

CLYDEBANK HOUSING ASSOCIATION LTD.

TO: Management Committee (26-Nov-19)

DATE: 21.11.19

FROM: Chief Executive

SUBJECT: Development Report - Agenda Item 17 (Decision Required)

Purpose of Report

The purpose of the report is to update the Management Committee on our development programme, to allow consideration of the information and any recommendations and arrive at decisions where required.

Potential impact on tenants and service users/Tenant Consultation requirements

There is no adverse impact on tenants and other service users as a result of information and decisions required in this report. There is ongoing consultation with Linnvale and Drumry Community Council in respect of this development.

Potential impact to tenants and future service users has already been reviewed and considered at previous meetings in terms of proposed rent levels for the new properties and the potential access to new build stock. The Association design standards have been agreed in line with current legislation, WDC requirements and CHA future maintenance costs.

Value for Money

CHA considers Value for Money in all aspect of its business including: -

- Managing our resources to provide quality services and homes to meet the needs of customers and the local community.
- Delivering the right service at the right time at the right cost.
- Planning for and delivering year on year improvements on our services based on customer priorities.
- Getting the most out of our assets and staff by operating efficiently and effectively.

The provision of new homes via our development activity demonstrates Value for Money in terms of delivering homes at affordable rent levels, ensuring an efficient standard of specification and close monitoring of overall costs.

Risk (Appendix 4)

Our development risk register is appended to this report for consideration and update

Legal/constitutional Implications (Reference to Model Rules)

Relevant legislation, e.g. Building Standards

There are no adverse legal implications as a result of this report and/or any decision required.

Relevant CHA Objectives:

- To provide quality, affordable housing that meets the changing needs of our customers and to ensure fair access to housing within our area.

- To work in partnership with others, supporting our tenants and other customers, to maximise opportunities for physical and socio-economic regeneration in Clydebank.
- To ensure local decision making and community control, we will encourage our tenants and other customers to influence our policy and participate in decisions, which may affect them.
- To ensure that our resources are adequate to deliver our objectives by investing in our people, demonstrating value for money and through robust procurement practices.
- To promote social inclusion by applying principles of equality and diversity to everything we do.

Relevant SHR Regulatory Standards of Governance and Financial Management

- The governing body leads and directs the RSL to achieve good outcomes for its tenants and other service users.
- The RSL is open about and accountable for what it does. It understands and takes account of the needs and priorities of its tenants, service users and stakeholders. And its primary focus is the sustainable achievement of these objectives.
- The RSL manages its resources to ensure its financial well-being while maintaining rents at a level that tenants can afford to pay.
- The governing body bases its decision on good quality information and advice and identifies and mitigates risks to the organisation's purpose.
- The RSL conducts its affairs with honesty and integrity.
- The governing body and senior officers have the skills and knowledge they need to be effective.

The Management Committee will require confirming that the contents of this report and decisions required do not constitute a breach, material or otherwise, of the above Standards and there is no requirement to report a Notifiable Event to the Regulator.

Equalities

No protected group is adversely affected by the proposals, recommendations or updates within this report. Our commitment to equal opportunities and fairness applies irrespective of factors such as race, sex, disability, age, gender reassignment, marriage & civil partnership, pregnancy & maternity, religion or belief and sexual orientation.

a) **General**

Memorandum of Understanding – [REDACTED] (Update)

Per my previous report, the proposed changes to the Memorandum of Understanding as agreed by the Management Committee have been forwarded to [REDACTED] for consideration and we await a response. [REDACTED]

b) **Queens’s Quay Development (37 units)**

Updated information in relation to this development is as follows: -

- **General** . The following matters remain outstanding and have delayed contractual close/site start (now set at 06 January 2020): -
 - Construction access onto Titan Boulevard
 - Additional SG funding to be explored in terms of potential increased costs
 - Environmental warranties/indemnities required . cost of insurance to be confirmed
 - The outcome of further site investigations

An alternative location for the mobile phone mast has now been identified.

• **District Heating System (DHS)** . [REDACTED]

[REDACTED]

- **Private Finance** . We are continuing to liaise with [REDACTED] in relation to progressing through the credit approval process with a view to having the funds in place well in advance of full drawdown of housing grant. [REDACTED] will be attending our December meeting to give a brief presentation about [REDACTED] and to meet the Committee.

- **Legal** - Our legal team at Harper Macleod continue to progress with the legal process (including acquisition and the development agreement with [REDACTED]). The Association’s contract will be with [REDACTED] to purchase our 37 units once built and Harper Macleod are awaiting information from [REDACTED] legal team.

Discussions have still to take place with Harper Macleod regarding the revised fee.

