#### CLYDEBANK HOUSING ASSOCIATION LTD.

**TO:** Management Committee (30-Mar-21) **DATE:** 

FROM: Chief Executive

SUBJECT: Development Report - Agenda Item 12 (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 6)

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

#### (Update)

#### Memorandum of Understanding

As highlighted in previous reports, our Memorandum of Understanding in relation to our strategic partnership with will 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 programme previously reported remains unchanged and 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		

The development remains on schedule so far and our Communications Officer will continue to send drone picture updates to the Management Committee as and when received.

• **Private Finance** – The **December** loan facility financially closed 04 December 2020 and will begin to 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**.

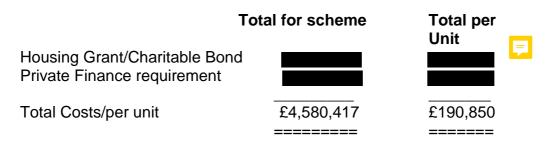
c)	The developer has advised that they are progressing their plans

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

An updated programme, prepared by CHA's development agents, is detailed in **Appendix 2.** A full construction phase programme will however be issued shortly by CBRL to reflect a 60 week contract period and a site start around 19<sup>th</sup> April.

#### Funding

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



Allia has released the Charitable Donation funding **Exercises** to the Association. The contracts register, which shows spend to date against the Offer of Grant, is attached at **Appendix 3**.

#### Site Start

The church demolition is complete and construction can now commence. A formal prestart meeting has been arranged for 29<sup>th</sup> March at which point the contractor will circulate their construction phase programme.

#### Private Finance (Decision required)

The Head of Finance and Corporate Services has sent initial correspondence to the following banks to ascertain their expressions of interest and to obtain any indicative pricing for the **services** private finance required. She has indicated to them that we would prefer to consider fixed price products in order to balance up our loan portfolio. The Management Committee may wish to discuss/consider whether it would prefer to continue to take advantage of low interest rates and reassess our portfolio in say 5 years' time.



All lending institutions listed are approved banks as detailed in our Treasury Management Policy. The Head of Finance & Corporate Services will provide a full report once indicative pricing received.

#### **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:

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

#### **Contractor Selection**

CBRL issued an acceptable final tender sum on 4<sup>th</sup> March 2021 and the Association's Employer's Agent issued a Letter of Acceptance for same on 12<sup>th</sup> March 2021. The final price agreed for the contract sum

. A contract award notice will be published on Public Contracts Scotland once the date of possession is finalised at the prestart meeting on 29<sup>th</sup> March.

#### Clerk of Works Services (Decision Required)

When the Association conducted our formal procurement process for development services with Dunbritton HA, we also requested information on Clerk of Works services and the relevant paragraph included is detailed below.

"In addition, we will require the service provider to provide the on Site Supervision in the form of Clerk of Works service/Technical Inspections to ensure works are delivered to the required specification and any shortfalls are addressed initially on site then as required through formal routes. The Clerk of works will be required to keep site records for each visit and provide monthly progress reports. This element requires to be priced separately."

Gregor Cameron Contracts, as the successful tenderer, indicated in their tender return that they could provide these services and they currently have capacity.

The Clerk of Works' Services would include the following: -

- 1. Attendance at site to monitor the quality and progress of the works in line with agreed number of visits per week.
- 2. Attendance at any progress or technical meetings as necessary to take the project forward.
- 3. Producing weekly site inspection reports, snagging reports and final inspection reports.
- 4. Attendance at pre-handover inspections with the client, if required.
- 5. Fully co-ordinating and carrying out inspections at the end of the defects liability period; providing written reports of the results of these inspections,

which identify any defects or faults to be rectified by the Contractor in accordance with the terms of the contract.

The proposal received is as follows: -

I would therefore

recommend that we accept this proposal and appoint Gregor Cameron Contracts as Clerk of Works for the project.

