#### CLYDEBANK HOUSING ASSOCIATION LTD.

TO: Management Committee (26-May-2020) DATE: 22.05.2020

**FROM:** Chief Executive

SUBJECT: Development Report - Agenda Item 13 (Decisions 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)	Memorandum of Understanding – (Update)  Per my previous reports, the proposed changes to the Memorandum of Understanding as agreed by the Management Committee have been forwarded to for consideration and we await a response. Although already publicised by this document once signed, will formalise Clydebank HA as a Strategic Partner of in terms of assisting in the delivery of its development aspirations.
	I also await a response to my email sent in February to
	This information would definitely be useful for our Business Plan review in relation to our future strategy/direction in terms of development but we are unlikely to receive a definitive answer any time soon given the current pandemic and other priorities which are still quite rightly taking precedence.
b)	Queens's Quay Development (37 units) (Update) Updated information in relation to this development is as follows: -
	<ul> <li>Site mobilisation - The site still remains closed, however, it is hoped that a phased return to construction will take place over the coming weeks and we will hopefully hear from the contractor in due course as to the revised programme.</li> </ul>
	<ul> <li>Private Finance – Preparation of the final loan agreement paperwork has been finalised and is detailed in a separate report for Management Committee approval. Security paperwork is progressing well and will be finalised in advance of the drawdown requirement.</li> </ul>
	<ul> <li>Contracts Register - Details of spend to date against the Offer of Grant is detailed in Appendix 1.</li> </ul>
c)	Dumbarton Road, Dalmuir –  Per my report in April, the Developer has confirmed that there has progress as discussions are ongoing with the owners of parts of the land package.

# d) Former St. Cuthbert's Church – Linnvale (25 units+) (Decisions Required) Draft Programme

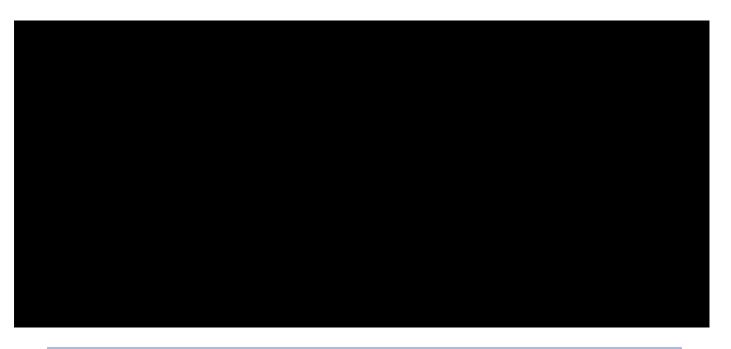
The latest programme is detailed in **Appendix 2** and this will hopefully updated in the coming weeks as construction restarts and consultants and contractors are working fully again.

## **Funding**

Scottish Government Housing Grant was claimed against the current Offer of Grant to 31 March 2020 for the purchase price of the land, associated costs and consultancy fees in the sum of c. £379k and has been received. Please refer to **Appendix 3** (Contracts Register) for expenditure against offer of grant.

The Scottish Government has requested a single tender application is submitted for all 24 units, replacing the phase 1 and phase 2 applications for 6 and 18 units previously requested. This follows acknowledgement that the first 6 units are now unlikely to complete by March 2021 as a result of current restrictions due to COVID-19.

They have also confirmed the level of funding support that can be attributed to the project. The Government funding will be split into two parts; AHSP grant already received for acquisition and early design costs in the amount of £378,166.87, and the balance of
The balance of project costs funded from Private Finance is
We now await formal confirmation of the availability of the charitable bond in the current financial year (expected week commencing 01 June) prior to submitting the funding application.
we are still able to reach the following break-even points without any adjustment to rents: -

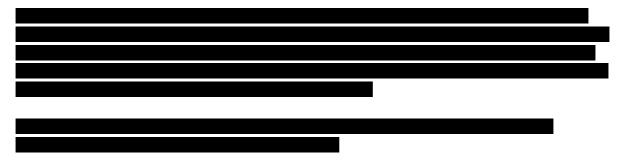


## **Decisions required**

- 1) I would therefore request that the Management Committee considers for approval, an increase in private finance for this project to based on the aforementioned information.
- 2) Approval for the Chief executive to accept the Offer of Grant on this basis, when it is received.

