

HOWARDS MEAD COUNCIL HOUSE BUILDING PROJECT – UPDATE

1. INTRODUCTION

- 1.1 On 7 October 2009 Cabinet approved the Council's bid to the Homes and Communities Agency (HCA) for funding to build Council Houses at Howards Mead in Pennington. At their meeting on 14 January 2010 the Cabinet were pleased to note that the bid for funding of £650,000 had been successful. The purpose of this report is to update Members on progress so far and to seek authority to enter into the necessary contracts to proceed with the build.

2. CURRENT POSITION

- 2.1 The current position of the scheme is that a planning application has been submitted and will go before the Planning Committee on 14 April 2010. Tenders have been sent out to four contractors who have expressed an interest in constructing the scheme, and, subject to Council approval to enter into contracts, a start on Site of 1 June 2010 is envisaged.

3. PROJECT MONITORING

- 3.1 Following the successful bid to the HCA a Project Team was set up to see the scheme through the planning process and beyond into start on site and construction. The Project Team draws experience from across the Council and will ensure that project is regularly monitored through meetings with the Project Manager (Mace) and the Project Officer (Diana MacLean). In addition, the scope of this project warrants the oversight of a Project Board and this has been set up to take key decisions and provides a scrutiny function. This Project Board is made up of John Mascal (Executive Director), Dave Brown (Head of Housing) and Grainne O'Rourke (Head of Legal and Democratic Services) and Diana MacLean (Strategic Housing Manager). The Board will receive regular updates from Mace and the project team.
- 3.2 In addition there will be monthly updates to the Portfolio Holder for Housing to ensure that Members are fully appraised at each stage of the project.

4. CONTRACTS

- 4.1 In order to proceed, the project requires three contracts to be entered into.
- The Grant Agreement between the Council and the Homes and Communities Agency. This agreement sets out the conditions which must be met by the Council in order to draw down grant.
 - The contract between Mace (Project managers) and the Council for professional services as procured through the IESE framework and approved by Cabinet on 7 October 2009.
 - The contract between the Council and the Constructor who will build the houses for the Council. This contract will be monitored by Mace on behalf of the Council.

4.2 In order that the Council minimises risk in the drawing up of these contracts we have sought specialist advice from external solicitors who specialise in contracts relating to construction projects.

5. RISK

5.1 The Project Team has developed a Risk Register which highlights risks not only in relation to these contracts, but in relation to the project as a whole and these will be regularly reported on to the Project Board who will advise on any necessary action in mitigation. In addition, the Mace Project team, which meets regularly, will also hold a risk register as part of the project.

5.2 Risks highlighted so far include:

- budget overruns and the need for careful and regular monitoring;
- that the technology used within these highly sustainable homes will be new to Council operatives and the need for a training programme to be developed for council staff in advance of taking handover of the properties, and;
- the risk of not meeting the HCA's contractual obligations and therefore not being able to draw down monies from grant. This will be carefully monitored by both the Council's Project Board and by Mace.

6. ENVIRONMENTAL, CRIME & DISORDER AND EQUALITY & DIVERSITY IMPLICATIONS

6.1 There are none arising directly from this report.

7. PORTFOLIO HOLDER COMMENTS

7.1 The Housing Portfolio Holder is satisfied that the Project Team and Board are taking all necessary steps to ensure that this project is carefully monitored and supports the entering into of the necessary contracts to allow the project to proceed.

8. RECOMMENDATION

8.1 It is recommended that the Cabinet notes the position and the progress that is being made to deliver the new affordable housing and authorises the entering into of the necessary contract documentation subject to the Project board being satisfied as to the terms.

FOR FURTHER INFORMATION CONTACT:

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BACKGROUND PAPERS:

Cabinet Report 7 October 2009