#### **Community Consultation**

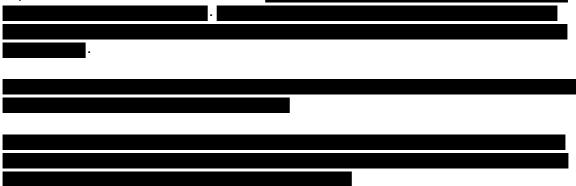
No further contact has been made with the Community Council since the last meeting. Their contact details were included in our recently issued Newsletter, which can be found at the following link <u>https://clydebank-ha.org.uk/cha-downloads/cha-newsletters/</u>

#### e) Proposed Clydebank Bowling Green development – Design and Build (Update)

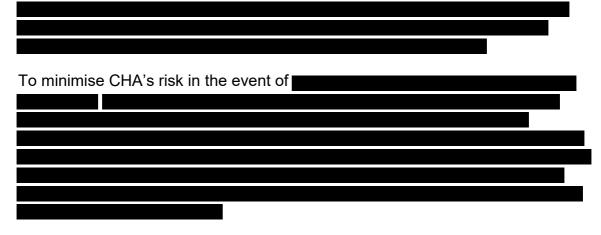
Meetings between the developer and the Association's development team are continuing with a view to move forward with the development proposal.

#### Legal

DM Hall recently completed an independent land valuation and the valuation report was issued with a valuation of



Normally CHA would have to meet an element of costs to take a project to tender/warrant stage at risk however; the Government is meeting all of the associated costs which were included in the acquisition Offer of Grant. As such, CHA has agreed to meet



#### Funding

The contracts register, which shows spend to date against the Offer of Grant, is attached at **Appendix 4**.

#### Planning/Specification

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

The developer has now lodged Building Warrant and Planning Applications in respect of this site with WDC and feedback is awaited on the applications.

#### Scottish Government/West Dunbartonshire Council Liaison

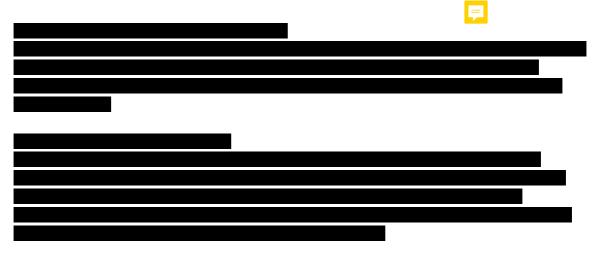
The Association received initial feedback from the Scottish Government on the

submitted an acquisition application to the Government, which included a request for the Government to meet all costs up to the point of achieving building warrant. This application was approved and CHA have submitted a payment claim to meet pretender costs and the purchase price.

. CHA

A tender application will be submitted to the Government on receipt of a final tender price from JR along with their detailed Contractor's Proposals.

#### f) Other Development Opportunities (Update)





#### g) 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 Contract Register (Finance)

PROJECT Queens Quay (37 Units)				
COST AND FINANCE RECONCILATION DATE: 25/03/2021				
		Actual Spend to	Total Costs per Offer of	Amount
Project Costs	Notes	date	Grant	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	_			
FINANCE				
Housing Association Grant (HAG)				
Private Loan				
C.H.A. agreed contribution MC 27.06.19				
Total Finance		3,470,939	6,825,009	3,354,070

#### Appendix 2 – Linnvale Church Programme

Clydebank Housing Association				Period Highlight:
Dalton Avenue				
ACTIVITY	PLAN START	PLAN END	PLAN DURATION	PERCENT COMPLETE
Demolition				
Demolition of Church	08/03/2021	22/03/2021	14	100%
Statutory Approvals				
Detailed Planning Consent Decision	07/02/2020	30/07/2020	174	100%
Contractor Progresses to Warrant Design	11/06/2020	19/10/2020	130	100%
Stage 1 Building Warrant Decision	13/11/2020	19/01/2021	67	100%
Stage 2 Building Warrant Decision	07/12/2020	21/04/2021	135	70%
Final Tender				
Tender Submitted	03/03/2021	03/03/2021	0	100%
Letter of Acceptance Issued	03/03/2021	12/03/2021	9	100%
Construction Phase				
Pre Start Meeting	29/03/2021	29/03/2021	0	0%
Site Start	19/04/2021	19/04/2021	0	0%
Completion	19/04/2021	13/06/2022	420	0%

