

WEST DUNBARTONSHIRE COUNCIL

Report by the Executive Director of Housing, Environmental and Economic Development

Housing, Environment and Economic Development Committee:
7 March 2012

Subject: New Council House Building

1. Purpose

- 1.1** This report informs Committee of the progress made towards building 75 new Council homes following the recent successful application made to the Scottish Government's Innovation and Investment Fund.

2. Background

- 2.1** In May 2011 the Council submitted a bid to the Scottish Government's Innovation and Investment Fund. This £50 million Fund is the new competitive funding arrangement for providing affordable housing in Scotland. It was divided into 3 pots of funding - £20m for Council's; £20m for RSLs; and £10m for Innovation.
- 2.2** Following announcements by the Scottish Government in September 2011, the Council were successful in being awarded £2,250,000 grant funding to assist with the development of 75 new Council homes across the three sub areas of the Authority. Each of the developments is taking place within one of the Councils priority regeneration areas.
- 2.3** On 11 January 2012, Housing, Environment and Economic Development Committee agreed to the recommendations set out the New Council House Building Report, this included:
- Appointing Cube Housing Association as Developer/Project Manager for the Miller Road, Haldane Development
 - Appointing Willmott Dixon/Robertsons as design and build contractor utilising the SCAPE framework for the Granville Street, Clydebank and subject to the acquisition of land, the Valeview Terrace, Bellsmyre developments

3. Main Issues

- 3.1** As outlined in the previous Housing, Environment and Economic Development report of 11 January 2012, a corporate approach to achieving the new build has been adopted. Various Officers from across Council departments have been involved in weekly meetings to discuss and progress the following:

- Planning Consents and other related consents
- House sizes and house types
- Legal and Procurement regulations
- Project Briefs
- Tendering Processes

3.2 There has been development on all 3 projects since the previous report on 11 January 2012. The following paragraphs outline the progress on a site by site basis.

Miller Road, Haldane, 15 Units

3.3 The demolition of Miller Road is underway. This is a six week contract and commenced on 2 February 2012.

3.4 The plans and designs for the site were heard at the 7 February 2012 Planning Committee and granted planning permission subject to conditions outlined in the Report.

3.5 The application for Building Warrant has been submitted in 2 stages, the first stage was for the substructure and the second stage for the superstructure. Both these submissions were made in February 2012

3.6 The cost plan for the project is currently being devised and will be reported to members shortly.

3.7 It is anticipated that work will begin to develop the site in April 2012

Granville Street, Central/Radnor Park, 24 Units

3.8 The plans and designs for the site were heard at the 7 February 2012 Planning Committee and granted planning permission subject to conditions outlined in the Report.

3.9 The application for Building Warrant has been submitted in 3 stages, the first stage for the substructure, and the second stage for the superstructure and the third for the timber kit drawings. The submissions were made in February 2012.

3.10 The cost plan for the project is currently being devised and will be reported to members shortly.

3.11 It is anticipated that work will begin to develop the site in April 2012

Valeview Terrace, Bellsmyre, 36 Units

- 3.12** West Dunbartonshire is in negotiation with Bellsmyre Housing Association to purchase the Valeview Terrace site. The District Valuer has valued this site at £90,000. In addition Bellsmyre Housing Association have intimated additional development costs of £36,834 which they are seeking to recoup through the sale of the land at Valeview Terrace.
- 3.13** The Scottish Government had previously paid £387,083 in HAG funding for Bellsmyre Housing Association to develop the site. The money has to be paid back to the Scottish Government as the Association did not fully develop the site.
- 3.14** On conclusion of negotiations, a further report will be brought before members on the land acquisition at Valeview Terrace from Bellsmyre Housing Association.
- 3.15** Planning permission has already been granted to develop the Valeview Terrace site and this permission would be transferred to the Council pending the sale of the site at Valeview Terrace.

4. People Implications

- 4.1** There are no direct implications for staff of the authority as construction of the new build units are not within the scope of activities undertaken by Council employees.

5. Financial Implications

- 5.1** As stated in the previous Report, the three projects would all require to be delivered within parameters of affordability previously noted and agreed by Housing, Environment and Economic Development Committee.
- 5.2** Approved expenditure to date, on each individual project has been within Directors delegated authority and can be met from approved budgets.

6. Risk Analysis

- 6.1** The most considerable risk is that of delay resulting in the failure to meet the Scottish Government deadlines for commencement of works, at which point the offer of grant may be withdrawn. As this could add the £30,000.00 per unit to the Council's costs, the projects would be re-assessed to determine their affordability.
- 6.2** Each project has its own project risk register which highlights risk within and outwith the project team's control. These are maintained and adjusted on an ongoing basis.

- 6.3** Some of the identified risks have already been mitigated within the risk register. However, some remain outstanding notably the ongoing negotiations to secure the land and intellectual property for the development at Valeview Terrace, Bellsmyre. We are in the process of securing detailed cost information from Bellsmyre Housing Association and our ongoing investigations will assess the development within our current affordability criteria.

7. Equalities Impact Assessment (EIA)

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

8. Strategic Assessment

- 8.1** The Council has identified four main strategic priorities for 2011/2012, namely Social and Economic Regeneration, Financial Strategy, Asset Management Strategy, and fit for purpose services.
- 8.2** 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.
- 8.3** The supply of new build council houses in priority regeneration areas will contribute greatly to all four of the Council's main strategic priorities for the communities of West Dunbartonshire.

9. Conclusions and Recommendations

- 9.1** The project teams involved have made significant progress in moving the delivering the projects. Planning permission is now in place for all three sites, and we have anticipated site starts of April for two of the projects. Negotiations with Bellsmyre Housing Association to secure the Valeview Terrace site and our own assessment of the affordability of the development are ongoing and this will be subject to a future report to members.
- 9.2** The committee is asked to note that the project costs will be reported to Housing, Environment and Economic Development Committee as part of a regular project monitoring exercise as the projects progress

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Date: 8 February 2012

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Appendices: None

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

Planning Committee Report 7 February 2012: DC11/257 and DC11/255

Wards Affected: 1, 2 and 5