

Agenda

Special Meeting of Housing and Communities Committee

Date: Wednesday, 5 January 2022

Time: 14:00

Format: Video Conference

Contact: Email: Committee.Admin@west-dunbarton.gov.uk

Dear Member

Please attend a special meeting of the **Housing and Communities Committee** as detailed above.

The Convener has directed that the powers contained in Section 43 of the Local Government in Scotland Act 2003 will be used and so Members will attend the meeting remotely.

The business is shown on the attached agenda.

Yours faithfully

JOYCE WHITE

Chief Executive

Distribution:-

Councillor Diane Docherty (Chair)
Councillor Ian Dickson (Vice Chair)
Councillor Gail Casey
Councillor Karen Conaghan
Councillor Jim Finn
Provost William Hendrie
Councillor David McBride
Councillor Jonathan McColl
Councillor Iain McLaren
Councillor John Millar
Councillor John Mooney
Councillor Sally Page

All other Councillors for information

Chief Executive
Chief Officer - Housing & Employability
Chief Officer - Regulation and Regeneration
Chief Officer - Supply, Distribution and Property

Date issued: 16 December 2021

HOUSING AND COMMUNITIES COMMITTEE

WEDNESDAY, 5 JANUARY 2022

AGENDA

1 STATEMENT BY CHAIR – AUDIO STREAMING

The Chair will be heard in connection with the above.

2 APOLOGIES

3 DECLARATIONS OF INTEREST

Members are invited to declare if they have an interest in the item of business on this agenda and the reasons for such declarations.

4 RECORDING OF VOTES

The Committee is asked to agree that all votes taken during the meeting be done by roll call vote to ensure an accurate record.

5 REMIT FROM TENDERING COMMITTEE – CONTRACT AUTHORISATION REPORT – PASSIVHAUS/NET ZERO PILOT NEW BUILD DEVELOPMENT 5 – 11

Submit Excerpt Minute and report by the Chief Officer – Supply, Distribution and Property Services seeking approval to authorise the Chief Officer – Regulatory and Regeneration to conclude the award of the contract for Passivhaus/Net Zero Pilot New Build Development.

***Excerpt from the Minutes of Meeting of the
Tendering Committee
held on 1 December 2021***

.....

**CONTRACT AUTHORISATION REPORT – PASSIVHAUS/ NET ZERO PILOT
NEW BUILD DEVELOPMENT**

A report was submitted by the Chief Officer – Supply, Distribution and Property seeking approval to authorise the Chief Officer – Regulatory and Regeneration to conclude the award of the contract for Passivhaus/Net Zero Pilot New Build Development.

After discussion and having heard the Business Partner – Strategic Procurement and the Housing Development and Homelessness Manager in further explanation of the report and in answer to Members' questions, the Committee agreed to remit this matter to a special meeting of the Housing and Communities Committee to be held in January 2022 and to delegate authority to that Committee to make a decision on the authorisation of the awarding of a contract.

WEST DUNBARTONSHIRE COUNCIL

Report by Chief Officer – Supply, Distribution and Property Services

Tendering Committee: 1 December 2021

Subject: Contract Authorisation Report – Passivhaus / Net Zero Pilot New Build Development

1. Purpose

- 1.1** The purpose of this report is to seek the approval of the Tendering Committee to authorise the Chief Officer - Regulatory and Regeneration to conclude the award of the contract for Passivhaus / Net Zero Pilot New Build Development.

2. Recommendations

- 2.1** It is recommended that the Tendering Committee:
- a) Authorise the Chief Officer - Regulatory and Regeneration to conclude on behalf of West Dunbartonshire Council (the Council), the award of the contract for Pappert, Bonhill – Passivhaus / Net Zero Pilot New Build Development to CCG (Scotland) Ltd.
 - b) Note that the contract shall be for a period of three years and at a value of £6m ex VAT. The estimated commencement date of the contract is 31 January 2022.

3. Background

- 3.1** The Council's Local Housing Strategy (LHS) set out how the Council planned to address the housing and housing related issues over a five year period FY2017/18 – FY2021/2022. A new LHS is being prepared with increased focus on energy efficiency, climate change and health and wellbeing and how new housing has an important role across all three of these areas.
- 3.2** The Pappert Bonhill development will act as a pilot delivering two different types (Passivhaus and Net Zero) of highly energy efficient homes for West Dunbartonshire tenants. The Silver Standard which has gas boilers fitted, was originally an option however it wasn't as energy efficient and the gas boilers would have to be removed at a later date to meet the Council objectives. Therefore, the Silver Standard was discounted. Delivering and focusing on two types of housing in the same location will allow the Council to compare and contrast both performance and user experience.
- 3.3** The overall budget for Pappert, Bonhill – Passivhaus / Net Zero Pilot New Build Development is for £6m factored into the investment programme inclusive of a projected minimum £2.2m of Scottish Government grant funding through the Affordable Housing Supply Programme. Therefore, it is a net capital cost to the Housing Revenue Account of £3.8m. The budget was approved at the Housing

and Communities Committee on 1st September. The period of budget was for three years and the budget is for Housing Capital.

- 3.4** This procurement exercise has been conducted in accordance with the Council's Standing Orders and Financial Regulations and the Public Procurement Regulations. A Contract Strategy was also approved on 25th November 2021.

