

Members' Library Service Request Form

Date of Document	01/05/12
Originator	Head Of Housing And Environment
Originator's Ref (if any)	
Document Title	Proposed Housing Development at High Street Prestonpans - Offer from Hart Builders (Edinburgh) Ltd

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Additional information:

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REPORT TO: Members' Library Service

MEETING DATE:

BY: Executive Director (Services for Communities)

SUBJECT: Proposed Housing Development at High Street,
Prestonpans – Offer from Hart Builders (Edinburgh) Ltd

1 PURPOSE

- 1.1 To note the decision to award the contract for the Affordable Housing Development at High Street, Prestonpans, to Messrs Hart Builders (Edinburgh) Ltd, Macmerry.

2 RECOMMENDATIONS

- 2.1 Cabinet is advised to note the decision of the Chief Executive (per the Head of Housing & Environment) as appointed representative under Standing Order Rule 51 (ii) and delegation Appendix 2a (Tenders) thereto and after consultation with the Provost, Executive Director (Services to Communities) and the Head of Council Resources to accept Messrs Hart Builders (Edinburgh) Ltd's Design and Build offer amounting to £2,581,586.00 (including Professional Design Fees, Insurances and land costs etc. but excluding Employer's Agent Fees) after checking and negotiation for the Affordable Housing Development at High Street, Prestonpans.
- 2.2 Cabinet is asked to note that the average cost/house equates to £107,566.08 including fees and land costs.

3 BACKGROUND

- 3.1 The Council has been in discussions with Hart Builders (Edinburgh) Ltd for a number of months to secure an opportunity to provide 100% affordable housing for the Council at High Street, Prestonpans. This site represents an opportunity to build new affordable housing for the Council in Prestonpans and assists the Council to deliver its Local Housing Strategy objective of increasing the supply of affordable housing.

Hart Builders (Edinburgh) Ltd submitted a Planning Application on 27th July 2011 (11/00681/P) “Erection of dental practice facility, 24 flats and associated works” with a view to obtaining consent and selling an element of the site, to East Lothian Council, for Affordable Housing. Planning consent was granted on 23rd December 2011.

- 3.2 Cabinet approved the acquisition of this site on 8 November 2011.
- 3.3 The proposed housing development has been granted planning consent and will provide the following mix of house types totalling 24 units:

2 person/1 bedroom flats	-	8 No.
3 person/2 bedroom flats	-	13 No.
4 person/2 bedroom flats	-	3 No.

- 3.4 Hart Builders (Edinburgh) Ltd approached the Council to provide the entire site for affordable housing on the basis that they would build the units for the Council through a design and build contract. Hart Builders (Edinburgh) Ltd have confirmed that they do not wish to sell the site before the design and build offer has been formally accepted by the Council.
- 3.5 Detailed negotiations have been held with Hart Builders (Edinburgh) Ltd to achieve a cost per unit for the completed units that represents value for money for the Council in line with the equivalent cost per unit for the Council’s own existing new build programme.
- 3.6 Following agreement on cost, the Council issued the final Employer’s Requirements on 14 March 2012. A formal design and build offer was received on 15 March 2012 amounting to £2,581,586.00. The offer is based on the Design and Build Contract for use in Scotland (2011 Edition).
- 3.7 After detailed checking Hart Builders (Edinburgh) Ltd’s Design and Build offer of £2,581,586.00 (excluding restricted ELC Employer’s Agent Fees), as included in their Contractor’s Proposals for the project dated 15 March 2012, fully complies with the Employer’s Requirements dated 14 March 2012 and that the value-for-money component has been validated by the Council.
- 3.8 Hart Builders (Edinburgh) Ltd have based their offer on an overall construction period of 62 calendar weeks which is more than adequate for a project of this type and size.
- 3.9 As the procurement of the contract for the Affordable Housing Development at High Street, Prestonpans, has not followed the Council’s approved Procurement Policies and Procedures by invitation for written competitive quotations but was tendered as set out above, there has been a departure from the normal requirements to procure under the Council’s Corporate Procurement Policies and Procedures. This departure may be

authorised under Council Standing Order 35 (viii) with the approval of the Chief Executive in consultation with the Head of Council Resources. The Chief Executive and the Head of Council Resources have approved this departure in consultation as aforesaid, on the basis that it is not in breach of relevant law and offers best value to the Council.

4 POLICY IMPLICATIONS

- 4.1 The construction of these flats will assist in delivering one of the Council's Core Priorities "Provision of Affordable Housing".

5 EQUALITIES IMPACT ASSESSMENT

- 5.1 This Report is not applicable to the wellbeing of equalities groups and an Equalities Impact Assessment is not required.

6. RESOURCE IMPLICATIONS

- 6.1 Financial – The total project expenditure for this Design and Build Development of 24 flats will not exceed a total of £2,639,686.00, including land costs and all consultants' fees.

This expenditure, which has been approved by the Head of Council Resources (equates to an average cost/house of £107,566.08 including fees and land costs), will be contained within the budget allocated for New Affordable Housing in the Council's Capital Investment Plans for 2012/2013, 2013/2014 and 2014/2015.

The estimated forecast project expenditure for the 2012/2013, 2013/2014 and 2014/2015 financial years is as follows:

<u>2012/2013</u>	<u>2013/2014</u>	<u>2014/2015</u>
£1,975,954.00	£627,600.00	£36,132.00

- 6.2 Personnel – None.

- 6.3 Other – None.

7. BACKGROUND PAPERS

- 7.1 Report to Cabinet on 8 November 2011 "Acquisition of Lidl Site, High Street, Prestonpans".

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