

North Lanarkshire Council Report

Housing Committee

Does this report require to be approved? Yes No

Ref PH/JS/KS Date 07/05/25

New Housing Supply Programme – Procurement Update

From Pamela Humphries, Chief Officer (Place)

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Executive Summary

The purpose of this report is to update Committee on current procurement activity relating to the new build housing programme and seek approval to progress procurement arrangements as outlined in the report.

Recommendations

It is recommended that the Housing Committee:

- (1) Approves the award of a contract procured via a “Direct Award” procedure via the Scotland Excel New Build Residential Construction framework agreement (the “Framework”) for the following site:
 - Main Street, Glenboig to CCG Construction Limited up to the value of £1.95M, including contingency allowance
- (2) Approves the award of contracts to be procured via a “Mini Competition” procedure via the Scottish Procurement Alliance H2 New Build Housing framework agreement for the following sites
 - Site of Coursington, Allan and Draffen Towers, Motherwell up to the value of £16.00M, including contingency allowance.
 - Coats Street, Coatbridge (Site of the former Jackson Tower) up to the value of £14.25M, including contingency allowance.
- (3) Acknowledges the award of contracts for the following sites previously approved at Housing Committee:
 - Conversion of Old Town Hall, Motherwell to social housing awarded to Clark Contracts on 31 January 2025 at a value of £5,856,022.99.
 - New Build Social Housing at Dunottar Avenue, Shawhead, Coatbridge awarded to CCG (Scotland) Ltd at a value of £23,716,921.47.
 - New Build Social Housing at Coshneuk Road, Millerston awarded to JR Construction (Scotland) Limited at a value of £4,291,648.92

The Plan for North Lanarkshire

Priority	Improve economic opportunities and outcomes
Ambition statement	(1) Ensure a housing mix that supports social inclusion and economic growth
Programme of Work	Transforming Places

1. Background

- 1.1 The council has an approved programme to deliver 6,000 new homes by 2035. The delivery of such a large-scale programme presents several challenges, which include procurement of competent contractors with a track record of delivering new build homes to the Councils standard, within the timescale required and at a competitive cost. To increase the pace of delivery, secure best value and minimise risk to the Council, a range of procurement options have been utilised.
- 1.2 For each project a bespoke Contract Strategy is undertaken to assess the most appropriate procurement route. These include but are not limited to the use of SPA and Scotland Excel frameworks utilising the direct award and mini comp procedures, and in some cases the use of Hub Southwest or a traditional “Restricted” style tendering procedure within the open market.
- 1.3 Within this report, one project has been identified to be procured via the direct award procedure. For this project, the direct award procedure has been identified as the optimum route to market, as it allows early engagement with contractors leading to economies and efficiencies being achieved in design, risk, early engagement for utilities and programme benefits to be achieved.

2. Report

- 2.1 Committee previously approved the delivery of 7 modular homes at the Main Street site in Glenboig (former police station). Unfortunately, the contractor tasked with delivering the modular homes recently entered administration and was unable to progress with the development. In order to progress the project and mitigate further delay, officers engaged with the Scotland Excel New Build Residential Framework and CCG Construction Limited to ascertain feasibility costs and contractor availability. Feasibility costs have been returned at the value of £1.95M, including contingency allowance.

The feasibility costs obtained are considered to represent best value and, subject to benchmarking against the appropriate framework rates, it is proposed that a final tender price be agreed to allow the contract award.

- 2.2 It is proposed to tender via a mini competition call off procedure from the Scottish Procurement Alliance H2 New Build Housing Framework to procure contracts for the following sites:

- Site of Coursington, Allan and Draffen towers, Motherwell (64 units) up to the value of £16.00M, including contingency allowance.
- Coats Street, Coatbridge (Site of Jackson tower) (57 units) up to the value of £14.25M, including contingency allowance.

The mini competition call-off procedure will be progressed and, subject to tender checking, the most economically advantageous tender will be checked and recommended to allow the contract award.

- 2.3 The projects listed above in sections 2.1 – 2.2 are still in live procurement procedures. Accordingly, the recommendations listed on page one of this report are for the approval for the award of each contract (in accordance with the council's General Contract Standing Orders) up to the values stated as and when they are finalised outwith the council's committee cycle.

Adopting this approach shall expedite the programme and allow appointed contractors to progress works in a more efficient and effective manner. Additionally, this approach shall also prove beneficial where any pre-construction / enabling works are required whilst also allowing appointed contractors to engage third party companies i.e. utility companies to undertake works required to enable housing construction methods to commence.