- **Contracts Register**

Details of spend to date against the Offer of Grant is detailed in **Appendix 1**.

c) **Dumbarton Road, Dalmuir – [REDACTED] (50+ units)** 

We have not received a response from the developer since the last meeting in relation to the composition of the development in terms of flats and houses.

d) **Former St. Cuthbert's Church – Linnvale (20-25 units) (Approval required)** **Development process being undertaken (Design and build with novation)** . Our design team/CHA is in control of the design and contractor employed once all planning drawings submitted and approved. This method reduces the risk to the Association and passes the liability and cost of detailed design onto the Contractor once the fundamental design has been completed.

An allowance for demolition, feasibility and acquisition design fees up to planning is in the current offer of grant.


Draft Programme

We are working towards our draft programme as detailed in **Appendix 2**.

Design (Approval required) 

Our design team is now complete and includes Coltart & Earley Architects, Cowal Design Engineers and Martin Aitken Associates our Employer's Agent and Quantity Surveyors. [REDACTED] from Gregor Cameron Ltd is providing development consultancy services.

The proposed layout including parking options will be available for consideration on Tuesday night and the Management Committee will be required to agree their preferred site layout, design, proposed housing mix, building height, etc. in order that our Planning application can be submitted in December.


[REDACTED] 

Contractor

Martin Aitken Associates is preparing a pricing assessment which will be combined with a quality assessment and ESPD for publication on Public Contracts Scotland. These three items will form Stage 1A of the Contractor Selection process. Thereafter, the highest scoring tenderers will be invited to interview as Stage 1B and the highest scoring tenderer from both stages will be selected as the Preferred Contractor.

[REDACTED] 

Insurance

Per my previous reports, one of the Church conditions includes that [REDACTED] 
[REDACTED]).

Cover for the perils of fire, lightening aircraft and explosion (FLEA) plus Property Owners Liability (POL) is in place.

There have been no further incidences of vandalism or water ingress.

Funding

Scottish Government Housing Grant was claimed for the purchase price of the land, associated costs and consultancy fees in the sum of c. £227k and has been received. Please refer to **Appendix 3** (Contracts Register) for current expenditure against current offer of grant.

The Scottish Government has confirmed that funding for this development has been approved from their Charitable Bond Fund. In terms of process there is no difference to the Association apart from grant drawdown which can be made in full as soon as the project receives tender approval. We have forwarded our draft programme to the Scottish Government and we are regularly updating them as to progress.

Community Consultation

The design team and I attended a Linnvale and Drumry Community Council meeting on Monday 11 November and the draft plan (viewed by MC at the last meeting) was well received. The only concern expressed was in regards to the number of parking spaces proposed and our architect is reviewing the sitedesign for submission to the Management Committee on Tuesday night.

e) Other Sites

No update.

f) Development Risk

Our current new build development risk register is detailed in **Appendix 4**. Risk is continually monitored and assessed and there are no proposed additions.

Appendix 1 – Queens Quay Contract register

PROJECT Queens Quay (37 Units)					
COST AND FINANCE RECONCILIATION					
DATE: 21/11/2019					
Project Costs	Notes	Actual Spend to date	Total Costs per Offer of Grant	Amount remaining	
		£	£	£	
Capital Works		-			
Pre-Tender costs inc. SI (inc. VAT), Planning, BW, Energy calcs, premier guarantee					
Architect (inc. VAT)					
Acquisition Costs including Sols-VAT & Valuation Fee					
Development Agent (Gregor Cameron) inc VAT					
Employer Agent NBM inc VAT					
Engineer - G3 Scott Bennet inc VAT					
Fire Consultant (inc VAT)					
Landscape Architect (inc VAT)					
M&E Consultants - Hulley & Kirkwood (inc. VAT)					
COW (inc. VAT)					
Legal Fees (Loan)-CHA cost					
PD/CDM (inc VAT)					
DO inc VAT (Cube)					
Capitalised Interest					
Additional Costs agreed with WDC					
Total Costs	-	229,717	6,825,009	6,595,292	
FINANCE					
Housing Association Grant (HAG)		229,717	4,684,712	4,454,995	
Private Loan		-	2,109,000	2,109,000	
C.H.A. agreed contribution MC 27.06.19		-	31,297	31,297	
Total Finance		229,717	6,825,009	6,595,292	

