

CLYDEBANK HOUSING ASSOCIATION LTD.

TO: Management Committee (27-Oct-2020)

DATE: 23.10.2020

FROM: Chief Executive

SUBJECT: Development Report - Agenda Item 12 (Update)

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 5)

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 (Update)**

As highlighted last month, our Memorandum of Understanding in relation to our strategic partnership with ██████ would be formalised as soon as an official signing/PR event can be organised.

SHIP – WDC Call for Sites (submitted to WDC on 03 August 2020)

We still await feedback from WDC regarding our Strategic Housing Investment Programme (SHIP) submission – details below: -



a) **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 the development is now well underway and the revised programme indicates an autumn 2022 completion date.
- **Site signage and progress pictures** – Cube HA as lead organisation, has designed the signage for the site. The signage and some pictures of site progress (sent out to the Management Committee on 06 October can be found in **Appendix 1**.
- **Private Finance** – The previously agreed Security document will be returned to ██████ when the security paperwork has been completed (this is imminent) and the signed Key Commercial Terms will be returned in advance of private finance drawdown.

As agreed last month, financial close will be as close to December 2020 as possible to minimise non-utilisation fees. The loan was sanctioned in December 2019 and we are required to start using the facility within 12 months of that date.

- **Contracts Register** - Details of spend to date against the Offer of Grant is detailed in **Appendix 2**.

b) Dumbarton Road, Dalmuir – [REDACTED] (50+ units) (Update)

There has been no update for a couple of months since the developer indicated that Covid-19 had had an adverse impact on their business and that they were concentrating on their current sites. We will continue to pursue.

c) Former St. Cuthbert's Church – Linnvale (24 units) (Update)

Draft Programme

The latest programme is detailed in **Appendix 3**. This will be updated in the coming weeks.

Acquisition – small piece of triangular ground from [REDACTED]

Following [REDACTED] approval to sell the land to the Association on 16 September, the transaction legally completed on 21 October 2020 which means we are now owners of the complete site.

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 [REDACTED] and has been received. Please refer to **Appendix 4** (Contracts Register) for expenditure against offer of grant.

A reminder that the Scottish Government has confirmed the level of funding support that can be attributed to the project and that offers of grant have been received from both the Scottish Government and Allia and accepted by the Association. The Government funding will be split into two parts; AHSP grant already received for acquisition and early design costs in the amount of [REDACTED], and the balance of [REDACTED] which will be from a charitable bond [REDACTED] and will be received as a single payment on tender acceptance.

The balance of project costs funded from Private Finance will be [REDACTED].

A breakdown of funding and total costs is detailed below: -

	Total for scheme	Total per unit
Housing Grant/Charitable Bond	[REDACTED]	[REDACTED]
Private Finance requirement	[REDACTED]	[REDACTED]
Total Costs/per unit	£4,580,417 =====	£190,850 =====

Now that the purchase of the land from [REDACTED] is concluded, we now only await a firm "on site" date and programme from the contractor, to enable the Association to complete [REDACTED]. This will enable [REDACTED] to release the approved sum of [REDACTED] funding (up to 4 weeks prior to the confirmed programmed site start date). We expect to receive a full programme update ahead of the next project meeting on 30th October and will continue to request the earliest possible start date from the Contractor.

Private Finance

The Head of Finance and Corporate Services will now gauge initial interest and request private finance quotes from various approved banks as detailed in our Treasury Management Policy for the required c. [REDACTED] loan facility now that the whole site is owned.

Design for Planning

Planning approval was achieved on 10 June 2020.

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

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

Contractor Selection

The contractor will now be formally appointed following confirmation that the price quoted had been held and a suitable Offer of Grant has been received. [REDACTED] has approved the request to call of their framework so to formalise their appointment, CHA will publish a contract award notice on Public Contracts Scotland. This publication requires the contract dates so won't be issued until the formal letter of acceptance is issued, ahead of the site start.

Community Consultation

I will make contact again with the Community Council in the coming weeks now that we have secured the whole site and further information as to programme can be shared.

d) Proposed [REDACTED] development – Design and Build (Update)

Meetings between the developer and the Association's development team are continuing with a view to move forward with the development proposal.

As reported last month, the developer has concluded missives with [REDACTED] and is aware that we are aiming to secure planning and site purchase before the end of March 2021, funding permitting. Both the Association's and WDC's design guides have been issued and the developer has issued some draft layouts for discussion at the meeting and these are attached **(Appendix 5)**.

