

FAREHAM

BOROUGH COUNCIL

Report to the Executive for Decision 02 February 2015

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| Portfolio: | Health and Housing |
| Subject: | Award of Contract - Construction of a 36 Unit Sheltered Housing Scheme in Park Gate. |
| Report of: | Director of Community |
| Strategy/Policy: | Housing Strategy |
| Corporate Objective: | A Balanced Housing Market |

Purpose:

This report seeks approval to enter into contract with a selected developer for the construction of a new sheltered housing scheme in Park Gate.

Executive summary:

On 7th April 2014 the Executive approved a provisional budget to fund the construction of a new 36 unit sheltered housing scheme at the former Coldeast Hospital site in Park Gate.

Since the last report, the design for the scheme has been set and planning permission has been secured. In addition, £720,000 of grant funding has been secured from the Homes and Communities Agency's 2015 – 2018 Affordable Homes Programme to help meet the costs of construction.

A two stage competitive tender has been conducted to identify a suitable contractor to construct the scheme and approval is now sought from the Executive to enter into contract with the recommended contractor to bring the scheme forward.

Recommendation/Recommended Option:

That the Executive agrees to:

- (a) authorise the Director of Community to enter into contract with and accept the level of grant funding from the Homes and Communities Agency to support delivery of the project; and
- (b) authorise the Director of Community to enter into contract with Drew Smith Limited to complete the proposed development.

Reason:

To enable new affordable homes to be built which will meet local housing needs, further enhance the Council's older person's housing stock and contribute to the corporate objective of enabling 500 new affordable homes by 2017.

Cost of proposals:

The confirmed budget for this development is £5.5M. This will cover the cost of construction and all on costs associated with the development.

The contract sum for the cost of construction is £4.78M. This will be met from the Housing Revenue Account and grant funding secured from the Homes and Community Agency.

Appendices: **A:** Schedule of Tenders - Confidential

Background papers:

- Report to the Executive for Decision 7th April 2014 – Affordable Housing Programme 2015 – 2018.

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BOROUGH COUNCIL

Executive Briefing Paper

Date: 02 February 2015

Subject: Award of Contract - Construction of a 36 Unit Sheltered Housing Scheme at Park Gate.

Briefing by: Director of Community

Portfolio: Health and Housing

INTRODUCTION

1. The purpose of this report is to secure approval from the Executive to award a contract to the recommended building contractor to construct a new 36 unit sheltered housing scheme at the former Coldeast Hospital site in Park Gate.

THE PROPOSAL

2. As part of planning negotiations for the redevelopment of the former Coldeast Hospital site, land was secured by the Council to provide a new sheltered housing scheme.
3. Detailed planning permission was secured in April 2014 for a scheme that will provide 36 new units of sheltered housing benefitting from communal facilities and shared garden space. There will be 11 x 2 bedroom flats and 25 x 1 bedroom flats. All of the units will have their own private balcony or patio, will be fully wheelchair accessible, and able to cater for a range of different support needs. There will be a communal lounge, activity room, mobility scooter store, and hair salon.
4. Once constructed the units will be let on an affordable rent to existing tenants with support needs wishing to downsize and to other suitable applicants on the Council's Housing Waiting List.

THE TENDER PROCESS

5. A two stage competitive tender exercise has been conducted to select a design and build contractor with the appropriate skills and experience to deliver the scheme.
6. The first stage was in the form of a Pre-Qualification Questionnaire (PQQ) placed on the South-East Business Portal, which was open to all to apply. A total of 10 submissions were received. Each submission was assessed to determine relevant skills, experience and expertise in order to identify the 4 most suitable companies to invite to complete the second stage.

7. The second stage of the tender was assessed upon cost only. Drew Smith Limited submitted the most competitive tender. The company are based in Durley, Southampton and have a good experience of producing housing schemes of this nature.

FINANCIAL IMPLICATIONS

8. The contract sum to appoint Drew Smith Limited totals ££4,782,948.00. This is offered as a fixed sum to cover the cost of detailed design and construction.
9. In April 2014, the Executive approved a provisional budget (excluding land acquisition) of £5.5M to deliver this scheme. This figure was based upon officer projections of the likely construction cost. Subsequent to setting the budget the Council successfully secured £720,000 to help fund the development from the Homes and Communities Agency's 2015-2018 Affordable Homes Programme. In light of the fixed price offered by Drew Smith Limited it is anticipated that the scheme can be delivered within the budget previously set.

TIMETABLE FOR DELIVERY

10. If approval is given to enter into contract it is anticipated that construction will commence in June 2015. Construction is forecasted to take circa 65 weeks resulting in anticipated completion for autumn 2016.

Reference Papers: