

CLYDEBANK HOUSING ASSOCIATION LTD.

TO: Management Committee (02-Feb-21)

DATE: 29.01.21

FROM: Chief Executive

SUBJECT: Development Report - Agenda Item 18 (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 ██████ 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 previously reported 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** – The £2.109m loan facility financially closed 04 December 2020 and will be drawn down as soon as the Housing Grant has been utilised.
- **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 =====

[REDACTED] has released the Charitable Donation funding [REDACTED] to the Association. The contracts register which shows spend to date is attached at **Appendix 3**.

Site Start

The Contractor has now confirmed that the utility provider has attended and completed the disconnections at the church. The demolition is now due to commence in February and will complete within a fortnight. Thereafter, construction of the new build scheme is due to commence in March.

Private Finance

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

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

CHA will now execute the building contract with CBRL and grant them possession of the site. 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. We reported an update on all our developments in our December Chit Chat Newsletter, circulated to tenants and owners and we are currently preparing a dedicated Newsletter to Linnvale residents for distribution prior to demolition.

e) Proposed Clydebank Bowling Green development – Design and Build (Decision required)

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

Legal

The legal agreement between Clydebank Bowling Club 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.

Discussions in relation to the buyback agreement have progressed and, given planning consent is unlikely to be achieved before the site is due to be acquired, the Association will have an initial option to return the site to the Developer in

[REDACTED]



A further longstop date of 2 years from the date of entry has also been negotiated to give CHA additional security over the purchase. The 2-year period is deemed sufficient time to allow the Contractor to achieve all necessary consents and for CHA to achieve funding approval for the build (although all parties will use best endeavours to achieve funding and consents at the earliest opportunity).

With any buy back agreement there is a risk that the seller could find themselves in financial difficulty during the buy-back period in which case they could have insufficient funds to reacquire the land for the value they sell it for. [REDACTED]

[REDACTED]



An independent land valuation report was required for the Bowling Club site so we went out to three firms for quotes. DM Hall returned the lowest price of [REDACTED] exc. VAT so they were appointed.

Planning/Specification

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

Further to the comments provided by CHA in relation to the floor plans and elevations, the architect has implemented all of the requested changes and has now given the Association the opportunity to carry out a final review prior to submitting the detailed planning application.

The Architect has forwarded some brick samples for your perusal and these are detailed below. Discussion as to Committee's preference can take place at the meeting.



Fumosa Grey,White,Black



Nomade Rustica White



Fumosa Mystique

Scottish Government/West Dunbartonshire Council Liaison

CHA has issued details of the development costs to the Scottish Government and we await feedback. In the interim, the Association and the Developer wish to progress to building warrant stage. [REDACTED]

[REDACTED]
[REDACTED]
[REDACTED]



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.

f) Other Development Opportunities

[REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]



[REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]

g) Development Risk

Our current new build development risk register is detailed in **Appendix 4**. Risk is continually monitored and assessed and there is one proposed addition this month [REDACTED]



[REDACTED]
[REDACTED] (Item 5e and highlighted in pink).

Appendix 1 - Queens Quay Contract Register (Finance)

PROJECT Queens Quay (37 Units)						
COST AND FINANCE RECONCILIATION						
DATE: 27/01/2021						
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 VAT						
Engineer - G3 Scott Bennet inc VAT						
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)						
Private Loan						
C.H.A. agreed contribution MC 27.06.19						
Total Finance			6,825,009			



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: 26/01/2021				
Project Costs		Actual Spend to date	Total Development Costs	Amount remaining
Capital Works				
Acquisition Costs including Sols & Valuation Fee				
Development Agent (Gregor Cameron) inc VAT				
Employer Agent (inc VAT)				
Architect Fees (inc D&B fees)				
Engineer Fees (inc D&B fees)				
Legal Fees				
Principal Designer (inc VAT)				
Clerk of Works (inc VAT)				
Water main design/Landscape architect/Energy Assessor fees				
Other fees (warrants, planning etc)				
Total Costs			4,601,207	
FINANCE				
Housing Association Grant (HAG)				
Private Loan				
Other - Allia Charitable Donation Funding				
CHA Planning Contribution				
Total Finance			4,601,207	





















