

# Public Document Pack



To: Councillor Boulton, Convener; Councillor Lumsden, Vice Convener; and Councillors Graham, Laing, Avril MacKenzie, McLellan, McRae, Audrey Nicoll and Yuill.

Town House,  
ABERDEEN, 17 March 2020

## **CAPITAL PROGRAMME COMMITTEE**

The Members of the **CAPITAL PROGRAMME COMMITTEE** are requested to meet in **Committee Room 2 - Town House** on **WEDNESDAY, 25 MARCH 2020 at 2.00pm.**

FRASER BELL  
CHIEF OFFICER - GOVERNANCE

### **BUSINESS**

#### **NOTIFICATION OF URGENT BUSINESS**

1.1 Notification of Urgent Business

#### **DETERMINATION OF EXEMPT BUSINESS**

2.1 Members are requested to determine that any exempt business be considered with the press and public excluded

#### **DECLARATIONS OF INTEREST**

3.1 Declarations of Interest (Pages 3 - 4)

#### **DEPUTATIONS**

4.1 Deputations where requested

## **MINUTES OF PREVIOUS MEETINGS**

- 5.1 Minute of Previous Meeting of 22 January 2020 (Pages 5 - 10)

## **COMMITTEE BUSINESS PLANNER**

- 6.1 Committee Planner (Pages 11 - 14)

## **NOTICES OF MOTION**

- 7.1 Notices of Motion

## **COMMITTEE BUSINESS**

### **Councils Capital Programme**

- 8.1 Housing Strategy Update - RES/20/071 (Pages 15 - 22)
- 8.2 Summerhill New Build Housing Progress Report - RES/20/070 (Pages 23 - 32)
- 8.3 Wellheads New Build Housing Progress Report - RES/20/072 (Pages 33 - 40)

## **EXEMPT / CONFIDENTIAL BUSINESS**

- 9.1 None at present

EHRIAs related to reports on this agenda can be viewed [here](#)

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<https://committees.aberdeency.gov.uk/ecCatDisplayClassic.aspx?sch=doc&cat=13450&path=0>

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Should you require any further information about this agenda, please contact Karen Finch, tel 01224 522723 or email [kfinch@aberdeency.gov.uk](mailto:kfinch@aberdeency.gov.uk)

## **DECLARATIONS OF INTEREST**

You must consider at the earliest stage possible whether you have an interest to declare in relation to any matter which is to be considered. You should consider whether reports for meetings raise any issue of declaration of interest. Your declaration of interest must be made under the standing item on the agenda, however if you do identify the need for a declaration of interest only when a particular matter is being discussed then you must declare the interest as soon as you realise it is necessary. The following wording may be helpful for you in making your declaration.

I declare an interest in item (x) for the following reasons .....

*For example, I know the applicant / I am a member of the Board of X / I am employed by... and I will therefore withdraw from the meeting room during any discussion and voting on that item.*

### **OR**

I have considered whether I require to declare an interest in item (x) for the following reasons ..... however, having applied the objective test, I consider that my interest is so remote / insignificant that it does not require me to remove myself from consideration of the item.

### **OR**

I declare an interest in item (x) for the following reasons ..... however I consider that a specific exclusion applies as my interest is as a member of xxxx, which is

- (a) a devolved public body as defined in Schedule 3 to the Act;
- (b) a public body established by enactment or in pursuance of statutory powers or by the authority of statute or a statutory scheme;
- (c) a body with whom there is in force an agreement which has been made in pursuance of Section 19 of the Enterprise and New Towns (Scotland) Act 1990 by Scottish Enterprise or Highlands and Islands Enterprise for the discharge by that body of any of the functions of Scottish Enterprise or, as the case may be, Highlands and Islands Enterprise; or
- (d) a body being a company:-
  - i. established wholly or mainly for the purpose of providing services to the Councillor's local authority; and
  - ii. which has entered into a contractual arrangement with that local authority for the supply of goods and/or services to that local authority.

### **OR**

I declare an interest in item (x) for the following reasons.....and although the body is covered by a specific exclusion, the matter before the Committee is one that is quasi-judicial / regulatory in nature where the body I am a member of:

- is applying for a licence, a consent or an approval
- is making an objection or representation
- has a material interest concerning a licence consent or approval

- is the subject of a statutory order of a regulatory nature made or proposed to be made by the local authority.... and I will therefore withdraw from the meeting room during any discussion and voting on that item.

## CAPITAL PROGRAMME COMMITTEE

ABERDEEN, 22 January 2020. Minute of Meeting of the CAPITAL PROGRAMME COMMITTEE. Present:- Councillor Boulton, Convener; Councillor Lumsden, Vice-Convener; and Councillors Graham, Laing, Avril MacKenzie, McLellan, Alex Nicoll, Audrey Nicoll and Yuill.

The agenda and reports associated with this minute can be found [here](#).

Please note that if any changes are made to this minute at the point of approval, these will be outlined in the subsequent minute and this document will not be retrospectively altered.

### MATTER OF URGENCY

The Convener intimated that she had directed in terms of Section 50B(4)(b) of the Local Government (Scotland) Act 1973, that the following item be considered as a matter of urgency to enable the Committee to consider the matter prior to the deadline of Friday 24 January 2020, for responding to Historic Environment Scotland.