Appendix 2 – Linnvale Church Programme

ACTIVITY	PLAN START	PLAN END	PLAN DURATION	ACTUAL START	ACTUAL END	ACTUAL DURATION	PERCENT COMPLETE
Architect Appt							
Start - Tender Document Preparation	01/08/2019	12/08/2019	12	01/08/2019	12/08/2019	12	100%
Quality & Pricing Published	12/08/2019	30/08/2019	18	12/08/2019	30/08/2019	18	80%
Quality & Price Evaluation	30/08/2019	02/09/2019	2	30/08/2019	02/09/2019	2	0%
Invitation to Interview	02/09/2019	02/09/2019	1	02/09/2019	02/09/2019	1	0%
Interview	05/09/2019	05/09/2019	1	05/09/2019	05/09/2019	1	0%
Decision and Appointment of Architect	05/09/2019	05/09/2019	1	05/09/2019	05/09/2019	1	0%
Engineer							
Quick Quote Preparation	01/08/2019	03/08/2019	3	01/08/2019	03/08/2019	3	100%
Quick Quote Published	09/08/2019	23/08/2019	14	09/08/2019	23/08/2019	14	100%
Quick Quote Evaluation	23/08/2019	23/08/2019	1	23/08/2019	23/08/2019	1	100%
Decision and Appointment of Engineer	23/08/2019	23/08/2019	1	23/08/2019	23/08/2019	1	100%
Employers Agent							
Quick Quote Preparation	01/08/2019	03/08/2019	3	01/08/2019	03/08/2019	3	100%
Quick Quote Published	23/08/2019	08/09/2019	14				0%
Quick Quote Evaluation	08/09/2019	08/09/2019	1				0%
Decision and Appointment of Employer Agent	08/09/2019	08/09/2019	1				0%
Contractor							
Start - ESPD Preparation	12/08/2019	23/08/2019	14	12/08/2019	23/08/2019	14	100%
ESPD Published	28/08/2019	13/09/2019	18				0%
ESPD Evaluation	13/09/2019	16/09/2019	3				0%
Initial Pricing Assessment/ Interviews	19/09/2019	14/10/2019	25				0%

ACTIVITY	PLAN START	PLAN END	PLAN DURATION	ACTUAL START	ACTUAL END	ACTUAL DURATION	PERCENT COMPLETE
Appointment - Preferred Contractor	14/10/2019	21/10/2019	7				0%
Clerk of Works							
Quick Quote Preparation	12/01/2020	15/01/2020	3				0%
Quick Quote Published	16/01/2020	29/01/2020	14				0%
Quick Quote Evaluation	30/01/2020	01/02/2020	3				0%
Decision and Appointment of Clerk of Works	02/02/2020	03/02/2020	1				0%
Statutory Approvals							
Site Sketches/ Design Development	05/09/2019	20/10/2019	45			21	0%
Detailed Planning Application Submission	20/10/2019	01/11/2019	12			22	0%
Detailed Planning Consent Decision	01/11/2019	16/12/2019	45			0	0%
Contractor Progresses to Warrant Design & Full Tender	21/10/2019	20/12/2019	60			0	0%
Building Warrant Decision	08/02/2020	08/02/2020	50			0	0%
Funding							
Tender Application Preparation	05/01/2020	19/01/2020	14			0	0%
Tender Application Submission	19/01/2020	19/01/2020	1			0	0%
Tender Application Decision	19/01/2020	09/02/2020	21			0	0%
Construction Phase							
Pre Start Meeting	31/01/2020	16/02/2020	17			0	0%
Site Start	17/02/2020	17/02/2020	1			0	0%
Target Completion Date	23/03/2019	23/03/2019		399 DAYS		0	0%

Appendix 3 – Linnvale Church Contract Sheet (Finance)



PROJECT Linnvale Church-Dalton Avenue					
COST AND FINANCE RECONCILIATION					
DATE: 24/10/2019					
Project Costs	Notes	Actual Spend to date	Total Costs per Offer of Grant	Amount remaining	
		£	£	£	
Capital Works		-	-	-	
Developer Design Fees inc VAT		█	█	█	
Demolition Costs			█	█	
Acquisition Costs including Sols & Valuation Fee		█	█	█	
Development Agent (Gregor Cameron) inc VAT		█	█	█	
Employer Agent inc VAT		-	-	-	
Capitalised Interest		-	-	-	
Planning/ Building Warrant			█	█	
SI & Topo		█	█	█	
Premier Guarantee		-	-	-	
COW (inc VAT)		-	-	-	
Total Costs	-	234,565	378,670	144,105	
FINANCE					
Housing Association Grant (HAG)		233,425	378,670	145,245	
Private Loan		-	-	-	
C.H.A.		1,140	-	-	1,140
Total Finance		234,565	378,670	144,105	

Appendix 4

Risk Assessment – Proposed Design and Build/Partnership Development opportunities

Risk management – the evaluation of risks relating to our organisation's mission and strategic objectives. No construction project is risk free. Risk can be managed, minimised, shared, transferred or accepted but cannot be ignored.

The Queens Quay, Linnvale Church and Dumbarton Road proposed developments are directly linked to the fulfilment of the following strategic objectives.

- To provide quality, affordable housing that meets the changing needs of our customers and to ensure fair access to housing within our area.
- To manage the houses provided, in a professional and cost effective manner, for the benefit of our local community and the environment.
- To provide a first class maintenance service which offers value for money and ensures the comfort and safety of our residents while achieving high levels of satisfaction.
- To work in partnership with others, supporting our tenants and other customers, to maximise opportunities for physical and socio-economic regeneration in Clydebank.
- To ensure that our resources are adequate to deliver our objectives by investing in our people, demonstrating value for money and through robust procurement practices.
- To promote social inclusion by applying principles of equality and diversity to everything we do.

