

## **WEST DUNBARTONSHIRE COUNCIL**

### **Report by the Executive Director of Infrastructure and Regeneration**

#### **Housing, Environment and Economic Development Committee: 5 February 2014**

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**Subject: Council House New Build Progress Report**

#### **1. Purpose**

- 1.1** This report informs the Committee of the progress of the Council's new build house programme and seeks authority to proceed with the Hill Street development.
- 1.2** The Council's current new build programme which will oversee the development of 122 new build social rented homes for social rent which will be delivered by March 2015.

#### **2. Recommendations**

- 2.1** It is recommended that the Housing, Environment and Economic Development Committee:
  - (i) note the content of the Report and the progress made to date with the Council's current new build programme; and
  - (ii) agree that the Executive Director of Infrastructure and Regeneration be granted delegated authority to award the Hill Street contract to the successful contractor provided the contract amount falls within the approved capital expenditure for the project.

#### **3. Background**

- 3.1** Following a successful application in September 2011, for £2,250,000 Innovation and Investment (IIF) grant funding to build 75 new build homes, the Council has now completed 2 of the 3 projects and is underway with the final project. An update on the progress is detailed below at Section 4.
- 3.2** The Housing, Environment and Economic Development Committee approved the Strategic Local Programme for 2012-15 in August 2012. This included Council new build projects at Brucehill (38 units) and a further phase at Central/Radnor Park (9 units) which attracted a combined total of £2,162,000 of Scottish Government funding. An update on the progress of all new build projects is detailed in Section 4.

- 3.3** The Council House New Build Project Team along with external partners continue to prioritise the new build projects in order to ensure that West Dunbartonshire Council deliver new Council homes within the agreed budget and timescales.

#### **4. Main Issues**

- 4.1** The Council's new build programme now comprises of 5 new build projects as we move from IIF Funding projects to Affordable Housing Grant projects - progress on each is summarised within this section. Two projects at Haldane and Central/Radnor Park have now completed within the target timescales delivering 39 new council homes for rent. The first new build council homes for 25 years.

<b>New Build Project</b>	<b>Completion Target</b>
Granville Street (Phase 1)	July 2013 (completed July 2013)
Miller Road	January 2014 (completed October 2013)
Granville Street (Phase 2)	January 2014
Central Bellsmyre	January 2015
Hill Street	March 2015

##### Central Bellsmyre (36 units)

- 4.4** The contracts between the Council and Robertsons through SCAPE are currently being finalised and the build past the groundworks will commence early in 2014.

##### Granville Street Phase 2 (9 units)

- 4.5** Construction of a further 9 properties under phase 2 is well underway. There has been a delay with the connection of utilities which has in turn delayed completion of some internal and external works. These properties are now programmed for completion in January 2014.

##### Hill Street, Brucehill (38 units)

- 4.6** The Design Team are continuing to work towards an on-site start date of May 2014. The plans for 38 units, including 2 wheelchair units have been submitted to the Planning Committee of 26 February 2014.
- 4.7** Community Consultation has been continuing on a monthly basis. In addition, the Design Team is working closely with the team to consult with the community over what type of community garden they wish to see. This will also closely involve Brucehill nursery and an interactive event is being planned to get the nursery children to choose the materials that will be used in the garden.
- 4.8** The indicative programme (see Appendix 1) shows tenders being returned in March 2014 with an anticipated site start in May 2014.

## 5. People Implications

- 5.1 The new build project team at Hill Street involves staff within Housing Strategy and Development, Consultancy Services and Corporate Procurement as this moves forward the Project Team will engage with other service areas and departments.