Should the recommendations within this report be approved, more detailed information on any contract awarded for each site shall reported to the next available Housing Committee following award.

Should contracts to be awarded exceed the values stated in the recommendations, further details and approvals shall be sought from a future Housing Committee.

- 2.4 The pricing mechanism is a Priced Contract with Activity Schedule offering a good level of cost certainty. However, there are currently no cashable savings attributed to the contract outlined within above within sections 2.1 - 2.2 at this time.

- 2.5 The council is committed to maximising the delivery of community benefits. The procurement includes a community benefit requirement, this approach is designed to deliver local community benefits where possible. Given the current stage of the procurement processes for each of the sites listed within this report, there are currently no Community Benefits identified. However, once contracts have been formally awarded, an overview of community benefits committed to by contractors will be reported to Committee.

- 2.6 All contractors appointed to the Framework have evidenced fair working practices within their organisations as part of the procurement procedures to be appointed to the respective arrangements

- 2.7 In addition to the sites listed above in section 2.1 – 2.2, work has progressed to award contracts following approval at the Housing Committee on 06 November 2024.

- Conversion of Old Town Hall, Motherwell to social housing (20 units) awarded to Clark Contracts on 31 January 2025 at a value of £5,856,022.99.
- New build social housing at Dunottar Avenue, Shawhead, Coatbridge (100 units) awarded to CCG (Scotland) Limited at a value of £23,716,921.47.
- New build social housing at Coshneuk Road, Millerston (17 units) awarded to JR Construction (Scotland) Limited at a value of £4,291,648.92.

Further information on the contract awarded above can be found within Appendix 1 of this report.

- 2.8 Officers from New Supply will be responsible for managing all contracts once awarded which will be undertaken in accordance with the council's agreed approach to contract and supplier management.
- 2.9 In addition to the sites detailed above, the next batch of sites will be identified and assessed, and a suitable procurement route will be identified to progress these projects to deliver new build housing to align with the Plan for North Lanarkshire.

3. Measures of success

- 3.1 The proposed contract awards detailed within this report will deliver the following outcomes:
- a) The appointment of contractors who have the experience and capability to deliver new build social housing.
 - b) The procurement procedures applied are compliant with the procurement legislation, overarching framework agreements and internal procedures.
 - c) That best value is both demonstrable and achieved.
 - d) That contracts awarded secure a range of community benefits.
 - e) Those contracts awarded support payment of the real Living Wage to staff employed in the delivery of the requirements; and
 - f) That the performance of contracts awarded are proactively managed against several Key Performance Indicators.

4. Supporting Documents

Appendix 1 Summary of Contracts Awarded



Pamela Humphries
Chief Officer (Place)

5. Impacts (<http://connect/report-template-guidance>)

<p>5.1 Public Sector Equality Duty and Fairer Scotland Duty Does the report contain information that has an impact as a result of the Public Sector Equality Duty and/or Fairer Scotland Duty? Yes <input checked="" type="checkbox"/> No <input type="checkbox"/> If Yes, please provide a brief summary of the impact?</p> <p>The new build programme includes measures that will help reduce inequalities of outcome through certain design features including:</p> <ul style="list-style-type: none">• Housing for Varying Needs to make homes as accessible as possible.• Secure by Design to make homes and the surrounding environment as safe and secure as possible.• Achieving the Scottish Government requirements for Greener Homes to reduce the incidence of fuel Poverty.• Facilitating improved access to high-speed internet capabilities including installation of 'fibre to the property'. <p>If Yes, has an assessment been carried out and published on the council's website? https://www.northlanarkshire.gov.uk/your-community/equalities/equality-and-fairer-scotland-duty-impact-assessments</p> <p>Yes <input checked="" type="checkbox"/> No <input type="checkbox"/></p>
<p>5.2 Financial impact Does the report contain any financial impacts? Yes <input checked="" type="checkbox"/> No <input type="checkbox"/> If Yes, have all relevant financial impacts have been discussed and agreed with Finance? Yes <input checked="" type="checkbox"/> No <input type="checkbox"/> If Yes, please provide a brief summary of the impact?</p> <p>The funding for projects referred to in this report can be met from the Council's Housing Revenue Account budget for the New Supply Programme. Grant support is also provided by the Scottish Government. The costs associated with contract delivery will be contained within the HRA New Supply capital programme. Grant funding for new build is £104,353 per unit, based on a 3-person equivalent as well as additional grant funding for increased quality measures and renewables.</p>
<p>5.3 HR policy impact Does the report contain any HR policy or procedure impacts? Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> If Yes, have all relevant HR impacts have been discussed and agreed with People Resources? Yes <input type="checkbox"/> No <input type="checkbox"/> If Yes, please provide a brief summary of the impact?</p>
<p>5.4 Legal impact Does the report contain any legal impacts (such as general legal matters, statutory considerations (including employment law considerations), or new legislation)? Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> If Yes, have all relevant legal impacts have been discussed and agreed with Legal and Democratic? Yes <input type="checkbox"/> No <input type="checkbox"/></p>

If Yes, please provide a brief summary of the impact?