I can confirm that per the Management Committee's decision last month, [REDACTED] has been formally appointed as both Employer's Agent and Principal Designer through the [REDACTED].

The scheme consists of - 18 units; 6 x 1 bedroom and 12 x 2 bedrooms; 127% parking; 3 storey + amenity space.

The Architect requested some pre-application feedback from WDC Planning Department and the comments were all generally very positive. Some of the points raised were as follows: -

- *The site is identified within the adopted West Dunbartonshire Local Plan 2010 as an Existing Residential Area, and within LDP1 (proposed plan 2016) and LDP2 (proposed plan 2018) it is identified as an Existing Neighbourhood. So the principle of residential use on the site is generally acceptable. However, I note that the site is currently a bowling green and we do have policies that protect outdoor sports facilities, so you would need to provide strong justification for its loss.*
- *In terms of parking, we would look for 100% parking provision for housing association properties. We also require secure, covered cycle storage to be provided at a rate of 1 space per flat. .*
- *In terms of scale, a 3 storey building would be appropriate as most of the buildings in the area surrounding the site have a maximum of 3 storeys.*
- *The site falls within the Glasgow Airport Safeguarding zone, which means we will need to consult them on the development if we receive an application. They normally ask for a bird hazard management plan if the building would have a low pitched roof and they also provide some guidance about the use of cranes during the construction period.*
- *Also, worthwhile mentioning just now is that on other similar developments recently we have put conditions on requiring the installation of electric charging points for cars and also the provision of infrastructure to enable the development to be connected to high speed broadband.*

e) Development Risk

Our current new build development risk register is detailed in **Appendix 6**. Risk is continually monitored and assessed and there are no proposed additions this month.

Appendix 1 - Queens Quay Signage/Progress pictures



**Great new homes
for social rent
coming soon,
a mix of 1, 2 and
3 bedroom flats.**

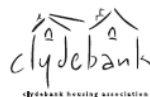
Cube Housing Association 80 homes
West Dunbartonshire Council 29 homes
Clydebank Housing Association 37 homes



**Better homes,
better lives**



Better homes, better lives



**Great new
homes for rent
coming soon...**

Queens Quay

Due for completion autumn 2022

Working with



Appendix 2 - Queens Quay Contract Register (Finance)

PROJECT Queens Quay (37 Units)					
COST AND FINANCE RECONCILIATION					
DATE: 23/10/2020					
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					2
Agent (inc VAT)					
Employer Agent NBM inc					
Engineer - G3 Scott Bennet inc					
Fire Consultant (inc					
Landscape Architect (inc					
M&E Consultants - Hulley & Kirkwood (inc.					
COW (inc.					
Legal Fees (Loan)-CHA cost		-	-	-	
PD/CDM (inc					
DO inc VAT					
Capitalised					
Additional Costs agreed with					
Total Costs	-		6,825,009		
FINANCE					
Housing Association Grant (HAG)					
Private					
C.H.A. agreed contribution MC					
Total Finance		1,626,592	6,825,009	5,198,417	
		-			

Appendix 3 – Linnvale Church Programme

Clydebank Housing Association

Dalton Avenue

Period Highlight

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-Application 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 Team	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%
Funding				
Contractor Tender Received	02/03/2020	07/03/2020	5	0%
EA Tender Report & HTR Prepared	07/03/2020	14/03/2020	7	0%
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	28/04/2020	1	0%
Target Completion Date	30/03/2021	30/03/2021	336	0%

Appendix 4 – Linnvale Church Contract Sheet (Finance)

PROJECT	Linnvale Church-Dalton Avenue					
COST AND FINANCE RECONCILIATION						
DATE:	23/10/2020					
Project Costs		Notes	Actual Spend to date	Total Costs per Offer of Grant	Amount remaining	
			£	£	£	
Capital Works			-	-	-	
Developer Design Fees inc						
Demolition Costs						
Acquisition Costs including Sols & Valuation						
Development Agent (Gregor Cameron) inc					4,200	
Employer Agent inc						
Capitalised Interest			-	-	-	
Planning/ Building						
SI & Topo						
Premier Guarantee			-	-	-	
COW (inc VAT)			-	-	-	
Architect						
Legal Fees (other)					6	
Total Costs		-			-	
FINANCE						
Housing Association Grant (HAG)					43,023	
				378,670		