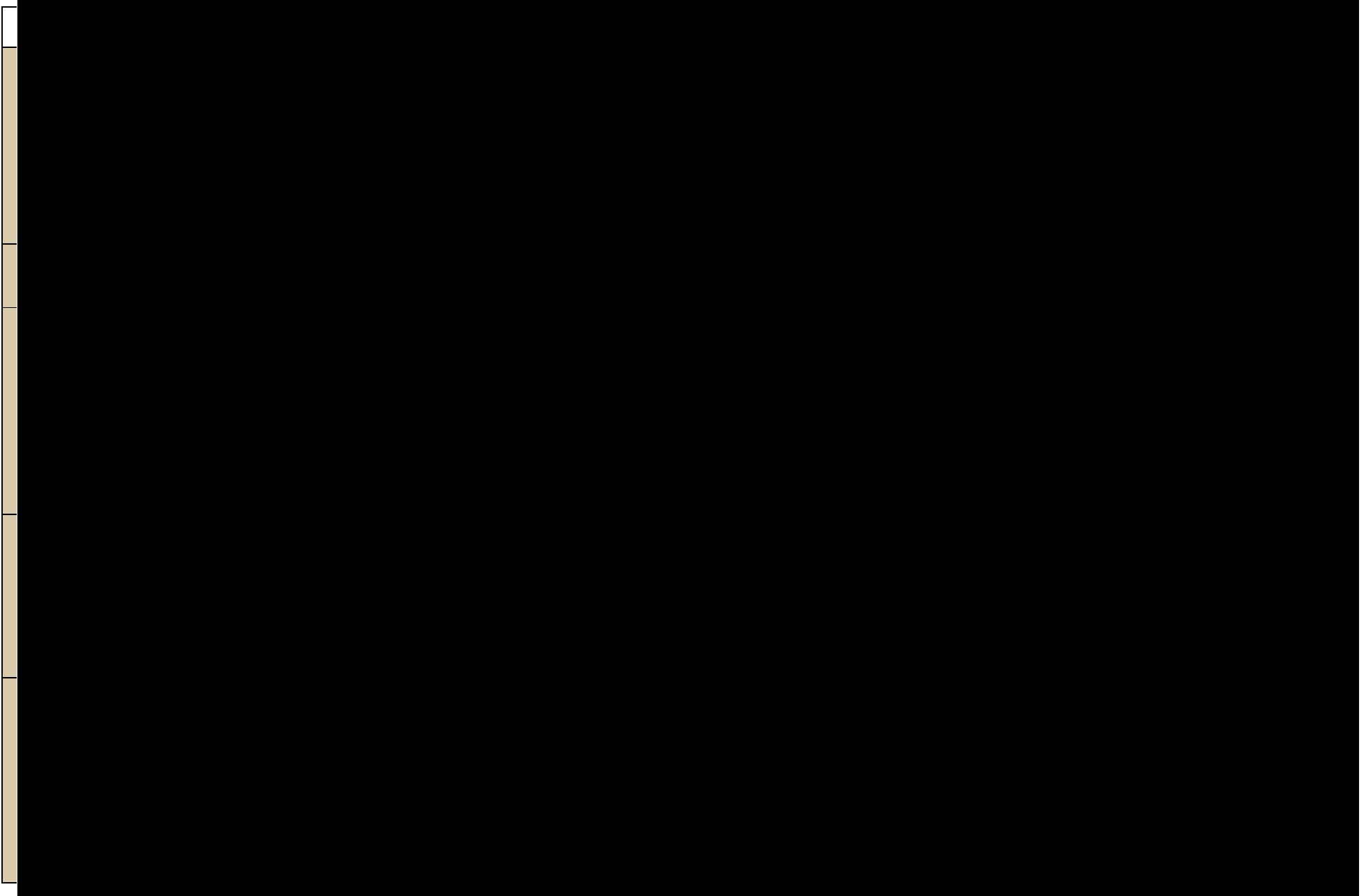
Levels of risk are assessed and categorised as follows: -

