### CLYDEBANK HOUSING ASSOCIATION LTD.

TO: Management Committee (24-Nov-2020) DATE: 20.11.2020

**FROM:** Chief Executive

SUBJECT: Development Report - Agenda Item 15 (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.

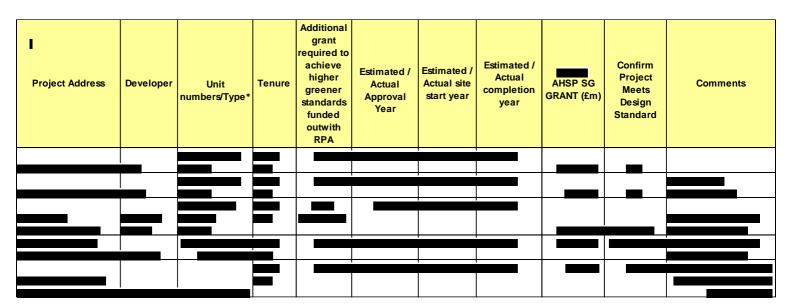
### a) General

### 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)

The Association's programming meeting with the Scottish Government and WDC took place on 11 November 2020 at which our development proposals were discussed. I can confirm that the draft Strategic Housing Investment Programme (SHIP) which will be submitted to the Scottish Government contains references to all our current and proposed developments. However, had not been scored as more information was required. We have highlighted that we are progressing with the scheme and WDC is now looking at the possible inclusion in the SHIP. We await further feedback. Details of our submission are 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. The revised programme is detailed below: -

Task Name	Duration	Start	Finish
Site A Handovers	45 days	Mon 10/01/22	Fri 11/03/22
Block 9 - CHA	5 days	Mon 10/01/22	Fri 14/01/22
Block 8 - CHA	5 days	Mon 17/01/22	Fri 21/01/22
Block 7 - CHA	5 days	Mon 24/01/22	Fri 28/01/22

Block 6 - Cube	5 days	Mon 31/01/22	Fri 04/02/22
Block 5 - Cube	5 days	Mon 07/02/22	Fri 11/02/22
Block 4 - Cube	5 days	Mon 14/02/22	Fri 18/02/22
Block 3 - Cube	5 days	Mon 21/02/22	Fri 25/02/22
Block 2 - Cube	5 days	Mon 28/02/22	Fri 04/03/22
Block 1 - Cube	5 days	Mon 07/03/22	Fri 11/03/22
Site B Handovers		Tue 05/01/21	Fri 25/03/22
Block 10 - WDC	5 days	Mon 14/03/22	Fri 18/03/22
Block 11 - WDC	5 days	Mon 21/03/22	Fri 25/03/22

- Progress pictures –Some recent drone pictures of site progress can be found in Appendix 1.
- Private Finance The previously agreed Security document will be returned when the security paperwork has been completed (scheduled to be completed on or before 04 December 2020) 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 – (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 continue to pursue this development opportunity and have discussed the possibility of advancing the site ahead of with the Government and West Dunbartonshire Council who are agreeable in principle.

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.





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 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 accepted by the Association. The Government funding is split into two parts; AHSP grant previously received for acquisition and early design costs in the amount of and the balance of .

The balance of project costs funded from Private Finance will be

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

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



The Settlement Form has now been returned and and and the approved sum of has been released to the Association. The expected site start date is 23 November for the demolition of the existing church which is scheduled to complete before Christmas.

### **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 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:

- 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**

Now that the Offers of Grant have been received, CHA is now ready to execute building contract with CHA will publish a contract award notice on Public Contracts Scotland once the date of possession for the site has been agreed.

### **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.

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d) Proposed 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.

The legal agreement between and the developer is being progressed and the Government have agreed that they may be willing to support the acquisition of the site by CHA within the current financial year. The grant support for the acquisition would be subject to including a buy back provision in the legal agreement that allows CHA to return the site to the developer should planning consent and/or an acceptable funding package not be achieved within an agreed period from the date of entry.

Both the Association's and WDC's design guides have been issued. Draft layouts were discussed at the last meeting.

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

The preapplication advice process is ongoing with the planning department and the design team are now reviewing the feedback received to date with a view to finalising design and submitting a detailed planning application before Christmas.

As indicated at b) above, we continue to pursue this development opportunity and have discussed the possibility of advancing the have discussed with the Government and West Dunbartonshire Council who are agreeable in principle.

### e) Development Risk

Our current new build development risk register is detailed in **Appendix 5**. Risk is continually monitored and assessed and there are no proposed additions this month.

# **Appendix 1 - Queens Quay Progress pictures**









# Appendix 2 - Queens Quay Contract Register (Finance)

PROJECT Queens Quay (37 Units)				
COST AND FINANCE RECONCILATION				
DATE: 20/11/2020				
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				-
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	-		6,825,009	
FINANCE				
Housing Association Grant (HAG)		1		
Private Loan				
C.H.A. agreed contribution MC 27.06.19				
Total Finance		1	6,825,009	
		-		

## **Appendix 3 – Linnvale Church Programme**

### **Clydebank Housing Association**

Period Highlight:

Dalton Avenue

ACTIVITY	PLAN START	PLAN END	PLAN DURATION	PERCENT COMPLETE
Contractor Selection - Under Review				
Appointment - Preferred Contractor	23/11/2020	23/11/2020	0	0%
Clerk of Works				
Quick Quote Preparation	13/11/2020	27/11/2020	14	50%
Quick Quote Published	27/11/2020	16/12/2020	19	0%
Quick Quote Evaluation	16/12/2020	17/12/2020	1	0%
Decision and Appointment of Clerk of Works	18/12/2020	18/12/2020	0	0%
Statutory Approvals				
Detailed Planning Consent Decision	10/06/2020	10/06/2020	0	100%
Contractor Progresses to Warrant Design	11/06/2020	13/11/2020	155	100%
Stage 2 Building Warrant Decision	13/11/2020	03/03/2021	110	30%
<u>Funding</u>				
Tender Application Submission	26/06/2020	26/06/2020	0	100%
Tender Application Decision	26/06/2020	29/06/2020	3	100%
Construction Phase				
Pre Start Meeting	27/11/2020	27/11/2020	0	0%
Site Start	24/11/2020	24/11/2020	1	0%
Target Completion Date	24/11/2020	13/01/2022	415	0%

# Appendix 4 – Linnvale Church Contract Sheet (Finance)

PROJEC	T Linnvale Church-Dalton Avenue				
COST AN	ID FINANCE RECONCILATION				
DATE:	20/11/2020				
Drainat C		Notes	Actual Spend to	Total Costs per Offer of Grant	Amount
Project C	osts	Notes	date	Grant	remaining
Conital M	Contro		£	£	£
Capital W	OIKS		-	-	-
Develope	r Design Fees inc				
Demolitio	n Costs		-		
Acquisitio	n Costs including Sols & Valuation				-
Developm	nent Agent (Gregor Cameron) inc VAT				3
Employer	Agent inc VAT			-	- 81
Capitalise	ed Interest		-	-	-
Planning/	Building Warrant			_	
SI & Topo				_	20,725
Premier G	Guarantee		-	-	-
COW (inc	VAT)		-	-	-
Architect I	Fees			-	
Legal Fee	es (other)			-	- <del>600</del>
Total Cos	sts	-		378,670	- 631
FINANCE	:				
Housing A	Association Grant (HAG)				4 3
Private Lo	pan		-	-	-
C.H.A.				-	-
Total Fina	ance			378,670	-

