

CLYDEBANK HOUSING ASSOCIATION LTD.

TO: Management Committee (15-Dec-2020) **DATE:10.12.2020**
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 in previous reports, our Memorandum of Understanding in relation to our strategic partnership with [REDACTED] would be formalised as soon as an official signing/PR event can be organised.

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

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

- **Site mobilisation** - CCG commenced on site again on Monday 1st June following lockdown and the development is now well underway. The revised programme reported last month 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

- **Private Finance** – I am pleased to confirm that [REDACTED] has now received all the necessary signed documents and the [REDACTED] facility financially closed 04 December 2020.

[REDACTED] indicated in a recent email that they appreciated all our efforts to allow the completion of the loan and once government restrictions are eased

they look forward to meeting up and seeing how the development at Queen's Quay is progressing.

They thanked Clydebank HA for choosing to continue to work with [REDACTED] and intimated that they are very proud to support the Association with its development programme. They wished me to pass on their best wishes to Members of the Committee.

As the granting of security for a loan is a Notifiable Event (disposal), the information was submitted via the Scottish Housing Regulator portal on 08 December 2020.

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

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

There is still no update from the developer since the last meeting but we will continue to pursue this development opportunity.

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

Draft Programme

The latest programme is detailed in **Appendix 2**. This will be updated as soon as the contractor takes possession of the site.

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. The Association now owns the complete development site.

Funding

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 =====

The Settlement Form has now been returned and [REDACTED] and the approved sum of [REDACTED] [REDACTED] has been released to the Association. The contracts register which shows spend to date is attached at **Appendix 3**.

Site Start

The Contractor has been delayed as the utility provider has failed to attend in good time to undertake the service disconnections. This means that the demolition contractor has not yet been able to take possession of the site and therefore will now not be able to achieve a full site start until January as there is a minimum two week lead in time for them to attend after the disconnections. The expected site start date has therefore now moved to 13 January 2021. The Scottish Government and [REDACTED] have both been notified.

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

Now that the Offers of Grant have been received, CHA is now ready to execute the building contract with [REDACTED]. 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 when further information in relation to the programme is available. An update on all our developments has been reported in our December Chit Chat Newsletter which is circulated to tenants and owners.

e) 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.

The legal agreement between [REDACTED] and the developer is being progressed and the Scottish Government has agreed that it 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.

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.

We continue to pursue this development opportunity and have discussed the possibility of advancing the [REDACTED] ahead of [REDACTED] with the Government and West Dunbartonshire Council who are agreeable in principle.

WDC has now confirmed that the project is now in the SHIP and at present, with the details they have, it has a medium score on the priority matrix. This gives some level of comfort in our continued discussions with the contractor. They have indicated, however, that they wish to discuss the proposed housing mix with us e.g. if there is an identified increased need for wheelchair adapted properties in the area.

CHA has provided initial feedback on floor plans, elevations and the proposed site plan to the project architect and we await updated proposals.

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 this month.

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				
Appointment - Preferred Contractor	23/11/2020	23/11/2020	0	0%
Clerk of Works				
Quick Quote Preparation	04/12/2020	15/12/2020	11	50%
Quick Quote Published	16/12/2020	12/01/2021	27	0%
Quick Quote Evaluation	12/01/2021	13/01/2021	1	0%
Decision and Appointment of Clerk of Works	15/01/2021	15/01/2021	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%
Funding				
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	12/01/2021	12/01/2021	0	0%
Site Start	13/01/2021	13/01/2021	1	0%
Target Completion Date	29/07/2022	29/07/2022	562	0%

Appendix 3 – Linnvale Church Contract Sheet (Finance)

PROJECT Linnvale Church-Dalton Avenue						
COST AND FINANCE RECONCILIATION						
DATE: 11/12/2020						
				Actual Spend to date	Total Costs per Offer of Grant	Amount remaining
Project Costs		Notes				
				£	£	£
Capital Works				-	██████████	██████████
<hr style="border: 1px solid black;"/>						
Demolition Costs				-	██████████	██████████
Acquisition Costs including Sols & Valuation Fee				██████████	██████████	██████████, ██████████
Development Agent (Gregor Cameron) inc VAT				██████████0	██████████	██████████3,000
Employer Agent inc VAT				██████████	-	- 7,481
Capitalised Interest				-	-	-
Planning/ Building Warrant				██████████	1██████████	██████████
SI & Topo				██████████	██████████	██████████
Premier Guarantee				-	-	-
COW (inc VAT)				-	-	-
Architect Fees				██████████	-	██████████
Legal Fees (other)				██████████	-	██████████2,██████████
<hr style="border: 1px solid black;"/>						
FINANCE						
Housing Association Grant (HAG)				██████████	██████████	-
Private Loan				-	██████████	██████████
Other - Allia Charitable Donation Funding				-	██████████	██████████
██████████				6██████████	-	- ██████████
Total Finance				██████████	4,580,417	██████████