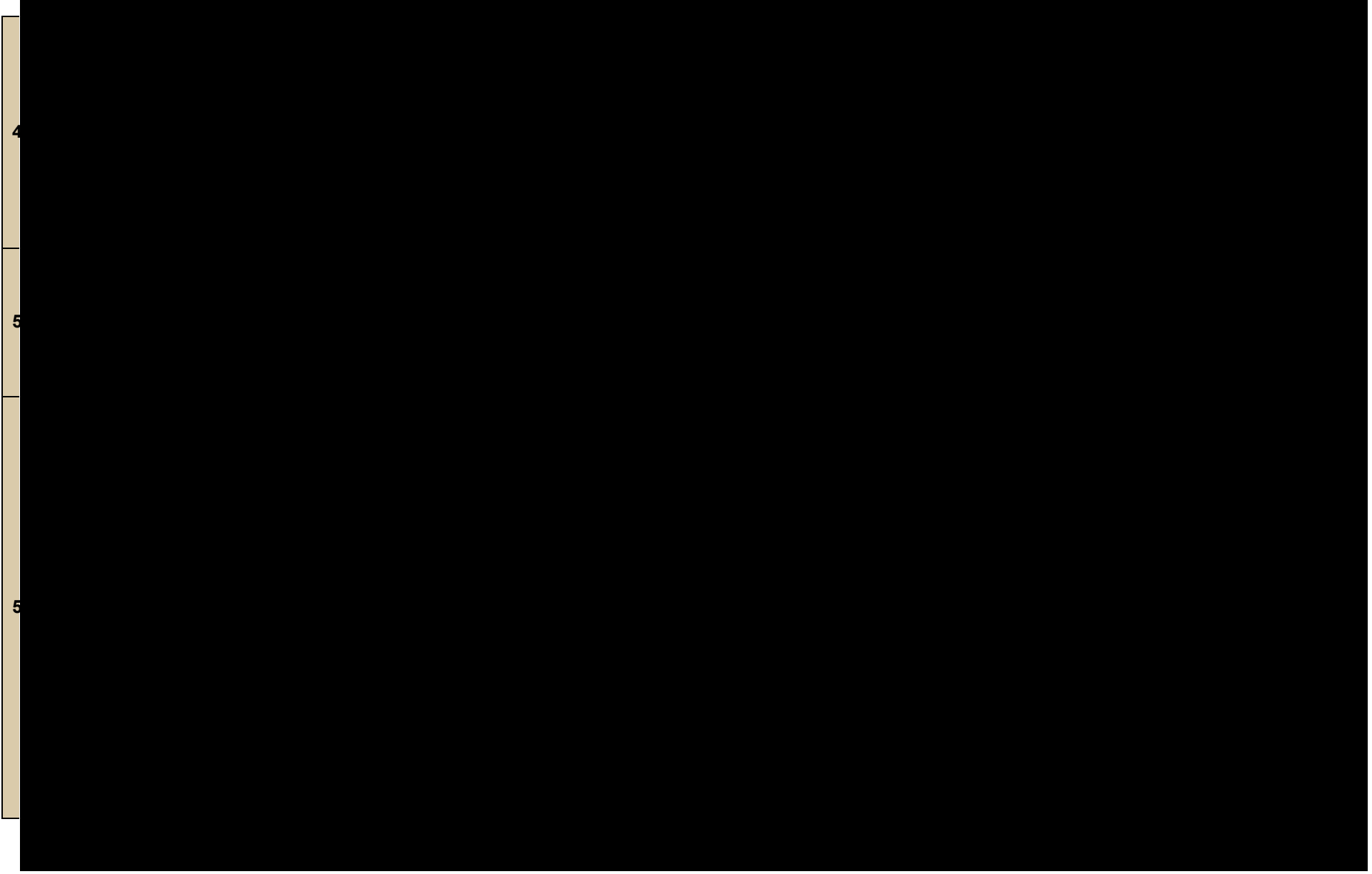
Risk Likelihood /Frequency	L	(1 = Low Probability, 5 = High Probability)
Risk Consequence /Severity	C	(1 = Lowest Risk, 5 = Highest Risk)
Risk Score /Ranking	S	Likelihood (L) x Consequence (C)
Control Adequacy	OK	Satisfactory (S = 01-10) . 3 yearly review
	MON	Monitor (S = 11-20) . Annual review
	!	Unsatisfactory/Urgent (S = 21-25) . Continuous review/regular reporting to Committee

Risk Categories

Political/Legislative
Professional
Financial/ Economic
Contractual
Environmental
Competitive