### URGENT NOTICE OF MOTION

1. The Committee had before it the following notice of motion by Councillor Lumsden:-

That the Committee:

- (a) Notes Historic Environment Scotland are currently assessing the need for Listing the following Buildings with a Category A listing
  - 1-75 Gilcomstoun Land
  - 1-72 Porthill Court and 1-126 Seamount Court and shop units 152-158 Gallowgate
  - 1-48 Virginia Court and 1-108 Marischal Court
  - 1-126 Thistle Court
  - 1-140 Hutcheon Court and 1-144 Greig Court.
- (b) Agrees to instruct the Chief Executive Aberdeen City Council to write to Historic Environment Scotland opposing Listing the Buildings as Category A.
- (c) To refer the decision of this Committee to the Planning Development Management Committee on Thursday 23<sup>rd</sup> January asking them to consider instructing the Chief Executive to write to Historic Environment Scotland opposing Listing the buildings as Category A.

**The Committee resolved:**

to approve the notice of motion.

**CAPITAL PROGRAMME COMMITTEE**  
22 January 2020

**DECLARATIONS OF INTEREST**

2. Members were requested to intimate any declarations of interest in respect of the items on the agenda.

**The Committee resolved:-**

to note that no declarations of interest were intimated.

**MINUTE OF PREVIOUS MEETING OF 14 NOVEMBER 2019**

3. The Committee had before it the minute of their previous meeting of 14 November 2019.

**The Committee resolved:-**

to approve the minute as a correct record.

**COMMITTEE BUSINESS PLANNER**

4. The Committee had before it the Committee Business Planner as prepared by the Chief Officer Governance.

The clerk advised that the Committee were due to meet in June and not May as indicated in the business planner and that this would be amended for future versions.

**The Committee resolved:-**

- (i) to note the update provided by the clerk in relation to the wrong date within the planner for a future Committee meeting; and
- (ii) to otherwise note the content of the business planner.

**CLUSTER RISK REGISTERS - RES/20/033**

5. The Committee had before it a report by the Director of Resources which presented the Cluster Risk Registers and Assurance Maps in accordance with the Committee Terms of Reference and to provide assurance on the Council's system of risk management.

**The report recommended:**

that the Committee note the Cluster Risk Registers and Assurance Maps set out in Appendices A and B.

**The Committee resolved:-**

**CAPITAL PROGRAMME COMMITTEE**

22 January 2020

- (i) to note the clarification provided in relation to the control assessments for the identified risks as being partially effective; and
- (ii) to otherwise approve the recommendation contained in the report.

**NESS ENERGY PROJECT - RES/19/197**

6. The Committee had before it a report by the Director of Resources which provided an update on progress made with regards to the procurement, construction and operation of the Energy from Waste Facility at East Tullos Industrial Estate.

**The report recommended:**

That the Committee –

- (a) note the milestones achieved to date for the project and those that remain, to ensure the successful operation of the facility; and
- (b) note the financial position of the project.

**The Committee resolved:-**

- (i) in response to questions from members to note that the Director of Resources would liaise with colleagues from the communications team relating to issuing a statement advising the public on when works would be undertaken at the site and that a meeting with the Torry Locality Partnership would be organised to share information with the community; and
- (ii) to otherwise approve the recommendations contained in the report.

**PROVOST SKENE'S HOUSE - RES/19/275**

7. The Committee had before it a report by the Director of Resources which provided an update on the progress of works to refurbish Provost Skene's House.

**The report recommended:**

that the Committee note the progress achieved in the procurement of Provost Skene's House refurbishment.

**The Committee resolved:-**

to approve the recommendation contained in the report.

**UNION TERRACE GARDENS - RES/19/259**

8. The Committee had before it a report by the Director of Resources which provided an update on the progress of the delivery of Union Terrace Gardens project.

**The report recommended:**

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that the Committee note the progress achieved in the Union Terrace Gardens redevelopment.

**The Committee resolved:-**

to approve the recommendation contained in the report.

**ELC PROJECTS UPDATE - RES/20/104**

9. The Committee had before it a report by the Director of Resources which provided an update on the progress of the Early Learning and Childcare capital projects.

**The report recommended:**

that the Committee note that this project formed part of the overall Aberdeen City Council's Early Learning and Childcare Expansion Programme of works.

Members asked various questions in relation to particular projects which included, the change in the cost for the projects compared to the initial predictions and the contingency plans in place. Mr Kemp, Principal Architectural Officer advised that the costs had varied for some projects due to the outcome of the design development process and changes to the original brief and that temporary accommodation and other facilities in the area were being used until the projects had been completed.

**The Committee resolved:-**

- (i) to note the responses provided from officers to various questions regarding individual projects;
- (ii) to note the thanks provided to officers for their work on the project to date; and
- (iii) to otherwise approve the recommendation contained in the report.