## **Acquisition**

We have agreed key terms, including purchase price, with in regards to the purchase of their land and the formal Offer is being prepared.



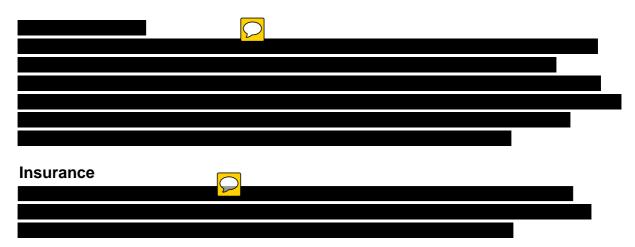
The conditions may have cost implications, however, we will explore funding opportunities for the installation of electric charging points to minimise any savings having to be made elsewhere in the contract.

The development consists of 24 units (8 stacks of 3) and the housing mix is as follows:

- 4 x
  2 Person
  2 x
  Bed / 2 Person
  Person Wheelchair
  13 x
  Bed / 4 Person
- 2 x3 Bed / 5 Person3 x3 Bed / 6 Person

## **Contractor Selection**

The contractor will not be formally appointed until such times as funding has been approved.



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.

## **Community Consultation**

As discussed at out last meeting, the following information was sent to the Community Council with regards to their concerns about the location of the entrance to the site. We confirmed that our architect and engineer had looked at the option of moving the entrance to Dalton Avenue, however, confirmed it was not possible, for the following reasons.

- 1. The biggest issues are Pedestrian, Cyclist and Traffic Safety and additionally Construction Issues caused by ground level changes from Dalton Avenue to the body of the site.
- 2. Sight Visibility lines for car entrance and exit are the safest and accepted by Roads and our Engineer. This is a traffic and pedestrian safety issue. The gradients at Dalton Avenue do not permit the necessary visibility splays, without significant Technical difficulty and significant Additional Cost
- 3. There is a levels change of 1600mm between Dalton Avenue and the Parking Court. The Parking Court needs to be level with the path on one side and the New Housing on the other.
- 4. Assuming unlimited funds a Technical Solution would be possible with the following implications
- 5. The gradient from Dalton Avenue up to the Parking Court are too steep, so to get to the correct gradient would need a long access road. This would be cut into the site and require retaining walls.
- 6. As a result of enhanced Entrance Road length the number of Car Spaces on site would be reduced.
- 7. An entrance off Dalton would need the Bus Stop moved, to allow Car Sight Visibility Lines
- 8. The existing steps from Dalton Avenue would need to be moved deeper into the site to all Car Sight Visibility lines
- 9. All trees on Dalton Avenue would be removed and not replaced which would dilute the quality of Dalton Avenue
- 10. The scheme is already under severe Financial Pressure and such are the Technical and Ground Engineering issues the scheme may not be Financially Viable
- 11. Planning Department agree access off Attlee is the correct solution
- 12. Roads Department agree access off Attlee is the correct solution

It was therefore felt that on the balance of practicality, safety, buildability and cost, that the access off Attlee is the Optimum Solution for this small and challenging site.

I have not heard back from the Community Council in response to my emails.

#### e) Other Sites

No other sites being explored at the moment.

#### f) Development Risk

Our current new build development risk register is detailed in **Appendix 4**. Risk is continually monitored and assessed and there is one addition (no. 1b) this month in relation to the potential impact of onerous loan conditions.

