

CLYDEBANK HOUSING ASSOCIATION LTD.

TO: Management Committee (28 May-21)

DATE: 24.05.21

FROM: Chief Executive

SUBJECT: Development Report - Agenda Item 13 (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



Memorandum of Understanding

(Ongoing)

As highlighted in previous reports, our Memorandum of Understanding in relation to our strategic partnership with [REDACTED] 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** - The development is now well underway and we are now in the process of selecting samples for the internal fittings (kitchens, bathrooms, wet wall tiles, vinyl floor coverings).
- The **programme** previously reported remains unchanged and is detailed below with the aim to complete the CHA units by the end of March 2022.
- **Private Finance** – The £2.109m loan facility financially closed 04 December 2020 and will begin to be drawn down as soon as the Housing Grant has been utilised (estimated August/September 2021).
- **Contracts Register** - Details of spend to date against the Offer of Grant is detailed in **Appendix 1**.

Queens Quay Progress - May 2021 (2)





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

No change from previous meeting - the development is still active within the WDC SHIP and the developer has advised [REDACTED]

[REDACTED]. If the developer is able to demonstrate that they have a viable project and control over the necessary land, we will continue to pursue this development opportunity.

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

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

o **Site mobilisation** - The development is now underway and the contractors have been on site from the start date of Monday 19th April.

o **Draft Programme**

An updated programme, prepared by CHA's development agents, is detailed in **Appendix 2** and the development consultant is hopeful that the units may be released in May 2022.

o **Funding**



Allia released the Charitable Donation funding [REDACTED] to the Association in November 2020. The contracts register, which shows spend to date against the Offer of Grant, is attached at **Appendix 3**.

o **Private Finance (Decision required)**

Three offers of funding for the c. [REDACTED] have been received to date.

The Association contacted 6 approved lenders, from our Treasury Management Policy, seeking Outline Indicative Terms and Conditions for the new facility and responses were received from all banks. [REDACTED]

[REDACTED]

[REDACTED]

A summary of key details included in the outline terms and the proposed recommendation is given at **Appendix 5**.

Community Consultation

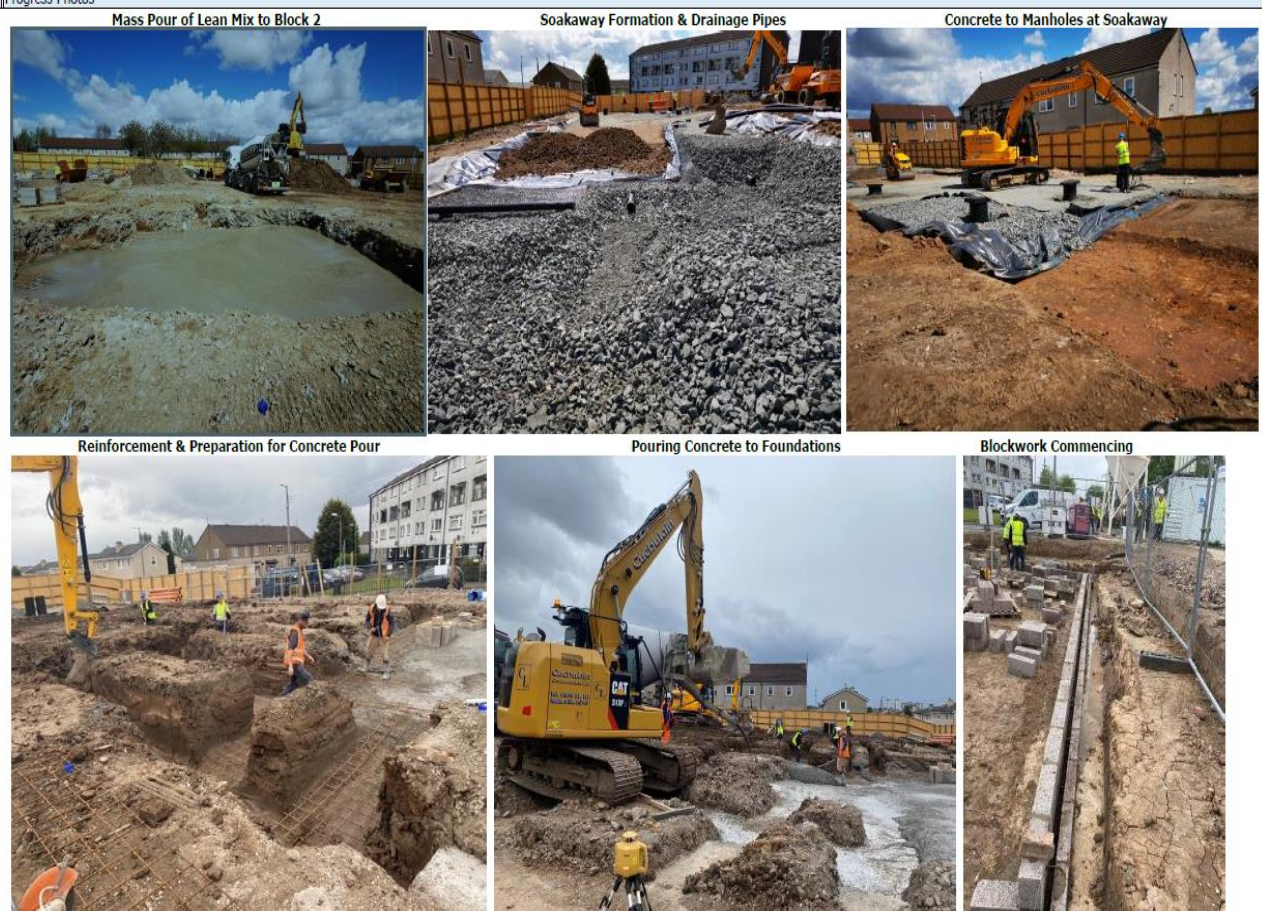
A further discussion with the Chief Executive and the head of the Linnvale Community group is scheduled for 27th May.