Technological
Tenant/Customers/socio-demographic

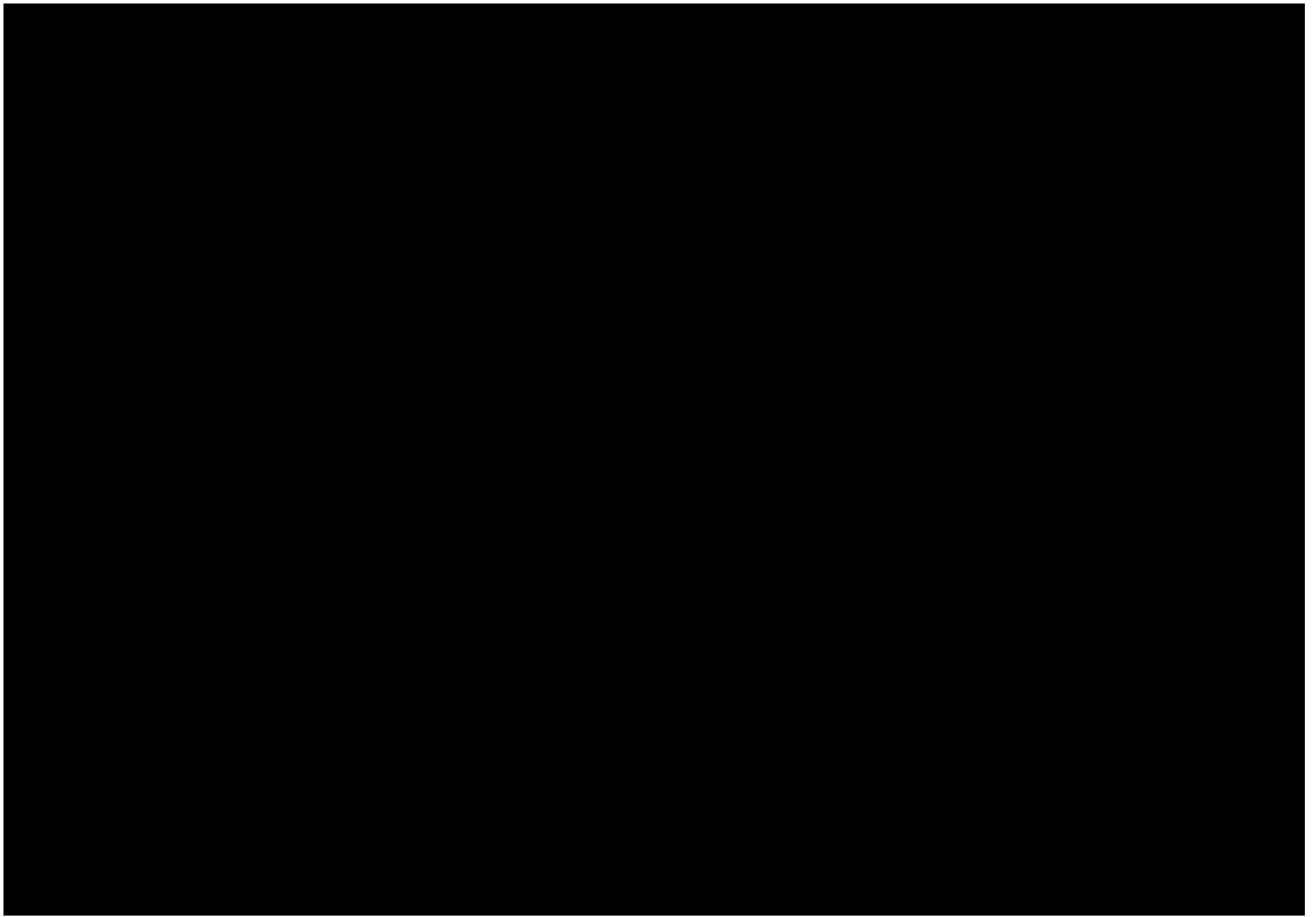