- **MARIE BOULTON, Convener**



**CAPITAL PROGRAMME COMMITTEE**  
22 January 2020

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	A	B	C	D	E	F	G	H	I
1	<b>CAPITAL PROGRAMME COMMITTEE BUSINESS PLANNER</b> The Business Planner details the reports which have been instructed by the Committee as well as reports which the Functions expect to be submitting for the calendar year.								
2	<b>Report Title</b>	<b>Minute Reference/Committee Decision or Purpose of Report</b>	<b>Update</b>	<b>Report Author</b>	<b>Chief Officer</b>	<b>Directorate</b>	<b>Terms of Reference</b>	<b>Delayed or Recommended for transfer, enter either D, R, or T</b>	<b>Explanation if delayed, removed or transferred</b>
3			<b>25 March 2020</b>						
4	Wellheads New Build Housing Progress Report	To provide an update to Committee in relation to the Wellheads Housing Development	a report is on the agenda	John Wilson	Capital	Resources	Remit 1.1		
5	Summerhill New Build Housing Progress Report	To provide an update to Committee in relation to the Summerhill Housing Development	a report is on the agenda	John Wilson	Capital	Resources	Remit 1.1		
6	South College Street	To report on the progress of the delivery of the South College Street Corridor Improvement Project.	A service Update has been provided	Alan McKay	Capital	Resources	Remit 1.1		
7	Housing Strategy Update	To provide an update to Committee in relation to the Housing Development Programme	a report is on the agenda	John Wilson	Capital	Resources	Remit 1.1		
8			<b>26 May 2020</b>						
9	Countesswells Primary School	to provide an update on the progress on the delivery of the school		Bill Watson	Capital	Resources	Remit 1.1		
10	Milltimber Primary School	to provide an update on the progress on the delivery of the school		Neil Esslemont	Capital	Resources	Remit 1.1		
11	Tillydrone (Riverbank Replacement) Primary School	to provide an update on the progress on the delivery of the school		Neil Esslemont	Capital	Resources	Remit 1.1		
12	Torry Primary School (including Community Hub)	to provide an update on the progress on the delivery of the school		Bill Watson	Capital	Resources	Remit 1.1		
13	ELC Expansion Update Report	to provide an update on the progress of all of the ELC projects		Colin Kemp	Capital	Resources	Remit 1.1		
14	Union Terrace Gardens	to provide an update on progress on the delivery of the project.		Tara Gavan	Capital	Resources	Remit 1.1		
15	Provost Skene's House`	to provide an update on progress on the delivery of the project.		Colin Doig	Capital	Resources	Remit 1.1		
16	Aberdeen Art Gallery	Capital programme Cttee - 12/09/19 (iii) to instruct the Chief Officer Corporate Landlord in consultation with the Chief Officer Capital and Chief Officer City Growth to provide a post evaluation report to this Committee providing details on the delivery of the desired outcomes identified within the approved business case within 12 months of post opening		John Wilson	Capital	Resources	Remit 1.1	D	Post Evaluation Report will be submitted in November as originally planned.
17	Energy From Waste	To report on the progress of the delivery of the Energy from Waste Project.		John Wilson	Capital	Resources	Remit 1.1		
18	Torry Heat Network	To report on the progress of the delivery of the Torry Heat Network Project.		Bill Watson	Capital	Resources	Remit 1.1		
19	Committee Annual Effectiveness Report for 2019/20	To present the annual effectiveness report for the Committee.		Karen Finch	Governance	Governance	GD 7.5		

	A	B	C	D	E	F	G	H	I
	Report Title	Minute Reference/Committee Decision or Purpose of Report	Update	Report Author	Chief Officer	Directorate	Terms of Reference	Delayed or Recommended for removal or transfer, enter either D, R, or T	Explanation if delayed, removed or transferred
2									
20			23 September 2020						
21	Wellheads Housing Development Progress Report	To provide an update to Committee in relation to the Wellheads Housing Development		John Wilson	Capital	Resources	Remit 1.1		
22	Summerhill New Build Housing Progress Report	To provide an update to Committee in relation to the Summerhill Housing Development		John Wilson	Capital	Resources	Remit 1.1		
23	Housing Strategy Update	To provide an update to Committee in relation to the Housing Development Programme							
24	ELC Expansion Update Report	to provide an update on the progress of all of the ELC projects		Colin Kemp	Capital	Resources	Remit 1.1		
25			18 November 2020						
26	Aberdeen Art Gallery	Capital programme Cttee - 12/09/19 (iii) to instruct the Chief Officer Corporate Landlord in consultation with the Chief Officer Capital and Chief Officer City Growth to provide a post evaluation report to this Committee providing details on the delivery of the desired outcomes identified within the approved business case within 12 months of post opening		John Wilson	Capital	Resources	Remit 1.1		
27	Countesswells Primary School	to provide an update on the progress on the delivery of the school		Bill Watson	Capital	Resources	Remit 1.1		
28	Milltimber Primary School	to provide an update on the progress on the delivery of the school		Neil Esslemont	Capital	Resources	Remit 1.1		
29	Tillydrone (Riverbank Replacement) Primary School	to provide an update on the progress on the delivery of the school		Neil Esslemont	Capital	Resources	Remit 1.1		
30	Torry Primary School (including Community Hub)	to provide an update on the progress on the delivery of the school		Bill Watson	Capital	Resources	Remit 1.1		
31	ELC Expansion Update Report	to provide an update on the progress of all of the ELC projects		Colin Kemp	Capital	Resources	Remit 1.1		
32	Union Terrace Gardens	to provide an update on progress on the delivery of the project.		Tara Gavan	Capital	Resources	Remit 1.1		
33	South College Street	To report on the progress of the delivery of the South College Street Corridor Improvement Project.		Alan McKay	Capital	Resources	Remit 1.1		
34	Provost Skene's House'	to provide an update on progress on the delivery of the project.		Colin Doig	Capital	Resources	Remit 1.1		
35			TBC						