#### Appendix 3 – Linnvale Church Contract Sheet (Finance)

PROJEC	T Linnvale Church-Dalton Avenue			
COST AN	ID FINANCE RECONCILATION			
DATE:	25/03/2021			
Project C	osts	Actual Spend to date	Total Development Costs	Amount remaining
		£	£	£
Capital W	orks			
Acquisitio	n Costs including Sols & Valuation Fee			
Developm	nent Agent (Gregor Cameron) inc VAT			
Employer	Agent (inc VAT)			
Architect I	Fees (inc D&B fees)			
Engineer	Fees (inc D&B fees)			
Legal Fee	2S			
Principal I	Designer (inc VAT)			
Clerk of W	Vorks (inc VAT)			
Water ma	in design/Landscape architect/Energy Assessor fees			
Other fees	s (warrants, planning etc)			
Total Cos	sts			
FINANCE				
Housing A	Association Grant (HAG)			
Private Lo	ban			
Other - All	ia Charitable Donation Funding			
CHA Plan	ning Contribution			
Total Fina	ance	457,218	4,601,207	4,143,989

#### Appendix 4 – Clydebank Bowling Club Contract Sheet (Finance)

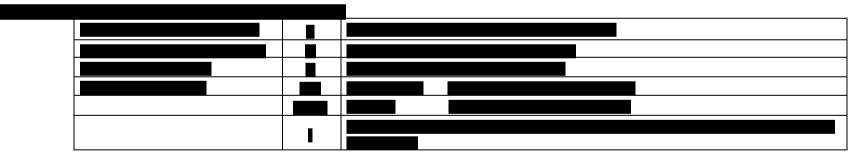
PROJECT	Clydebank Bowling Club			
COST AN DATE:	26/03/2021			
Project Co		Actual Spend to date	Total Development Costs	Amount remaining
Capital Wo	prks			
Acquisitior	Costs including Sols & Valuation Fee			
Developme	ent Agent (Gregor Cameron) inc VAT			
Employer /	Agent (inc VAT)			
Architect F	ees (inc D&B fees)			
Engineer F	ees (inc D&B fees)			
Legal Fees	5			
Principal D	esigner (inc VAT)			
Clerk of W	orks (inc VAT)			
Water mai	n design/Landscape architect/Energy Assessor fees			
Other fees	(warrants, planning etc)			
Total Cos	ts			
FINANCE				
Housing A	ssociation Grant (HAG)			
Private Loa	an			
Other				
CHA Planr	ning Contribution			
Total Fina	nce	265,192	303,803	38,611

#### **Appendix 5**

#### **Risk Assessment – Proposed Design and Build/Partnership Development opportunities**

**Risk management –** the evaluation of risks relating to our organisation's mission and strategic objectives. No construction project is risk free. Risk can be managed, minimised, shared, transferred or accepted but cannot be ignored.

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				Pre-C Mea	Contro	ol S		F	Post ( Mea	Contr sures	ol S	
Risk ID no.	The Risk and what can happen - Cause	Effect	Likelihood	Consequence	Severity	Control Adequacy (Urgent !,Monitor, OK)	Control Action/ Strategies to mitigate risks	Likelihood	Consequence	Severity	Revised Control Adequacy	Review/ Action Plan
1												
1b												
2												

# 3 3a 3b

5

5a

5b

5c				
5d				
5e				