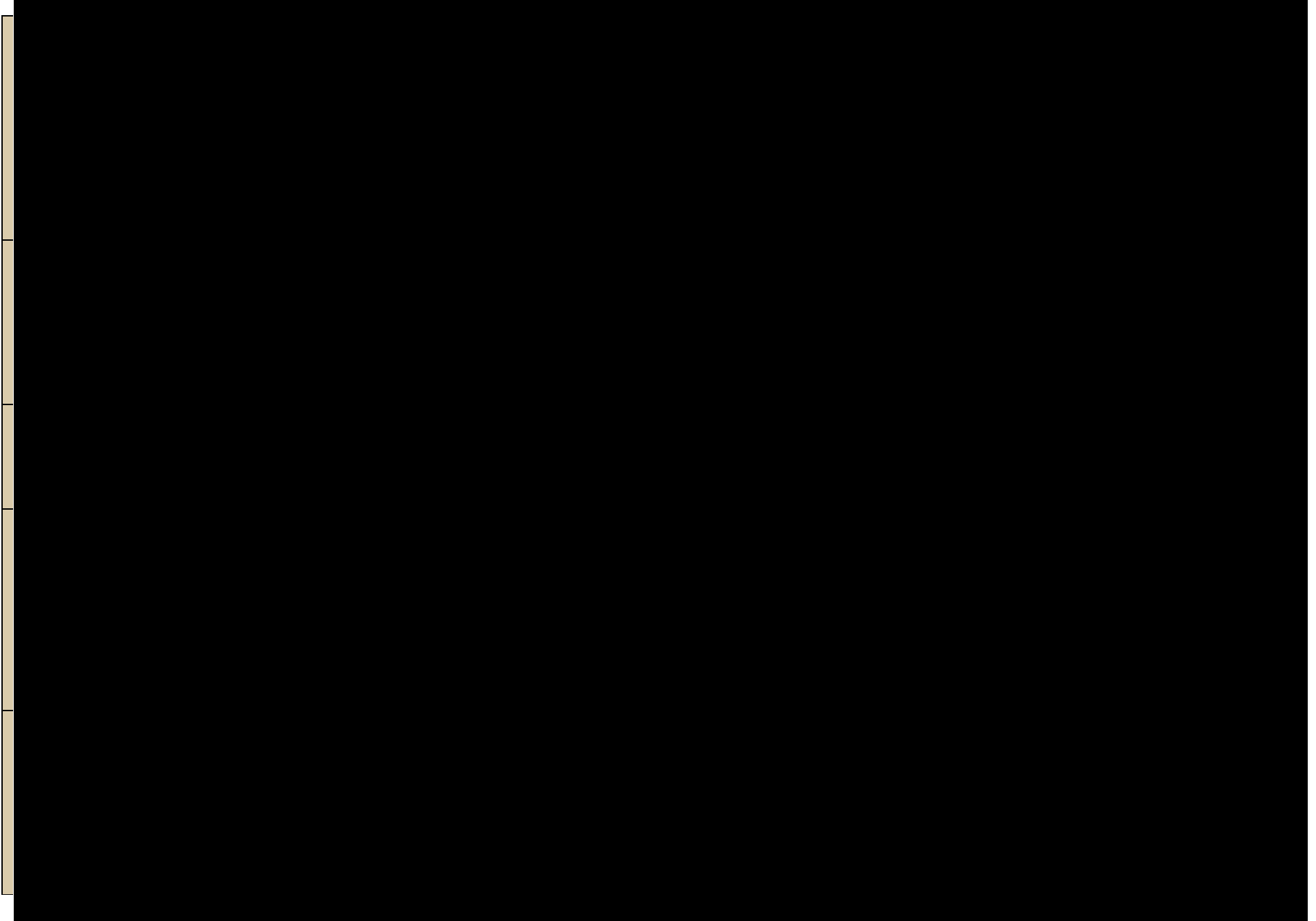


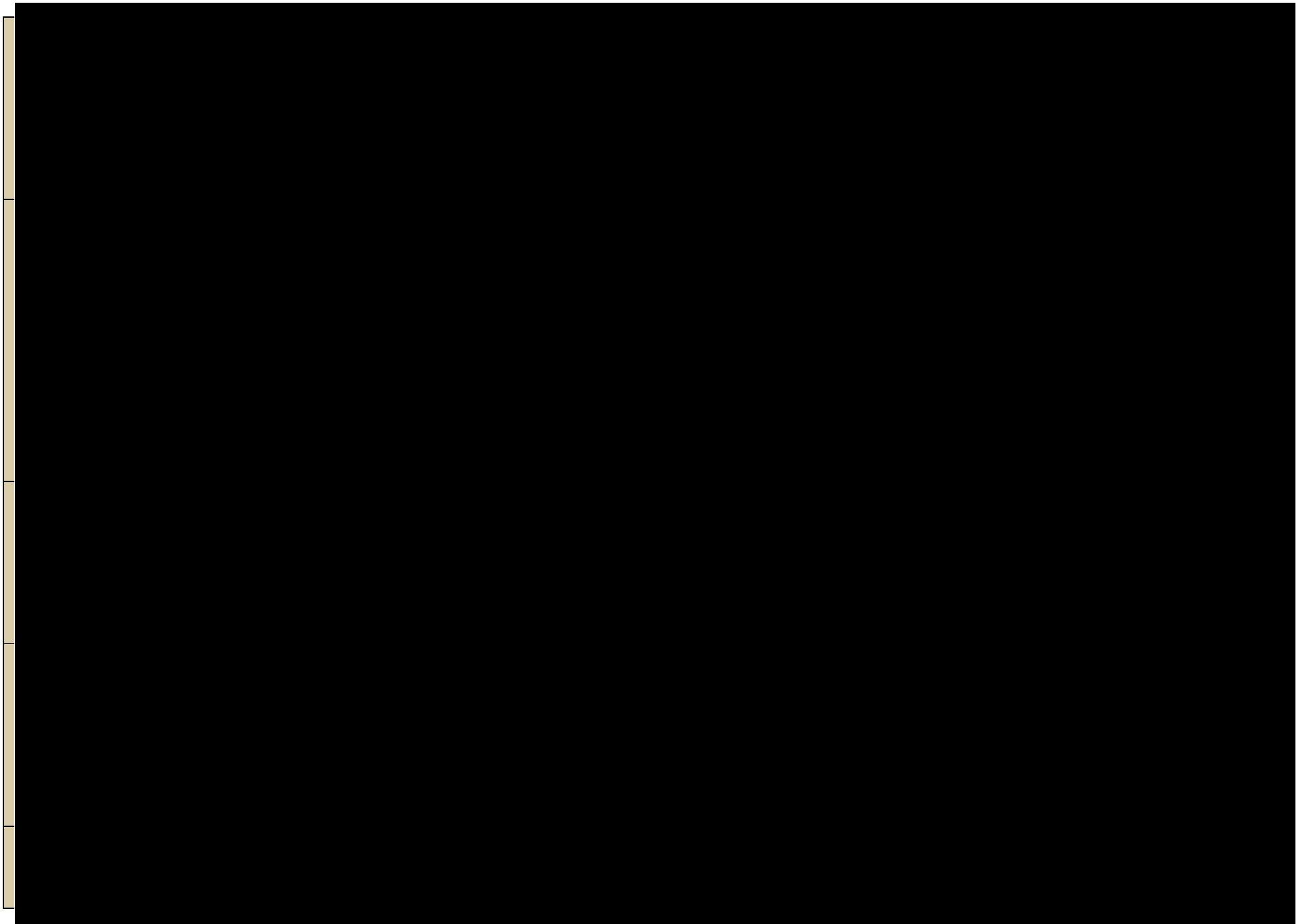