	A	B	C	D	E	F	G	H	I
	Report Title	Minute Reference/Committee Decision or Purpose of Report	Update	Report Author	Chief Officer	Directorate	Terms of Reference	Delayed or Recommended for removal or transfer, enter either D, R, or T	Explanation if delayed, removed or transferred
2	Review of Community Facilities in Garthdee - NOM Cllrs Yuill and Townson	<p>Council 15/03/17 referred the terms of the motion to Communities, Housing and Infrastructure Committee. " In light of the Administration's commitment to build 2,000 houses by 2022, to instruct the Interim Director of Communities, Housing and Infrastructure to bring forward to the earliest committee a further report on the feasibility of the Council investing in Council housing on the site of the Kaimhill Outdoor Sports Centre".</p> <p><b>Capital Programme Committee 12/09/18</b> The Committee agreed to separate the issues into two entries.</p> <p>The second report will be to address the use of the former outdoor centre for council houses. This will be addressed in the detailed proposals for 200 houses in due course.</p>		Stephen Booth	Corporate Landlord/ Early Intervention and Community Empowerment	Resources/ Customer	Remit 1.1		<p>The site has been put forward as a potential residential site to the local Development plan process. The intention is that if successful the site would be allocated for future affordable housing provision.</p> <p>It is the intention that instruction will be sought to invest in the site through the budget process.</p>

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## ABERDEEN CITY COUNCIL

<b>COMMITTEE</b>	Capital Programme
<b>DATE</b>	25 <sup>th</sup> March 2020
<b>EXEMPT</b>	No
<b>CONFIDENTIAL</b>	No
<b>REPORT TITLE</b>	Housing Strategy Update
<b>REPORT NUMBER</b>	RES/20/071
<b>DIRECTOR</b>	Steven Whyte, Director of Resources
<b>CHIEF OFFICER</b>	John Wilson, Chief Officer, Capital
<b>REPORT AUTHOR</b>	John Wilson, Chief Officer, Capital
<b>TERMS OF REFERENCE</b>	Remit 1.1

### 1. PURPOSE OF REPORT

- 1.1 To update the Committee on the progress of works being undertaken as part of Aberdeen City Council's directly delivered new build Council housing sites and developer led schemes to meet the political commitment of 2000 new homes.
- 1.2 Outline progress for the Council led sites referred to throughout the report including Craighill, Kincorth, Tillydrone, Greenferns and Greenferns Landward.
- 1.3 Outline progress for Developer led sites, (future sites yet to be determined via market engagement).

### 2. RECOMMENDATION(S)

That the Committee:

- 2.1 Notes the progress achieved in the social housing programme.

### 3. BACKGROUND

- 3.1 At its budget meeting on 6 March 2018 the Council resolved, "to instruct the Director of Resources to report back to the City Growth and Resources Committee on 19 June 2018 with business cases for the delivery of 2,000 Council houses in conjunction with private developers, as appropriate, working within an affordable capital investment net sum of £250 million and that each business case must demonstrate the long term affordability and sustainability of the Council's Housing Revenue Account."
- 3.2 At its meeting on 23 May 2018, this Committee agreed to proceed with various sites as a Council house Programme to increase the number of new build social housing units across the city based on the current design proposals and that this be added to the capital Programme.

- 3.3 To date the council has:
- Delivered 179 units at Smithfield and Manor Walk (out with 2000 target);
  - Purchased 44 units through the buy-back scheme;
  - Has entered into 2 construction contracts (Summerhill and Wellheads) to deliver 652 units;

### **Current Status**

- 3.4 A high-level programme was approved at the Programme Board in December 2019 and is reported on a monthly basis at the Programme Board.
- 3.5 Outcomes from the Programme Plan workshops have been captured in a Programme Blueprint document which outlines how the Programme will be executed and the outcomes/benefits that are to be achieved. This document was circulated to the Programme Board for final comment.
- 3.6 The Programme Vision is person-centred and views the system from the citizen's perspective to reflect the diversity of people, homes and communities across Scotland. The Vision is confirmed as follows: –

*“To create sustainable integrated communities and places, delivering affordable homes designed for life, which meet citizens current and changing needs, supporting the wellbeing and resilience of our tenants.”*

- 3.7 The Housing Programme will demonstrate benefits which align with those identified in the Local Improvement Development Plan and the stretch outcomes detailed in the Local Outcome Improvement Plan (where possible). Programme Benefits and Community Benefits will be measured throughout the Programme on a continual basis. Additional project-specific benefits will be developed in due course.
- 3.8 Work is progressing to undertake the initial surveys and investigations to support design development in order to inform the technical proposals to the site constraints. Further surveys will be required later in the Programme in order to achieve Planning permission. Contracts have now been awarded to carry out outstanding surveys on remaining Council delivered sites. These surveys commenced Q1 2020 and will be concluded Q2 2020.
- 3.9 Revised High-Level Requirements have been developed, which are aligned to the Vision/benefits for the Programme. These requirements will ensure consistent quality across the Programme as well as addressing challenges around fuel poverty, contribute to achieving a carbon neutral footprint and achieve a higher quality of living for tenants. Additionally, all homes in the Programme will comply with Housing for Varying Needs standards.
- 3.10 Delivery of Gold Level technical standards across the Housing Programme was approved at City Growth and Resources Committee on the 6<sup>th</sup> February 2020. These standards have been incorporated in the High-Level Requirements document and form part of both the Consultant and Developer ITT documentation.



- 3.11 The Consultant ITT document was published in February 2020. Tender returns are due early March 2020 and appointment of consultants for ACC Direct sites will follow thereafter.
- 3.12 The Developer ITT document is being developed in alignment with the new High-Level Requirements in readiness for a renewed Developer procurement exercise in Q2 2020. This will contribute to the number of units under development in the ACC Housing Programme.