5.5 Data protection impact

Does the report / project / practice contain or involve the processing of personal data?

Yes No

If Yes, is the processing of this personal data likely to result in a high risk to the data subject?

Yes No

If Yes, has a Data Protection Impact Assessment (DPIA) been carried out and e-mailed to dataprotection@northlan.gov.uk

Yes No

5.6 Technology / Digital impact

Does the report contain information that has an impact on either technology, digital transformation, service redesign / business change processes, data management, or connectivity / broadband / Wi-Fi?

Yes No

If Yes, please provide a brief summary of the impact?

Where the impact identifies a requirement for significant technology change, has an assessment been carried out (or is scheduled to be carried out) by the Enterprise Architecture Governance Group (EAGG)?

Yes No

5.7 Environmental / Carbon impact

Does the report / project / practice contain information that has an impact on any environmental or carbon matters?

Yes No

If Yes, please provide a brief summary of the impact?

The new homes are built to higher energy efficiency and sustainability standards, which helps to reduce future carbon emissions from the properties. This is done via a fabric first approach, while incorporating renewable technologies where appropriate, e.g. providing minimum of EPC B certification, Silver Standards 1 and 2, non-gas heating systems and EV charging.

The Council's New Supply Programme will ensure that the impact on the Council's carbon footprint is mitigated. The specifications incorporated within the contract documentation will: deliver reduced energy need; encourage sustainable construction; promote health and wellbeing; reduce waste and resources through effective storage, collection and composting of waste and recyclable materials and include measures which will reduce CO2 emissions.

5.8 Communications impact

Does the report contain any information that has an impact on the council's communications activities?

Yes No

If Yes, please provide a brief summary of the impact?

The implementation and delivery of the New Supply programme will be promoted through the New Supply PR plan and via communications with elected members and local stakeholders

5.9 Risk impact

Is there a risk impact?

Yes No

If Yes, please provide a brief summary of the key risks and potential impacts, highlighting where the risk(s) are assessed and recorded (e.g. Corporate or Service or Project Risk Registers), and how they are managed?

Risk associated with the New Supply Programme is managed within the council's project management and risk register process. By undertaking detailed Ground Investigation and other relevant site assessments, prior to proceeding with the development of any site, the council is mitigating the risk of unforeseen costs relating to ground conditions, although this risk cannot be eliminated entirely.

5.10 Armed Forces Covenant Duty

Does the report require to take due regard of the Armed Forces Covenant Duty (i.e. does it relate to healthcare, housing, or education services for in-Service or ex-Service personnel, or their families, or widow(er)s)?

Yes No

If Yes, please provide a brief summary of the provision which has been made to ensure there has been appropriate consideration of the particular needs of the Armed Forces community to make sure that they do not face disadvantage compared to other citizens in the provision of public services.

The Council's New Supply housing programme previously partnered with Veterans Housing Scotland to deliver housing for Armed Forces Veterans and the current SHIP supports new affordable housing project for Scottish Veterans' Garden City Association.

5.11 Children's rights and wellbeing impact

Does the report contain any information regarding any council activity, service delivery, policy, or plan that has an impact on children and young people up to the age of 18, or on a specific group of these?

Yes No

If Yes, please provide a brief summary of the impact and the provision that has been made to ensure there has been appropriate consideration of the relevant Articles from the United Nations Convention on the Rights of the Child (UNCRC).

If Yes, has a Children's Rights and Wellbeing Impact Assessment (CRWIA) been carried out?

