

ITEM No ...3.....

REPORT TO: HOUSING COMMITTEE – 11 JANUARY 2016
REPORT ON: HILLTOWN REGENERATION - REDEVELOPMENT OF DERBY STREET
REPORT BY: CHIEF EXECUTIVE
REPORT NO: 16-2016

1 PURPOSE OF REPORT

1.1 This report seeks approval for the Council to procure the design and construction of the new build Council and Fleming Trust housing units at Derby Street via an award of contract through the Scape Framework.

2 RECOMMENDATION

2.1 It is recommended that the Committee approves the Council award a contract under the Scape Framework for the construction of new build housing at Derby Street, Hilltown, Dundee.

3 FINANCIAL IMPLICATIONS

3.1 Provision has been made within the five year Housing Revenue Account Capital Plan for the funding necessary to undertake the project.

4 BACKGROUND

4.1 The Hilltown Physical Regeneration Framework (Committee Report 661-2007 Article I, Planning & Transport Committee 14 January 2008 refers) sets out the vision for the Hilltown that it will be a popular, safe, and attractive place to live with a positive identity. The design and layout of new areas of housing and open space will ensure that the communities will be sustainable, inclusive and well connected socially as well as physically with neighbouring communities. Significant progress has been made in the regeneration of the former housing sites in the Hilltown. The delivery of 77 units of new social rented housing by the Council and Hillcrest Housing Association is being tendered for a site start early 2016. Plans are well advanced for the remaining part of the Alexander Street site to be re-developed for new school, community and NHS facilities.

4.2 The redevelopment of the Derby Street site for housing is now being planned in line with the vision contained within the Framework. The site is likely to have capacity for up to 120 units of housing and investment around £15 million dependant upon the types and design of the units provided to meet housing needs. New build social rented housing on the Derby Street site has been prioritised within the current approved Strategic Housing Investment Programme (SHIP) 2014-2019 by the Council from 2016/17. There is provision within the HRA Capital Plan 2015-2020 for increasing the supply of Council Housing. The Council is currently consulting on a rent increase for 2016/17 which would provide an additional £6 million for new council housing (Committee Report 381-2015. Article II, Housing Committee 26 October 2015 refers). The Fleming Trust is implementing a new build programme of £2 million from 2016/17 (Committee Report 306-2015, Article II(b) City Council as Fleming Trustees 14 September, 2015 refers).

4.3 In order to ensure best value in terms of planning, design, procurement and construction of the new housing there would be clear benefits in using Scape System Build Ltd (“Scape”) Framework Agreement for delivery of the project. The benefits would include:

- Single point responsibility for delivering the Council/Fleming Trust new build units over shortest timescale
- Allows opportunity to masterplan the overall development
- Facilitates efficient management of construction resources
- Ensures cost efficient procurement and economies of scale

Scape System Build Ltd (“Scape”) is a Local Authority controlled company wholly owned by Derby City, Derbyshire County, Gateshead, Nottingham City, Nottinghamshire County and Warwickshire County Councils in equal shares.

Scape was formed under section 95 of the 2003 Local Government Act and incorporated 21 December 2005, and began trading 1 April 2006. Scape acts as a Contracting Authority and Central Purchasing Body as defined in the EU Procurement Directives.

Scape sought bids for the “Scape National Major Works Framework” (“the Scape Framework”). The only successful tenderer was a consortium being Willmott Dixon Capital Works Limited and Willmott Dixon Holdings Limited (as Guarantor). There were also three sub-contractors named one of which was Robertson Construction Group Limited.

4.4 The advantages of using the Scape Framework include:

- utilising Robertson Construction Group Limited’s expertise during design process assisting with cost certainty and value for money
- open book tendering
- commitment to maximising use of local sub-contractors
- commitment to deliver other community benefits

It has been confirmed by other Scottish Councils such as Highland and West Dunbartonshire, that they are currently successfully delivering projects via the Scape Framework. Dundee City Council already uses the Framework for the construction of new schools within the City.

4.5 Accordingly, the Committee’s authority is sought to procure the design and construction of the housing units at Derby Street via an award of contract through the Scape Framework to Willmott Dixon Capital Works Limited with Willmott Dixon Holdings Limited as Guarantor. In turn the performance obligations of the contract will then be sub-contracted to Robertson Construction Group Limited with a report back to Committee on the details in due course.

5 POLICY IMPLICATIONS

5.1 This Report has been screened for any policy implications in respect of Sustainability, Strategic Environmental Assessment, Anti-Poverty, Equality Impact Assessment and Risk Management.

There are no major issues.

6 CONSULTATIONS

- 6.1 The Executive Director of Corporate Services and Head of Democratic and Legal Services and all other Chief Officers have been consulted on the preparation of this report. No concerns were expressed.

7 BACKGROUND PAPERS

- 7.1 None.

David Martin
Chief Executive

16 December 2015