### Next steps for Developer Engagement

- 3.13 A Prior Information Notice (PIN) has been issued seeking expressions of interest and to date.
- 3.14 A Communications Plan has been developed to outline the strategy to inform stakeholders of key programme activity. This has been approved and will be implemented and reviewed at key milestones.
- 3.15 The procurement route for the Housing Programme i.e. Design and Build approach has been approved in the period.

### Next Steps (Direct Sites)

Activity	Target Date	Status
Approval of High-Level Requirements	February 2020	Completed
Programme Blueprint sign-off	February 2020	Completed
Phase 1 Site surveys to be undertaken	Spring 2020	Ongoing
Appointment of Design Teams	Spring 2020	Awaited

### Next Steps (Developer Led)

Activity	Target Date	Status
Publish Developer ITT	March 2020	Awaited
ITT Returns	Spring 2020	Awaited
ITT Evaluation	Spring 2020	Awaited
Construction Phase Commences	Varies	Awaited

## 4. FINANCIAL IMPLICATIONS

- 4.1 Business cases will be developed for each site once demand, budget and layouts have been determined.
- 4.2 Approval of Gold Technical Standards will increase capital costs in order to fulfil ACC High Level Requirements, however this will also reduce future

maintenance costs, commit investment in properties which promote a better mental and physical health, and future-proof properties by facilitating adaption to suit tenants' current and future requirements.

- 4.3 By creating more energy efficient homes which meet future standards such as Energy Efficiency Standard for Social Housing (ESSH) the monthly fuel consumption for Gold Standard properties is reduced.

## 5. LEGAL IMPLICATIONS

- 5.1 There are no direct legal implications arising from the recommendations of this report.

## 6. MANAGEMENT OF RISK

Category	Risk	Low (L) Medium (M) High (H)	Mitigation
<b>Financial</b>	Limited Contractor bids may impact Programme/project budget and value for money.  Market maturity of Gold standard delivery, costs are strategic assessment and may increase.	H  H	Ensure thorough procurement process - Review of current ITT document is ongoing to develop a document which should encourage multiple tender returns.  Early communication of the proposals with the market. Engagement with the developer and contractor market.
<b>Customer</b>	Void properties within existing housing stock as new properties are more desirable.	L	Manage housing
<b>Technology</b>	Limited Contractor experience delivering Gold Standard may impact tender returns/quality.  Combined Heat & Power resource availability may impact design development in relation to meeting programme dates.	H  H	Ensure thorough tender review process is implemented during the procurement process.  Maintain close collaboration with potential provider regards programme and resource appropriately.
<b>Reputational</b>	High demand on Contracting market	M	Programme allowance should be considered for

	may impact costs and cause delays to delivery of the Programme/projects.		additional periods for procurement of materials/services.
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## 7. OUTCOMES

<b>Local Outcome Improvement Plan Themes</b>	
	<b>Impact of Report</b>
<b>Prosperous Economy</b>	The construction programme for new Council housing will support the local economy, employment and training during a period of relative subdued construction activity, especially in the housing and commercial sectors.
<b>Prosperous People</b>	The Council is committed to improving the key life outcomes of all people in Aberdeen City. The availability of affordable housing contributes to this objective by providing choice and opportunities which would otherwise not be available.
<b>Prosperous Place</b>	The Council is committed to ensuring that Aberdeen is a welcoming place to invest, live and visit and operate to the highest environmental standards. The availability of affordable housing contributes to this objective.

<b>Design Principles of Target Operating Model</b>	
	<b>Impact of Report</b>
<b>Customer Service Design</b>	Tenant consultation does align to networking, communication and learning opportunities that support customer service design e.g. early intervention and prevention, data management and are aligned to good customer service.
<b>Organisational Design</b>	This promotes quality relationships between tenants and the Council - a landlord. This is a core aspect of the interim structure of the Early Intervention and Community Empowerment structure and culture.
<b>Governance</b>	This continues robust management of the HRA account.
<b>Workforce</b>	Housing Revenue Account should align with workforce principles e.g. flexibility and empowerment.

<b>Process Design</b>	Housing Revenue Account should be effective in enabling the most efficient method to provide housing to the 22,000 tenancies.
<b>Technology</b>	Housing Revenue Account priorities should maximise effective use of technology.
<b>Partnerships and Alliances</b>	Housing Revenue Account priorities should maximise the opportunity benefit of partnering e.g. rapid rehousing.