The Chief Executive will arrange a walk through site visit over the next couple of weeks as restrictions ease.

Clerk of Works Reports

A weekly report is being received from Gregor Cameron Contracts Ltd, who are the approved Clerk of Works for the project.

No issues to report and no potential delays raised by the contractor however the delivery of materials may be affected by supply chain issues relating to Covid-19. Labour shortages and social distancing requirements may also have an impact on programme. Progress photos shown below.



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



CHA progressed with the acquisition of the site at the end of March 2021 [REDACTED] with JR Group.

[REDACTED]

[REDACTED]

[Redacted]

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 the planning application is due to go to a planning committee hearing on the 2nd June. No further supporting information has been requested. The Chief Executive and the development consultant will be in attendance at the hearing.

Scottish Government/West Dunbartonshire Council Liaison

CHA 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.

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. The Association's development team continue to liaise with the contractor to negotiate costs to ensure this development is financially viable.

f) Other Development Opportunities (Update)

[Redacted] 

At a recent development meeting, the option for CHA to develop this site was raised and further information, when it becomes available, is to be passed to WDC so they can consider it further.

[Redacted]
No further movement from last month.

In regards to this [Redacted], CHA has contacted WDC with outline development proposals to seek their support prior to progressing discussions with the proposed developer. [Redacted]

[REDACTED]
No further movement from last month.

[REDACTED]
[REDACTED]
[REDACTED]

[REDACTED]
No further movement from last month.

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

g) 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 Contract Register (Finance)



PROJECT Queens Quay (37 Units)					
COST AND FINANCE RECONCILIATION					
DATE: 20/05/2021					
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	-				
FINANCE					
Housing Association Grant (HAG)					
Private Loan					
C.H.A. agreed contribution MC 27.06.19					
Total Finance		3,751,372	6,825,009	3,073,637	

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)

