CLYDEBANK HOUSING ASSOCIATION LTD.

TO: Management Committee (23-Jun-2020) **DATE:** 18.06.2020

FROM: Chief Executive

SUBJECT: Development Report - Agenda Item 13 (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)	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 have a programming meeting with the Scottish Government and WDC arranged for next week.
	However, given the current climate and the likely availability of funding in the coming years, this may be a non-starter.
b)	Queens's Quay Development (37 units) (Update) Updated information in relation to this development is as follows: -
	 Site mobilisation - CCG commenced remobilisation and pre-start prep on Monday 1st June, and "Road Tested" the new Systems that week and into w/c 8th June to ensure that the new systems operate effectively.
	We will hopefully hear from the contractor in due course as to the revised programme.
	o Private Finance – Some of the documentation agreed signing at last month's meeting has been signed and returned to The agreed
	Financial close has been pushed back to Octer/November 2020 to minimise
	 Contracts Register - Details of spend to date against the Offer of Grant is detailed in Appendix 1.
c)	Dumbarton Road, Dalmuir – (Update) The Developer has recently confirmed in their email of 18 June, that there has been no real progress since his last email to us due to Covid-19 and the adverse impact on their business. Their Board is currently focussed on the wellbeing of the overall company and getting all of their current sites back to full operational mode and once this has been achieved they will start to look freshly at new projects such as this one.
d)	Former St. Cuthbert's Church – Linnvale (25 units+) (Update) Draft Programme The latest programme is detailed in Appendix 2 this will hopefully be updated in the coming weeks once the progress with the development.

Funding Scottish Government Housing Grant was clied against the current Offer of Grant to 31 March 2020 for the Please refer to Appendix 3 (Contracts Register) for expenditure against offer of grant.						
The Scottish Government has 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 which will be from a charitable bond and will be received as a single payment on tender acceptance.						
The balance of project costs funded	from Private Finan	ice will be				
We still await a formal Offer of Grant confirmation from the Scottish Government but hopefully this will be with us next week. A breakdown of funding and total costs is detailed below: -						
Total for scheme Total per unit						
Housing Grant/Charitable Bond Private Finance requirement						
Total Costs/per unit	£4,580,417	£190,850				

Private Finance

The Head of Finance and Corporate Services will be gauging initial interest/requesting private finance quotes from various approved banks as detailed in our Treasury Management Policy in the coming weeks for the required facility.

Acquisition

We have agreed heads of terms, including purchase price, in regards to the purchase of their land and a draft offer has been issued to for review. The acquisition will proceed once have achieved committee approval for the disposal.

Design for Planning

I am delighted to report that the WDC Planning Committee approved our planning application at their meeting on 10 June. Whilst fully supporting the application for the provision of affordable housing on the site, there were representations made on behalf of the Community Council in regards to the entrance to the site. Although the Planning and Roads Department officials indicated that there were no issues with the proposed entrance and our Architect explaining the technical and cost reasons behind our decision to have the entrance on Attlee Avenue as opposed to Dalton Avenue, the decision went to a vote.

The approval includes the following conditions: -

4m entrance radius to increase to 6m which can be done

- Prior to the commencement of development with the site, details of the location and design of an electric charging point(s)/unit(s) to serve the development shall be submitted to and approved in writing by the Planning Authority. The approved car charging point(s)/unit(s) and associated infrastructure shall thereafter be installed in accordance with the approved details at a timescale agreed by the Planning Authority and maintained as such thereafter.
- Prior to the occupation of the development, the developer shall install the
 necessary infrastructure to enable the full development to be connected to the
 existing fibre optic network, where available in West Dunbartonshire, and in
 accordance with the relevant telecommunications provider's standards.
- Parking should be reviewed after 12 months to make sure that it is sufficient- this
 is based on a recommendation from the Roads service. If it does turn out that
 there is a problem then it has been suggested that we look at losing some of the
 landscaping to form additional spaces, but we would hope that this would not be
 required.

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:

- o 4 x 1 Bed / 2 Person
- o 2 x 2 Bed / 3 Person Wheelchair
- o 13 x 2 Bed / 4 Person
- o 2 x 3 Bed / 5 Person
- o 3 x 3 Bed / 6 Person

Contractor Selection

The contractor will not be formally appointed until confirmation is received that their price has been held and until such times as the formal offer of grant is received.

have approved the request to call of their framework so to formalise their appointment, CHA will publish a contract award notice on Public Contracts Scotland in due course.



Insurance

Per my previous reports, one of the Church conditions includes that should the buyback clause be invoked, then they would expect the building to be transferred back in no worse a condition than at the date of sale (31 March 2019).

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 our last meeting, representations were made by the Community Council with regards to their concerns about the location of the entrance to the site and these were expressed at the recent Planning Committee meeting.

I will make contact again with the Community Council in due course to keep them up to date with progress.

(Decision required) I have been approached by a developer regarding a potential development site at the above location (proposed layout for the site attached) Appendix 4 The developer is in the process of agreeing a missive with acquire their with a view of developing it into a flatted development. The original scheme consists of - 18 units; 6 x 1 bedroom and 12 x 2 bedrooms;

If agreeable to the Management Committee, I would propose we raise this development opportunity with the Scottish Government and WDC at its forthcoming programme meeting to ascertain availability of funding.

f) Development Risk

127% parking; 3 storey + amenity space.

Our current new build development risk register is detailed in **Appendix 5**. Risk is continually monitored and assessed and there is one addition (Numbered 3a and highlighted in red) this month in relation to the risk of planning objections/refusals.

Appendix 1 - Queens Quay Contract register



Notes	Actual Spend to date	Total Costs per Offer of Grant	Amount remaining
	c	c	£
	£	L	L
		_	
			-
		_	
	-	-	-
	-		
	-		
-	634,687	6,825,009	6,190,322
	-		
	634,687	6,825,009	6,190,322
		Spend to date £	Spend to date £ £

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		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		7	
Tender Application Preparation		16/03/2020	2	0%
Tender Application Submission		16/03/2020	1	0%
Tender Application Decision	16/03/2020	30/03/2020	14	0%
Construction Phase				
Pre Start Meeting	06/04/2020		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				
	18/06/2020				
Project Co		Notes	Actual Spend to date	Total Costs per Offer of Grant	Amount remaining
					-
Capital Wo	rks		£	£	£
Developer [Design Fees inc				
Demolition	Costs				
Acquisition	Costs including Sols & Valuation				-
Developme	nt Agent) inc VAT				
Employer A	gent inc VAT			-	-
Capitalised	Interest		-	-	-
Planning/B	uilding Warrant		I		
SI & Topo					
Premier Gu	arantee		-	-	-
COW (inc V	/AT)		-	-	-
Architect Fe	ees			-	
Legal Fees	(other)			-	- <u> </u>
Total Cost	s	-	390,536	378,670	- 11,866
FINANCE					
Housing As	sociation Grant (HAG)				-
Private Loa	n		-	-	-
C.H.A.				-	-
Total Finar	nce		389,594	378,670	- 10,924