## 8. IMPACT ASSESSMENTS

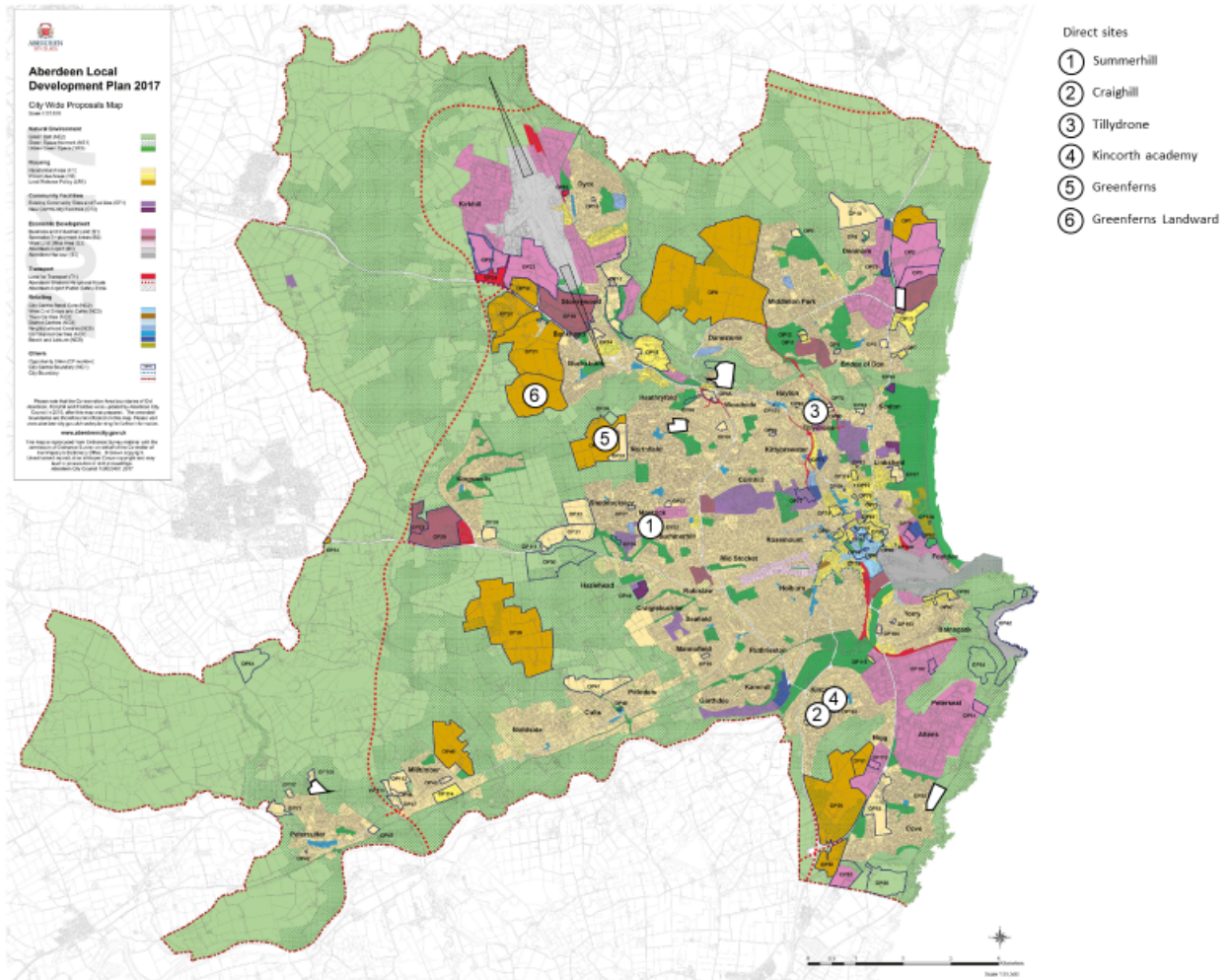
<b>Assessment</b>	<b>Outcome</b>
<b>Equality &amp; Human Rights Impact Assessment</b>	An Equality and Human Rights Impact Assessment (EHRIA) in connection with the Council housing building programme has been carried out on 11.4.2018 based on report no RES/18/006.
<b>Data Protection Impact Assessment</b>	Privacy impact assessment (PIA) screening has been undertaken and a PIA is not necessary.
<b>Duty of Due Regard / Fairer Scotland Duty</b>	The new Council House Building Programme will improve and increase choices for households in meeting their housing needs in this sector of the housing market.

## 9. BACKGROUND PAPERS

- 9.1 Council 6 March 2018: Draft Housing Revenue Account Budget and Housing Capital Budget 2018/19 to 2022/23: report no CG/18/030.
- 9.2 Capital Programme 23 May 2018: Shaping Aberdeen Housing LLP – Referral from City Growth and Resources: report no RES/18/006.
- 9.3 Council 5 March 2019: Housing Revenue Account Budget 2019/20: report no RES/19/202.

## 10. APPENDICES (if applicable)

## Appendix 1: Location Map



### 11. REPORT AUTHOR CONTACT DETAILS

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Title	Chief Officer, Capital
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## ABERDEEN CITY COUNCIL

<b>COMMITTEE</b>	Capital Programme
<b>DATE</b>	25 <sup>th</sup> March 2020
<b>EXEMPT</b>	No
<b>CONFIDENTIAL</b>	No
<b>REPORT TITLE</b>	Summerhill New Build Housing Progress Report
<b>REPORT NUMBER</b>	RES/20/070
<b>DIRECTOR</b>	Steven Whyte, Director of Resources
<b>CHIEF OFFICER</b>	John Wilson, Chief Officer, Capital
<b>REPORT AUTHOR</b>	John Wilson, Chief Officer, Capital
<b>TERMS OF REFERENCE</b>	1.1

### 1. PURPOSE OF REPORT

To update the Committee on the progress of works being undertaken at Summerhill new build Council housing project.

### 2. RECOMMENDATION(S)

That the Committee:

- 2.1 Notes the progress achieved in the housing project at Summerhill.