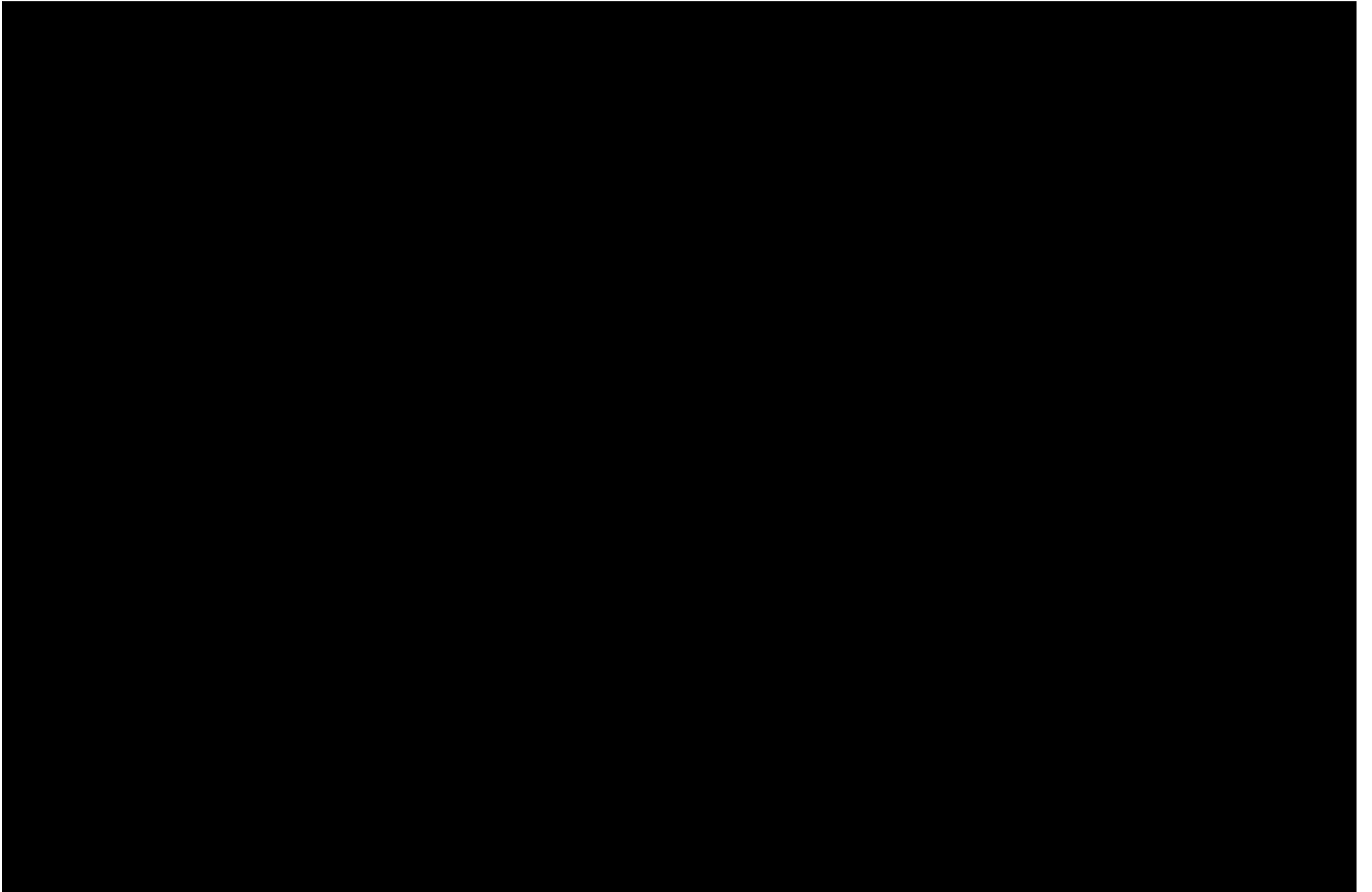


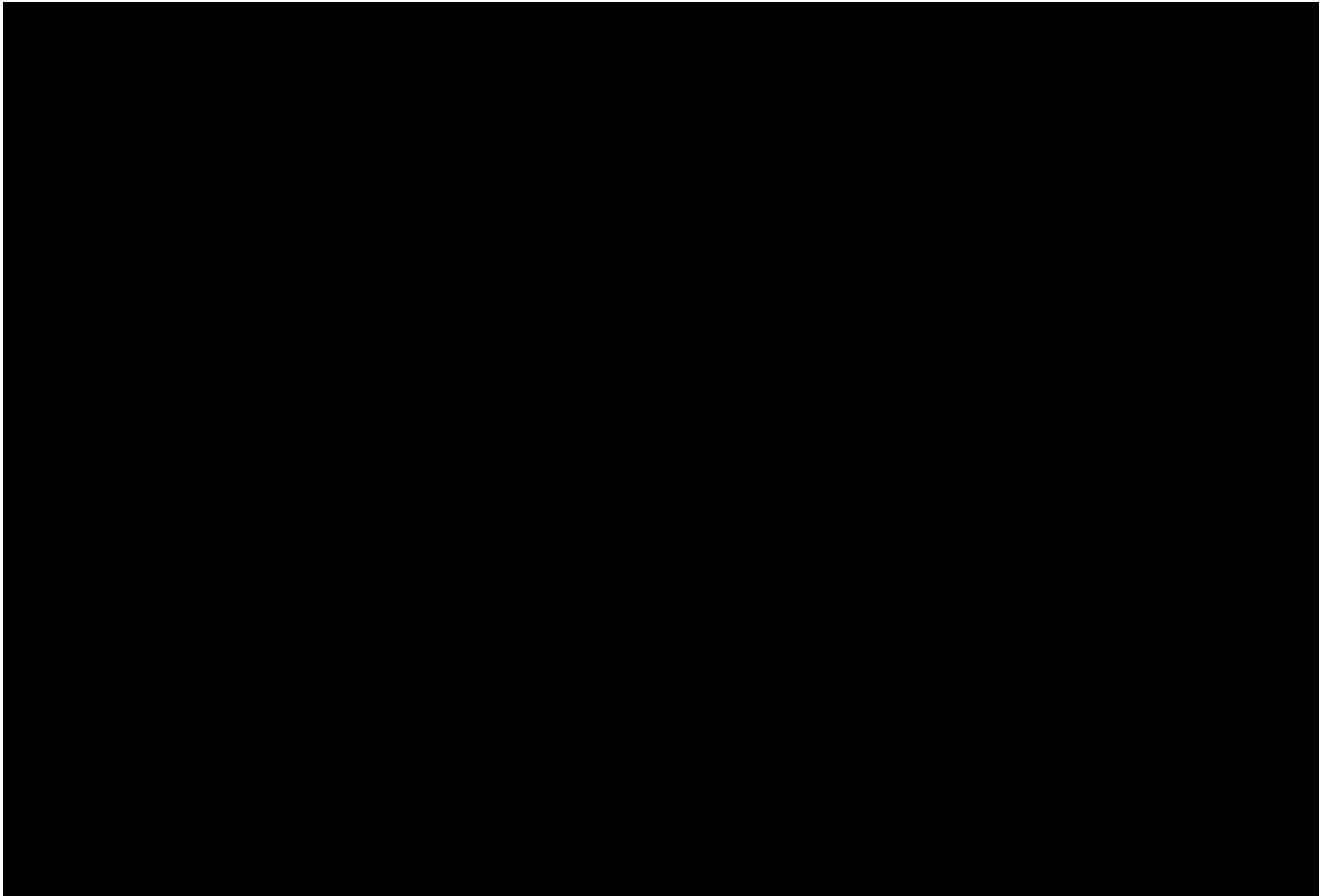
PROJECT	Linnvale Church-Dalton Avenue			
COST AND FINANCE RECONCILIATION				
DATE:	20/05/2021			
Project Costs		Actual Spend to date	Total Development Costs	Amount remaining
		£	£	£
Capital Works				
Acquisition Costs including Sols & Valuation Fee				
Development Agent (Gregor Cameron) inc VAT				
Employer 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				
FINANCE				
Housing Association Grant (HAG)				
Private Loan				
Other - Allia Charitable Donation Funding				
CHA Planning Contribution				
Total Finance		654,434	4,601,207	3,946,772

Appendix 4 – Clydebank Bowling Club Contract Sheet (Finance)



PROJECT	Clydebank Bowling Club			
COST AND FINANCE RECONCILIATION				
DATE:	24/05/2021			
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				
FINANCE				
Housing Association Grant (HAG)				
Private Loan				
Other				
CHA Planning Contribution				
Total Finance		265,192	303,803	38,611









Appendix 6

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.

[Redacted text block]

- [Redacted list item 1]
- [Redacted list item 2]
- [Redacted list item 3]
- [Redacted list item 4]
- [Redacted list item 5]
- [Redacted list item 6]

[Redacted]	[Redacted]	[Redacted]	[Redacted]
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