

**REPORT TO: HOUSING, DUNDEE CONTRACT SERVICES AND ENVIRONMENT SERVICES COMMITTEE - 7TH DECEMBER 2009**

**REPORT ON: PROVISION OF NEW BUILD COUNCIL HOUSING**

**REPORT BY: CITY ARCHITECTURAL SERVICES OFFICER**

**REPORT NO: 592-2009**

**1. PURPOSE OF REPORT**

1.1. The purpose of the report is to seek Committee approval to appoint three preferred contractors to provide the individual projects with a total of 74 new houses within the current phase of the new build Council Housing programme.

**2. RECOMMENDATIONS**

2.1. It is recommended that Committee approve the appointment of Muirfield Contracts, Stewart Milne Construction and Brown Construction as the contractors to deliver individual new build Council housing projects under the partnership model and to the Agreed Maximum Price levels (AMPs) detailed within the report.

**3. FINANCIAL IMPLICATIONS**

3.1. The Council has approved capital expenditure of £14.28 M. to provide new build Council houses. This consists of £2.38 M. actually incurred in 2008/09 and £11.9 M. within the Three Year Capital Estimates 2009/10 to 2011/12. The Council has also secured £800,000 funding from the Scottish Government in 2009/10 to assist in the provision of wheelchair housing.

**4. MAIN TEXT**

**4.1. Background**

4.1.1. Report No. 624-2007 (10th December 2007) agreed the provision of 135 new build Council houses. Provision has been made within the HRA Capital Budget 2009/10 - 2011/12 approved on the 1st July 2009 for the expenditure. On 9th March 2009 Committee agreed Report No. 142-2009 approving a developer partnership model and open market purchases, where properties meet the necessary criteria, as the mechanisms for delivering new build Council housing.

The Developer Partnership Model provides the following benefits to the Council:

- The Council can achieve best value by providing sites for development.
- The Council will specify the house types/sizes and housing mix for the sites.

- The Council will specify the design standards and ensure that high quality houses are provided that reflect both Life Time Homes and BREEAM Eco Homes criteria.
- The Council will be capable of providing houses within a relatively short development period thereby maximising delivery within timescales.
- Construction costs will be minimised by the use of standardised house types to ensure value for money.
- Disability access requirements within individual households can be incorporated in the designs.

#### 4.2. **Appointment of Preferred Contractors**

- 4.2.1. In order to ensure that there is suitable provision across the city a number of diverse sites have been identified. The site mix and value is listed under 4.2.4.
- 4.2.2. Architectural Services Division sought expressions of interest from eight contractors from the Council's Select Tender list for the development of the new build houses in line with Council Standing Orders. Submissions were received from seven contractors.
- 4.2.3. A comprehensive quality/price assessment matrix process has been developed to select preferred contractors to provide new build Council houses under the developer partnership model by a design and build process.
- 4.2.4. The tender evaluation process has shown that the preferred contractors are Muirfield Contracts, Stewart Milne Construction and Brown Construction.

<b>Contractor</b>	<b>Sites</b>	<b>No. of units</b>	<b>Housing Mix</b>	<b>AMP</b>
Muirfield Contracts	Ettrick Crescent	11	1 x 2-bed house 8 x 3-bed houses 2 x 2-bed wheelchair houses	£1,137,741
Muirfield Contracts	Liff Road	2	2 x 2-bed wheelchair houses	£ 250,000
Muirfield Contracts	St Leonards Place	20	9 x 3-bed houses 7 x 2-bed wheelchair houses 2 x 3-bed flats 2 x 3-bed wheelchair flats	£2,220,000
Brown Construction	Mains Loan (S)	10	2 x 2-bed houses 5 x 3-bed houses 2 x 2-bed wheelchair houses 1 x 3-bed wheelchair house	£1,215,500
Brown Construction	Dundonald Street	2	2 x 2-bed wheelchair houses	£ 250,000
Brown Construction	Balunie Avenue	2	2 x 3-bed wheelchair houses	£ 250,000

Stewart Milne Construction	Alloway / Mossgiel	23	8 x 3-bed houses 4 x 3-bed flats 6 x 2-bed wheelchair houses 3 x 3-bed wheelchair houses 1 x 4-bed wheelchair houses 1 x 5-bed wheelchair houses	£2,554,081
Stewart Milne Construction	AuchrannieTerrace	4	2 x 3-bed flats 2 x 3-bed wheelchair flats	£ 480,000

4.2.5. Committee approval is sought to appoint the preferred contractors to provide 74 new build Council housing units on the above sites within the agreed maximum prices. Committee is also requested to approve interim staged payments for costs associated with both Planning and Building Warrant Applications. These costs are allowed for and included within the respective AMPs.

#### 4.3. **Programme**

4.3.1. The programme for each of the sites is detailed within the table below.

Site	Planning Consent	Start on Site	Completion
<b><i>Muirfield Contracts</i></b>			
Ettrick Crescent	18/01/2010	15/02/2010	10/2010
Liff Road	15/02/2010	15/03/2010	08/2010
St Leonards Place	18/01/2010	29/02/2010	01/2011
<b><i>Brown Construction</i></b>			
Mains Loan (S)	18/01/2010	15/02/2010	10/2010
Dundonald Street	15/02/2010	15/03/2010	08/2010
Balunie Avenue	15/02/2010	15/03/2010	08/2010
<b><i>Stewart Milne Construction</i></b>			
Alloway / Mossgiel	15/03/2010	05/04/2010	03/2011
AuchrannieTerrace	15/02/2010	15/03/2010	08/2010

#### 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 Chief Executive, Depute Chief Executive (Support Services), Director of Finance and Director of Housing have been consulted in the preparation of this report. No concerns have been expressed.

7. **BACKGROUND PAPERS**

7.1. Referred to in Main Text.

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