### 3. WORKS PROGRESS

- 3.1 The Contractor has commenced key supply chain procurement to progress key activities including timber kit design and groundworks.
- 3.2 The inclusion of a Combined Heat & Power (CHP) system has been identified as an essential driver behind successful completion and handover of the project.
- 3.3 The offsite Denburn Culvert works encompass a new drainage culvert being laid from the proposed Summerhill site southwards along Stronsay Drive to a new outfall at the North Burn of Rubislaw.
- 3.4 Within the period the Contractor has completed the Culvert works. Completion date was previously reported as November, however due to unforeseen ground

conditions and utility issues, the works were delayed. The delivery of the culvert works is not a critical path item.

3.5 The Design Team have identified an opportunity to re-use the onsite existing stockpile of materials. Engineers have confirmed the suitability of material to be reused across the site. Chap continue to progress cutting works to formation level.

3.6 The Contractor has awarded key works packages and is progressing with activities including site clearance, site access and substructure works including foundations to block 5, form main haul roads, service ducts and below ground drainage. Bulk earthworks to Phase 1 and 2 areas have been well progressed.

3.7 Temporary utility services were connected on site February 2020.

## Current Status

### Phasing

3.8 Key milestones detailed in the Contractor's programme are as follows:

Activity	Target Start Date	Status
Offsite culvert works	Summer 2019	Completed
Issue second Letter of Intent	Summer 2019	Completed
Site clearance commencing	Autumn 2019	Ongoing
Let full Contract	Autumn 2019	Completed
Site start	Autumn 2019	Completed
Phase 1 (Blocks 1, 2 and 5)	Winter 2019-2020	Ongoing
Phase 2 (Blocks 3, 4 and 6)	Spring 2020	Awaited
Phase 3 (Blocks 7 and 8)	Spring 2021	Awaited

3.9 The Contractor programme demonstrates three Sectional Completion dates to provide Aberdeen City Council (ACC) with a phased release of housing units.

Sectional Completion dates are anticipated as shown in the following table:

Activity	Completion Date	No. of Units
Offsite Culvert Works	Winter 2019/2020	N/A
Phase 1	Winter 2021/2022	128 units
Phase 2	Summer 2022	128 units
Phase 3	TBC	113 units

- Please note that until the whole 2,000-unit programme is developed, final stage completion dates cannot be confirmed because the council will have to ensure



*these dates are staggered to avoid a large volume of properties coming on to the council tax register at the same time.*

### **Combined Heat & Power**

- 3.10 The inclusion of a Combined Heat & Power (CHP) system in lieu of individual domestic gas boilers has been instructed. The inclusion of a Combined Heat & Power (CHP) system will make a major contribution to carbon reductions and additional savings in terms of life cycle costs, whilst supporting the Council's drive to reduce fuel poverty across the city and minimise carbon footprint in line with the Strategic Housing Investment Plan

### **Interdependencies update**

- 3.11 The contract parties are in discussion and working closely to ensure the work by other parties does not impinge on the overall project delivery.

## **4. FINANCIAL IMPLICATIONS**

- 4.1 As noted in the June 2019 report, a single tender was submitted to the Council and since then design has been developed in order to achieve financial viability.
- 4.2 An approach has been made to the Scottish Government for Housing Association Grant (HAG) funding to support with overall costs.
- 4.3 An expression of interest form has been submitted as part of the application process to obtain grants from the Housing Infrastructure Fund. If successful, this fund will contribute to infrastructure costs on the project to assist with the development of infrastructure on and around the site.
- 4.4 The construction costs include introduction of a Combined Heat & Power system and Denburn Culvert offsite drainage works.

The overall business case gross budget of £57.8m has been approved by ACC.

<b>Gross Budget</b>	<b>Spend to date</b>
<b>£57.8m</b>	<b>£4.5m</b>

## 5. LEGAL IMPLICATIONS

- 5.1 There are no direct legal implications arising from the recommendations of this report.

## 6. MANAGEMENT OF RISK

### Key Risks for Initial Construction Activities

- 6.1 Unidentified site constraints encountered.  
 6.2 Delay to Statutory Approvals.  
 6.3 Combined Heating & Power Design/Programme  
 6.4 Inclement weather  
 6.5 Supply chain insolvency/liquidation  
 6.6 Delayed Completion date for Culvert works

	Risk	Low (L), Medium (M), High (H)	Mitigation
<b>Programme</b>	Unidentified site constraints encountered.	M	Atkins will monitor site activities and highlight issues once established.
<b>Time</b>	Delay to Statutory Approvals.	L	F+G liaising with Building Control, Planning and Roads Services.
<b>Design</b>	Combined Heating & Power Design/Programme.	M	Regular Design Team meetings held to progress the designs and incorporate into Main Contractor's programme.
<b>Programme</b>	Inclement weather.	M	Monitor and plan the works taking cognisance of the likelihood of bad weather, especially during the winter months.
<b>Programme</b>	Supply chain insolvency/liquidation.	M	Building Contractor to ensure financial checks of supply chain.
<b>Programme</b>	Completion date for Culvert works delayed.	M	Monitor and provide prompt response to Technical Queries.

## 7. OUTCOMES

Local Outcome Improvement Plan Themes	
	<b>Impact of Report</b>
<b>Prosperous Economy</b>	The construction programme for new Council housing will support the local economy, employment and training during a period of relative subdued construction activity, especially in the housing and commercial sectors.
<b>Prosperous People</b>	The Council is committed to improving the key life outcomes of all people in Aberdeen City. The availability of affordable housing contributes to this objective by providing choice and opportunities which would otherwise not be available.
<b>Prosperous Place</b>	The Council is committed to ensuring that Aberdeen is a welcoming place to invest, live and visit and operate to the highest environmental standards. The availability of affordable housing contributes to this objective.

