Site 108 - Polton Street, Bonnyrigg

Appendix A indicates the development programme following information received from the Contractors during the Framework tender process.

## **2.6 Sites 9, 18 and 42 Generic Standard Property Types**

The Head of Customer and Housing Services has confirmed and agreed with the mixes for these sites.

Previous consultations involving Housing provided approval for the House/Flat Type designs and overall proposals for each of these sites.

Planning Consents:

- Site 9 (Craigiebiel, Crescent, Penicuik) - May 2013 Planning Committee
- Site 18 (Eastfield Drive, Penicuik) - August 2013 Planning Committee
- Site 42 (Jackson Street, Penicuik) - August 2013 Planning Committee

Design Principles for Standard generic House/Flat Types for all Phase 2 sites have also been agreed with Planning and Building Control and are included in the Council Framework Tender Requirements.

## **2.7 Sites 51a, 60 and 108**

The Head of Customer and Housing Services has also agreed the mixes for these sites.

Topographical Surveys were carried out at the following locations:-

- Site 51a (Stobhill Road, Gorebridge)
- Site 60 (Edgefield Road, Loanhead)
- Site 108 (Polton Street, Bonnyrigg)

Site Investigation surveys for Sites 51a and 60 were completed during November 2013 and final reports issued in December 2013 to the Framework Tenderers.

### **Site 108 (Polton Street, Bonnyrigg - previously Bonnyrigg Library)**

Following Demolition Works in January 2014, the Site Investigation survey work commenced. This information was not available during the framework tender period due to the timing of the demolition and time required to start and complete the Site Investigation work. This information has subsequently been provided to the Contractors for assessment in relation to their Tenders.

Prior to separately awarding sites 51a, 60 and 108 there will be a period of time working with Contractors to prove their Contractor Design Proposals and obtain necessary consents before construction can start. This will also potentially allow the Council to either confirm and finalise or to make any adjustments to the requirements for each of these sites.

## **2.8 Houses for Heroes**

This Charity for housing disabled ex Service personnel in Scotland has approached the Council to identify possibilities of providing a location which could accommodate around eight houses within Midlothian. Houses for Heroes have indicated that they would like to have a location within Penicuik due to the proximity of the Garrison located there. Two sites were initially investigated for feasibility, these being:

- Site 101 (Old Edinburgh Road, Penicuik)
- Site 47 (Kirkhill Road, Penicuik)

It should be noted both these sites are on the Council's agreed preferred list of sites for Mainstream Housing.

A number of sketch Site layouts for Houses for Heroes on each of the above locations have been issued for discussion with colleagues within the Council.

Discussions are ongoing separately regarding the Houses for Heroes. The latest meeting was on 8 May 2014, discussions included: grant funding options; site layout options and indicative development costs in relation to Site 47.

## **3 Complex Care**

Site 41 (Eastfield Farm Road, Penicuik) has been identified by Social Work as the preferred location for a 12 person housing cluster unit. A Feasibility Study was completed in December 2013 and issued to Social Work to assist.

A Cabinet Report was submitted in February 2014 by Joint Director, Health and Social Care in relation to this which was subsequently approved.

It should be noted that this site is also on the agreed, preferred list of sites for Mainstream Housing.

Further discussions with Health and Social Care colleagues are ongoing to assist consideration of how to progress the option for Complex Care.

## **4 Overall Outline Programme**

Appendix A has been further updated following the need to extend the tender deadline return date referred to in 2.2 and this also reflects the previous agreement to develop Site 51 in two phases.

## **5 Report Implications**

### **5.1 Resource**

All the costs of employing the necessary staff resources are included in the approved budgets for the two phases of Council housing programme.

### **5.2 Risk**

A programme-wide risk register was prepared and was last updated in February 2014 will be maintained. Separate Risk Registers and Issues Logs for each of the individual Builds will also be utilised.

### **5.3 Single Midlothian Plan and Business Transformation**

Theme addressed in this report:-

- Adult health and care
- Sustainable Growth and Housing

### **5.4 Impact on Performance and Outcomes**

The proposed works support the Council's Local Housing Strategy and accord with Midlothian Council's Corporate Priority; Objective 1a.

### **5.5 Adopting a Preventative Approach**

Whilst reprogramming of the milestone dates has taken place this has been developed in a manner which avoids an extension to the end of project timescale.

### **5.6 Involving Communities and Other Stakeholders**

Consultations internally and externally were carried out with appropriate stakeholders ensuring input/comment on the proposed Layouts/House Types and mixes.

## **5.7 Ensuring Equalities**

This report is not proposing any new services, policies, strategies or plans (or significant changes to or review of them) and therefore has not been assessed for equalities implications.

## **5.8 Supporting Sustainable Development**

The new build housing programme will comply with all current building regulations and follows best practice in line with the Council's policies on the environment.

## **5.9 IT Issues**

The Council intends utilising (BIM) Building Information Models to assist the delivery programme. BIM models are in place for the generic House and Flat Types and also for sites 9, 18 and 42.

The Phase 2 council house project is spearheading the use of BIM internally and with the external design contractors.

The project is also an online data collaboration system (called Huddle). This is intended to allow for instant transferring of large scale files between the teams.

Huddle was selected following review by the Council's IT section of the market available products, this review ensured the system meets the Government encryption level requirements.