## **Appendix 1 - Queens Quay Contract register**

PROJECT Queens Quay (37 Units)		$\square$		
COST AND FINANCE RECONCILATION				
DATE: 22/05/2020				
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				
Engineer - G3 Scott Bennet inc				
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	-	607,936	6,825,009	6,217,074
FINANCE				
Housing Association Grant (HAG)				
Private Loan		-		
C.H.A. agreed contribution MC 27.06.19		1		
Total Finance		607,936	6,825,009	6,217,074
		-		

## Appendix 2 – Linnvale Church Programme

## **Clydebank Housing Association**

Period Highlight

Dalton Avenue

ACTIVITY	PLAN START	PLAN END	PLAN DURATION	PERCENT COMPLETE
Contractor Selection - Under Review				
Contractor Selection Process	13/12/2019	12/01/2020	30	100%
Contractor Returns & Evaluation	12/01/2020	16/01/2020	4	0%
Contractor Interviews	21/01/2020	22/01/2020	1	0%
Final Scoring	22/01/2020	23/01/2020	1	0%
Appointment - Preferred Contractor	23/01/2020	30/01/2020	7	0%
Clerk of Works - Delay Till Closer to Site Start - TBC				
Quick Quote Preparation	13/01/2020	15/01/2020	3	0%
Quick Quote Published	16/01/2020	29/01/2020	14	0%
Quick Quote Evaluation	30/01/2020	03/02/2020	3	0%
Decision and Appointment of Clerk of Works	03/02/2020	04/02/2020	1	0%
Statutory Approvals				
Site Sketches/ Design Development to Planning	10/09/2019	09/12/2019	90	100%
Design Option Confirmed	12/12/2019	12/12/2019	1	75%
Pre-Appplication Discussions	13/12/2019	10/01/2020	7	50%
Detailed Planning Application Submission	20/01/2020	20/01/2020	1	0%
Detailed Planning Consent Decision	20/01/2020	13/04/2020	84	0%
Preparation of Stage 1 Warrant Application by Design Tear	20/01/2020	17/02/2020	28	0%
Stage 1 Warrant Decision	17/02/2020	30/03/2020	42	0%
Stage 2 Contractor Progresses to Warrant Design	17/02/2020	30/03/2020	42	0%
Stage 2 Building Warrant Decision	30/03/2020	11/05/2020	42	0%
<u>Funding</u>				
Contractor Tender Received		07/03/2020	5	0%
EA Tender Report & HTR Prepared	07/03/2020	14/03/2020	7	
Tender Application Preparation	14/03/2020	16/03/2020	2	0%
Tender Application Submission	16/03/2020	16/03/2020	1	0%
Tender Application Decision	16/03/2020	30/03/2020	14	0%
Construction Phase				
Pre Start Meeting	06/04/2020	07/04/2020	1	0%
Site Start	27/04/2020		1	0%
Target Completion Date	30/03/2021	30/03/2021	336	0%

## **Appendix 3 – Linnvale Church Contract Sheet (Finance)**

PROJECT Linnvale Church-Dalton Avenue				
COST AND FINANCE RECONCILATION				
DATE: 22/05/2020				
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				- 1 <del>200</del>
Development Agent (Gregor Cameron) inc				. <u>-</u>
Employer Agent inc VAT			-	-
Capitalised Interest		-	- -	-
Planning/ Building Warrant		-		
SI & Topo				
Premier Guarantee		-	-	-
COW (inc VAT)		-	-	-
Architect Fees			-	
Legal Fees (other)			-	-
Total Costs	-	389,594	378,670	- 10,924
FINANCE				
Housing Association Grant (HAG)				
Private Loan		-	-	-
C.H.A.			-	-
Total Finance		389,594	378,670	- 10,924

## **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 socioeconomic 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 <b>Likelihood</b> /Frequency	L	(1 = Low Probability, 5 = High Probability)							
Risk Consequence/Severity	С	(1 = Lowest Risk, 5 = Highest Risk)							
Risk <b>Score</b> /Ranking	S	Likelihood (L) x Consequence (C)							
Control Adequacy	OK	Satisfactory (S = 01-10) – 3 yearly review							
	MON	Monitor (S = 11-20) – Annual review							
	ı	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

			Pre-Control Measures			ol s				Contr	ol S	
Risk ID no.	The Risk and what can happen - Cause	Effect	Likelihood	Consequence	Severity	Control Adequacy (Urgent !,Monitor, OK)	Control Action/ Strategies to mitigate risks	Likelihood	Consequence	Severity	Revised Control Adequacy	Review/ Action Plan
	Project Negotiation S	tage										
1												
1b												
2												