4

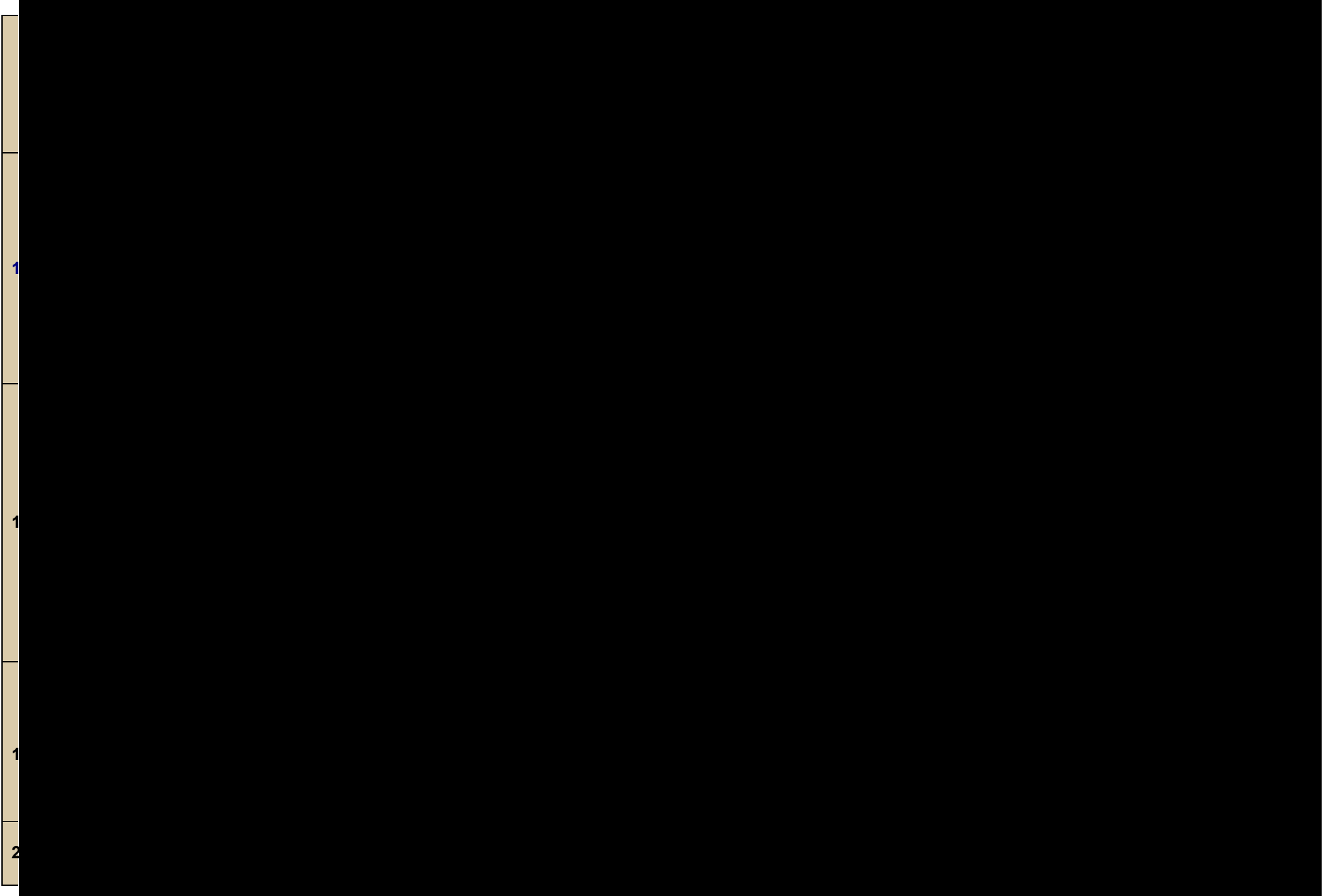
5

5









1

1

1

2