## **6 Recommendations**

Cabinet is requested:

- a. to note the progress updates on Phases 1 and 2.
- b. to note the continued efforts by the Project Team on having achieved establishing the Framework Appointments and progress towards arranging Contract Awards for the initial sites.
- c. to note the necessity that existed to extend the Tender Return submission dates to maintain Contractor involvement.
- d. to note the progress updates on:
  - a. Site 41 (Eastfield Farm Road, Penicuik)
  - b. 51a (Stobhill Road, Gorebridge)
  - c. 60 (Edgefield Road, Loanhead)
  - d. 108 (Polton Street, Bonnyrigg)



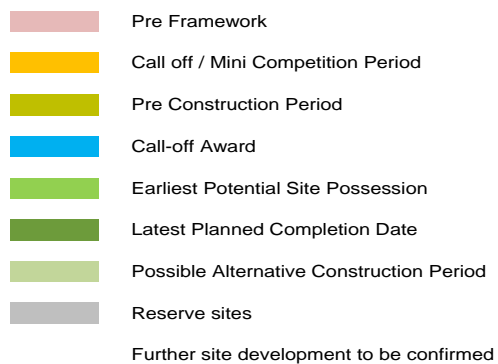
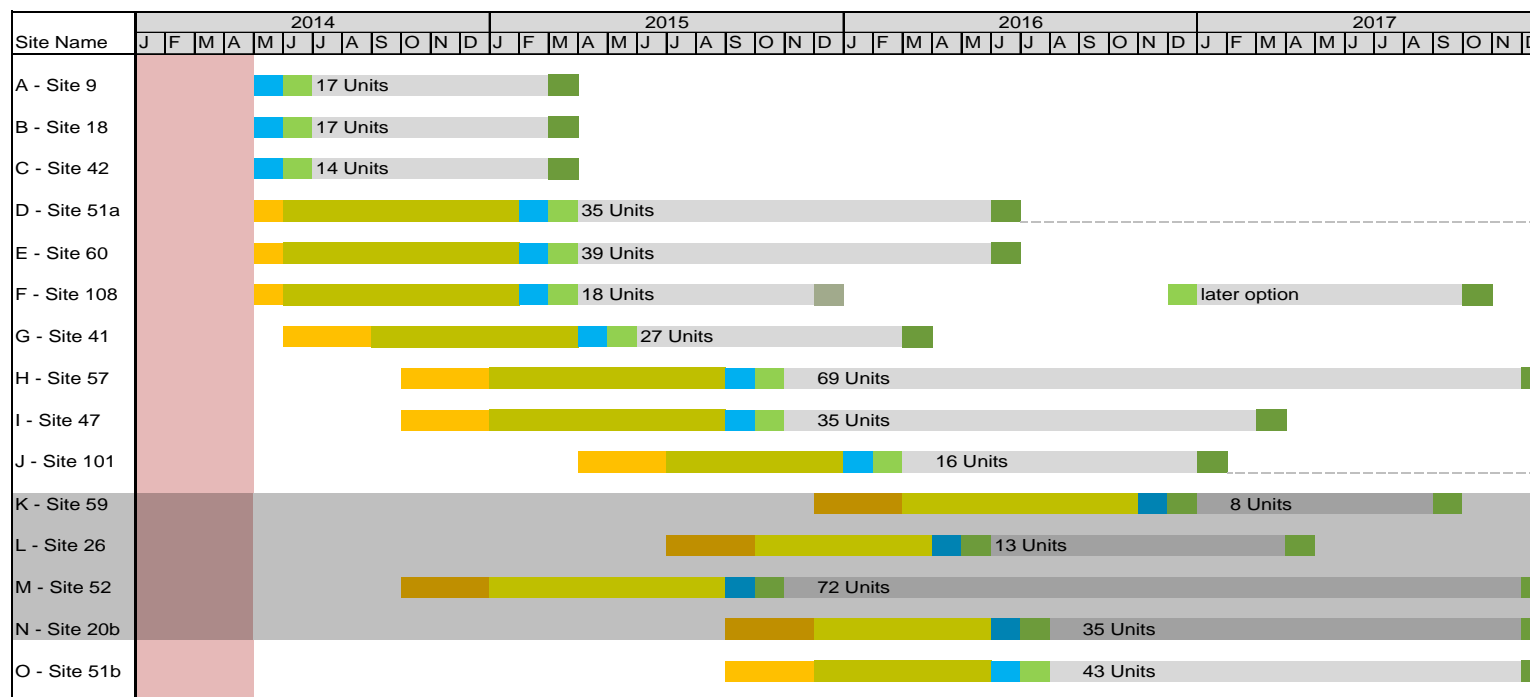
- e. to note the relationship of Complex Care, Houses for Heroes and Site 101 in relation to other project initiatives alongside the list of Preferred Development sites for Phase 2 Council Housing.
- f. to note the intention to receive further updates at future meetings.

#### Appendix A - Overall Outline Programme

**19 May 2014**

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**Contractor Framework  
Potential Development Programme (for all lots)**



## Notes:

1. Programmed dates are subject to change and Council approval.
2. The number of units are based on current Housing mixes and are subject to change.
3. Specific sites identified are not guaranteed and may be subject to change.
4. Call off Awards are subject to acceptable tenders and legal requirements being achieved within timeframe.