4. Main Issue

- 4.1** The procurement route compared four framework agreements (FA). One FA was discounted due to potential issues with the supplier management process and another was discounted because this FA couldn't achieve Net Zero housing.
- 4.2** When comparing the Scottish Procurement Alliance (SPA) FA, it was noted that there is an additional levy associated. Based on the estimated spend, the levy of 0.2% equates to £12k. The Council would pay this sum back to the selected contractor. When compared against Scotland Excel (SXL) FA, the SXL FA didn't have any additional levy charges. During this review, SPA confirmed that they are allowing contractors to review and submit pricing above the maximum FA pricing, to due recent supply and demand issues due to the EU withdrawal. This makes it hard to carry out a detailed cost review and increases the Council's risk position if we were to utilise the SPA FA. SXL FA have agreed rates and have adopted an open book solution which will allow cost collaboration. Further, the SXL FA has a 0.5% rebate on all invoices paid which is collated quarterly by SXL. At the end of each financial year SXL deduct the management fee from the collated rebate and each funding Council (the Council is a funding Council) receives 8% of the remaining rebate.
- 4.3** Based on this, the recommendation is to utilise the SXL FA for New Build Residential Construction. Due to Scottish Government grant funding, the contract must be delivered within a specified timeframes with a site start date within the first quarter of 2022. The benefits with running a mini competition utilising the SXL FA is that it can create increased competition from contractors. However the disadvantages are that it can slow the procurement timelines. Given that, CCG Scotland Ltd scored 97.5% on the SXL FA, 9.3% higher than the second contractor at 88.5%, it is recommended a direct award to CCG (Scotland) Ltd is undertaken.
- 4.4** It is recommended that the contract is awarded to CCG (Scotland) Ltd, of Cambuslang Investment Park, Cambuslang Road, Clydesmill Industrial Estate, G32 8NB. The contract shall be for a period of three years at a value of £6m ex VAT.
- 4.5** The number of community points against the contract is 400, based on SXL Community Benefits Policy. Examples of benefits on offer are:

Community Benefit Outcomes	Description of Requirements	Community Benefit Points
Supply Chain initiatives	Provide a new small and medium size enterprise (SMEs) or voluntary sector organisations an opportunity to provide goods and/or services as part of a contract.	10 points per SME or per voluntary organisation
Use of local SMEs	Award a sub-contract for supplies, services or works to a SME local to the framework user	20 points per contract awarded
Community consultation	Give the local community an opportunity to express an opinion and possibly influence the design and delivery of the project.	10 points per consultation
Poverty initiatives	Provide active support to any initiative that are designed to support those in poverty. This should be directly related to the frameworks user's local area.	20 points per offering
Educational support	Provide educational presentations to school children local to the area of the Work Order.	10 points per presentation or visit offered
Community endowment fund/development trust	Provide a financial donation towards a local project or initiatives that the community considers to be a priority.	10 points per sum offered
Local events	Provide consultancy support to a local community project. This should be local to the area of the Work Order.	10 points per project
Local sponsorship	Provide sponsorship or donations of value £500 or above to an organisation local to the framework agreement user.	10 points per sponsorship offered

The benefits will be discussed and agreed at the project implementation meeting with CCG (Scotland) Ltd and actions to take these forward.

5. People Implications

5.1 There are no people implications.

6. Financial and Procurement Implications

6.1 Financial costs in respect of this contract will be met from a projected minimum of £2.2m of Scottish Government grant funding through Affordable Housing Supply Programme and net capital costs to the Housing Revenue Account of £3.8 m which was approved at the Housing and Communities Committee on 1 September 2021.

6.2 This direct award is in accordance with the Contract Strategy produced by the Corporate Procurement Unit in close consultation with Housing & Employability

Service Area officers and the provisions of Contract Standing Orders, the Financial Regulations and relevant Public Procurement Regulations.

7. Risk Analysis

- 7.1** The CCG (Scotland) Ltd has no known links to Serious and Organised Crime which would have significant political and reputational ramifications for the Council.
- 7.2** Should the Tendering Committee decide not to proceed as recommended then this will delay the project, may have financial implications and reputational ramifications.

8. Equalities Impact Assessment (EIA)

- 8.1** An equalities impact screening was undertaken as part of the strategic Housing Implementation Plan.

9. Consultation

- 9.1** Housing & Employability Service Area, Finance Services and Legal Services have been consulted on the contents of this report.

10. Strategic Assessment

- 10.1** The Pappert, Bonhill – Passivhaus / Net Zero Pilot New Build Development contract will contribute to the delivery of the Council's Strategic Priorities:
- A Strong local economy and improved employment opportunities;
 - Meaningful community engagement with active empowered and informed citizens who feel safe and engaged; and
 - Open, accountable and accessible local government.

Name: Angela Wilson

Designation: Chief Officer – Supply, Distribution and Property Services

Date: 26 November 2021

Person to Contact:

Laura Adams – Senior Procurement Officer, Corporate Procurement Unit, Council Offices, 16 Church Street, Dumbarton. Telephone: N/A
Email: Laura.Adams@west-dunbarton.gov.uk

Emily Dorrian – Housing Development Officer
Email: Emily.Dorrian@west-dunbarton.gov.uk

Gillian Logan – Senior Housing Development Officer
Email: Gillian.Logan@west-dunbarton.gov.uk

Background Papers:

Contract Strategy

EIA Screening captured in the Strategic Housing Investment Programme (SHIP) as development site part of development programme set out in SHIP.

Wards Affected: Leven