## 6. Financial Implications

- 6.1 The impacts of the Council's new build programme will be continually reviewed and assessed through the Council's HRA Business Plan model and there are currently no negative impacts.
- 6.2 Within the previous Report of 6 November 2013, section 6.3 outlined the Estimated Costs and Grant levels. The Grant being sought for Hill Street is slightly more than reported (£50k per unit as opposed to £46k) as the project will now achieve a 'greener' standard. Therefore the borrowing required is less. The revised table is as follows:

### **New Council House Build Programme:**

<b>Project</b>	<b>Units</b>	<b>Estimated Cost</b>	<b>Grant</b>	<b>Borrowing</b>
Bellsmyre Central	36	£3,925,909	£1,080,000	£2,845,909
Granville St Phase 2	9	£990,000	£414,000	£576,000
Hill Street, Brucehill	38	£4,180,000	£1,900,000	£2,280,000
<b>Totals</b>	<b>83</b>	<b>£9,095,909</b>	<b>£3,242,000</b>	<b>£5,701,909</b>

- 6.3 The estimated total cost to the Council of building the remaining 83 units within the current programme is £5,701,909. As previously outlined in previous updates to the Housing, Environment and Economic Development Committee there may be potential additional cost savings that can be made and these will become clearer as the projects develop. These will be reported to future meetings of Housing, Environment and Economic Development Committee.

## 7. Risk Analysis

- 7.1 Each project has its own risk register which highlights risk within and outwith the project team's control. These are maintained and adjusted on an ongoing basis.
- 7.2 There is a risk that as Cost Plans develop, further borrowing may be required. Any additional borrowing requirements, or conversely, cost savings will be reported to future meetings of the Housing, Environment and Economic Development Committee. However, this risk is mitigated by good project management arrangements as outlined in 7.1.

- 7.3** A condition of the Scottish Governments grant funding is that all projects have to be completed by March 2015. The risk to the projects not currently onsite not completing by then is at present low and this will be closely monitored.

## **8. Equalities Impact Assessment (EIA)**

- 8.1** The proposal does not alter any existing policy or pattern of service delivery and so is not considered to require an equalities impact assessment.
- 8.2** All new build Council housing will be compliant with Housing for Varying Needs.

## **9. Consultation**

- 9.1** Public consultative events have been held with regards the Granville Street and Miller Road developments. A similar event is also planned for the Bellsmyre development having already had detailed discussions with community organisations. The initial two events attracted over 80 members of the local communities and received strong community support to plans and development of new council housing for rent. In addition, all new build developments were the subject of an information stand at the Tenants Information Day held on 15 October 2012, in Dumbarton. Additional consultation methods for the new project at Hill Street are outlined in 4.7.
- 9.2** The Strategic Local Programme was drawn up in consultation with the Scottish Government and all the RSLs operating in West Dunbartonshire. The Local Housing Strategy and SHIP were both subject to earlier extensive consultation processes. As these projects are taken forward, further consultation events will be undertaken with local communities.
- 9.3** The Council House Build Project Team comprises of officers from various Council departments and continues to meet on a regular basis to ensure that the projects are delivered on time and meet the needs of the West Dunbartonshire communities.

## **10. Strategic Assessment**

- 10.1** The Local Housing Strategy is the overarching document setting out the strategic direction for housing across all tenures and informs the future investment in housing and related services across West Dunbartonshire.
- 10.2** Having considered the Council's strategic priorities, this report and the provision of new supply social housing for rent contributes greatly to all five strategic priorities and significantly to improving local housing and environmentally sustainable infrastructure.

**Richard Cairns**

**Executive Director of Infrastructure and Regeneration**

**Date: 20<sup>th</sup> January 2013**

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**Appendices:** 1. Hill Street New Build Project Indicative Programme

**Background Papers:** Housing, Environment and Economic Development Committee Report 26 May 2011: Bid Submission to the Innovation and Investment Fund for New Council House Building

Housing, Environment and Economic Development Committee Report 2 November 2011: New Council House Building - Innovation and Investment Fund

Housing, Environment and Economic Development Committee Report 11 January 2012: New Council House Building

Housing, Environment and Economic Development Committee Report 6 June 2012: 15 August 2012, 14 November 2012, 13 February 2013, 8 May 2013, 7 August 2013, 6 November 2013: New Council House Building Progress Report

Housing, Environment and Economic Development Committee Report 7 August 2013, Strategic Housing Investment Plan

Housing, Environment and Economic Development Committee Report 7 March 2012: New Council House Building Planning Committee Report 7 February 2012: DC11/257 and DC11/255

**Wards Affected:** 1, 2, 3 and 5