Yes No

Appendix 1 – Summary of Contracts Awarded

Contract	Ref	NLC-SLP-23--035
	Title	Conversion of Old Town Hall, Motherwell to Social Housing
	Classification	Works
Competition	Governance by Value	The Framework terms & conditions, with adherence to the council's GCSO 13 on 3rd party frameworks
	Procurement Route	Mini Competition
	No. of Framework Contractors	Five
	Comments	This contract was procured considering the relevant information technical and commercial proposals from the Scottish Procurement Alliance H2 New Build Housing framework agreement, Lot 12 Workstream 4 (Refurbishment, Conversions, Extensions and Adaptations) Over £2m.
Award Details	Contract Award Date	31 January 2025
	Awarded Value	£5,856,022.99
	Contract Duration	30 Months
	Contractor Name	Clark Contracts
	Contractor Size	SME
	Contractor Location	Inverclyde
	Payment of Living Wage?	Yes
	Living Wage Accredited?	No
	Community Benefits Committed	<ul style="list-style-type: none"> 1 x New Employee Full Time Job (from Priority Group) 1 x New Employee Part Time Job (from Priority Group) 1 x Apprentice New Start - Full Time (from Priority Group) 1 x New Entrant Graduate - Part Time (from Priority Group) 1 x MCR Pathways 1-2-1 Mentoring Programme (or equivalent Programme) 1 x Work Experience Placement – School Trades e.g. bricklaying etc (to be discussed and agreed upon award) 1 x Build Your Future – Practical Activity 1 x Careers Events (Face to Face) 2 x Workplace Visit 1 x Primary School Engagement (mini careers event for P6/P7) 1 x Careers Event

		1 x Supply Chain Briefings 1 x Business Mentoring 1 x Financial Support (minimum £1500) 1 x non-financial support for a community project (Minimum 7 hours).
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Contract	Ref	NLC-SLP-23-123
	Title	New Build Social Housing at Dunottar Avenue, Shawhead, Coatbridge
	Classification	Works

Competition	Governance by Value	The Framework terms & conditions, with adherence to the council's GCSO 13 on 3rd party frameworks
	Procurement Route	Direct Award
	No. of Framework Contractors	One
	Comments	This contract was procured considering the relevant information technical and commercial proposals from the Scottish Procurement Alliance H2 New Build Housing framework agreement, Lot 12 Workstream 4 (Refurbishment, Conversions, Extensions and Adaptations) Over £2m.

Award Details	Contract Award Date	7 April 2025
	Awarded Value	£23,716,921.47
	Contract Duration	27 Months
	Contractor Name	CCG
	Contractor Size	SME
	Contractor Location	South Lanarkshire
	Payment of Living Wage?	Yes
	Living Wage Accredited?	No
Community Benefits Committed	4 x New Employee Full Time Job (from Priority Group) 1 x New Employee Part Time Job (from Priority Group) 2 x Apprentice New Start - Full Time (from Priority Group) 4 x Work Experience Placement – Foundation Apprenticeship 4 x Work Experience Placement – School Trades e.g. bricklaying etc (to be discussed and agreed upon award) 4 x Work Experience Placement – Non School 2 x Careers Events (Face to Face) - (March or October)	

		4 x Workplace Visit 2 x Work Experience Summer Placement (PAID) 2 x Primary School Engagement (mini careers event for P6 / P7) 2 x Careers Event (Virtual Teams Session) 2 x Supply Chain Briefings 6 x Financial Support (minimum £1500) 3 x Non-financial support for a community project (Minimum 7 hours).
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Contract	Ref	NLC-SLP-23-048
	Title	New Build Social Housing at Coshneuk Road, Millerston
	Classification	Works

Competition	Governance by Value	The Framework terms & conditions, with adherence to the council's GCSO 13 on 3rd party frameworks
	Procurement Route	Direct Award
	No. of Framework Contractors	One
	Comments	This contract was procured considering the relevant information technical and commercial proposals from the Scottish Procurement Alliance H2 New Build Housing framework agreement, Lot 12 Workstream 4 (Refurbishment, Conversions, Extensions and Adaptations) Over £2m.

Award Details	Contract Award Date	31 March 2025
	Awarded Value	£4,291,648.92
	Contract Duration	14 Months
	Contractor Name	JR Construction
	Contractor Size	SME
	Contractor Location	Renfrewshire
	Payment of Living Wage?	Yes
	Living Wage Accredited?	No
	Community Benefits Committed	1 x New Employee Full Time Job (from Priority Group) 1 x Apprentice New Start - Full Time (from Priority Group) 2 x School Mentoring or Enterprise Programme

		<p>1 x Work Experience Placement – School Trades e.g. bricklaying etc (to be discussed and agreed upon award)</p> <p>1 x Work Experience Placement - Non School – 2 per annum</p> <p>1 x Careers Events (Face to Face) – 1 per annum</p> <p>1 x Supply Chain Briefings – 2 in 1st year</p> <p>1 x Financial Support (minimum £1500) – 3 per annum</p>
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