Design Principles of Target Operating Model	
	<b>Impact of Report</b>
<b>Customer Service Design</b>	Tenant consultation does align to networking, communication and learning opportunities that support customer service design e.g. early intervention and prevention, data management and are aligned to good customer service.
<b>Organisational Design</b>	This promotes quality relationships between tenants and the Council - a landlord. This is a core aspect of the interim structure of the Early Intervention and Community Empowerment structure and culture.
<b>Governance</b>	This continues robust management of the HRA account.

<b>Workforce</b>	Housing Revenue Account should align with workforce principles e.g. flexibility and empowerment.
<b>Process Design</b>	Housing Revenue Account should be effective in enabling the most efficient method to provide housing to the 22,000 tenancies.
<b>Technology</b>	Housing Revenue Account priorities should maximise effective use of technology.
<b>Partnerships and Alliances</b>	Housing Revenue Account priorities should maximise the opportunity benefit of partnering e.g. rapid rehousing.

## 8. IMPACT ASSESSMENTS

<b>Assessment</b>	<b>Outcome</b>
<b>Equality &amp; Human Rights Impact Assessment</b>	An Equality and Human Rights Impact Assessment (EHRIA) in connection with the Council housing building programme has been carried out on 11.4.2018 based on report no RES/18/006.
<b>Data Protection Impact Assessment</b>	Privacy impact assessment (PIA) screening has been undertaken and a PIA is not necessary.
<b>Duty of Due Regard / Fairer Scotland Duty</b>	The new Council House Building Programme will improve and increase choices for households in meeting their housing needs in this sector of the housing market.

## 9. BACKGROUND PAPERS

- 9.1 Council 6 March 2018: Draft Housing Revenue Account Budget and Housing Capital Budget 2018/19 to 2022/23: report no CG/18/030.
- 9.2 Capital Programme 23 May 2018: Shaping Aberdeen Housing LLP – Referral from City Growth and Resources: report no RES/18/006.
- 9.3 Council 5 March 2019: Housing Revenue Account Budget 2019/20: report no RES/19/202.

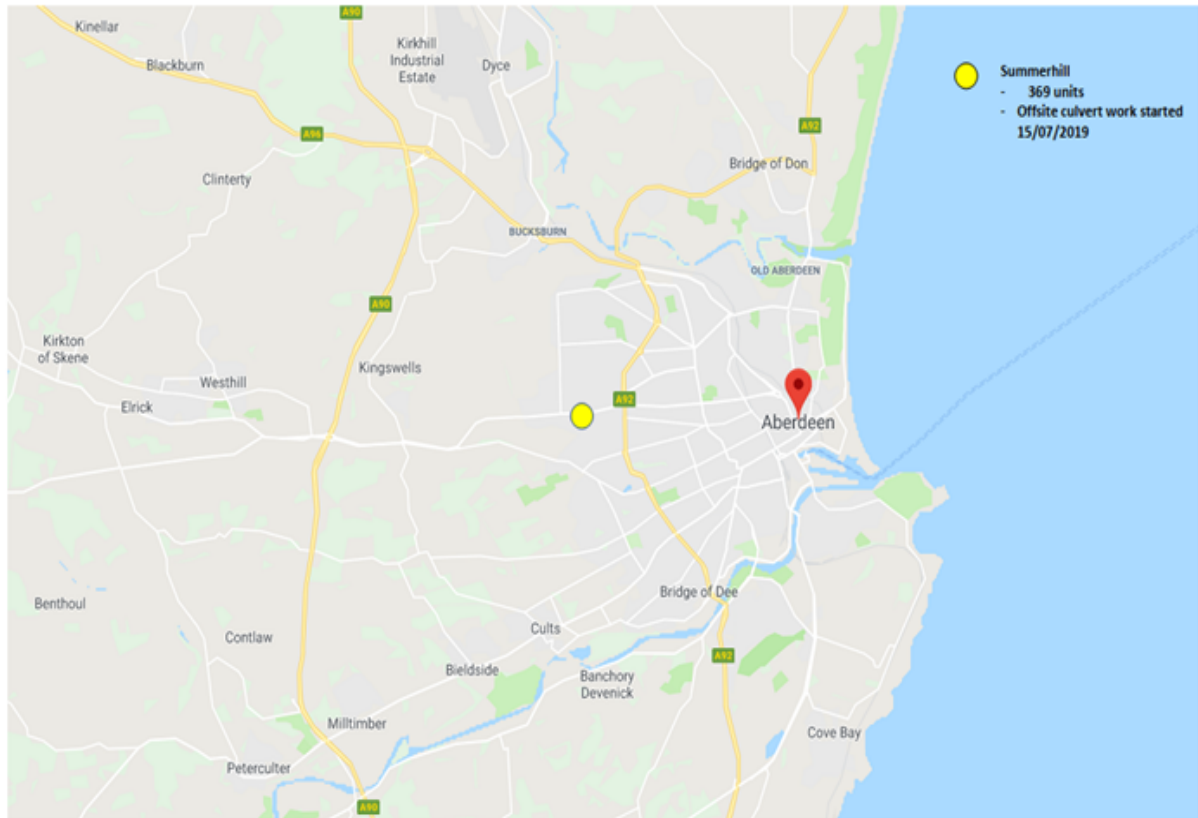
## 10. APPENDICES (if applicable)

**Appendix 1 Location Map**  
**Appendix 2 Site Layout**

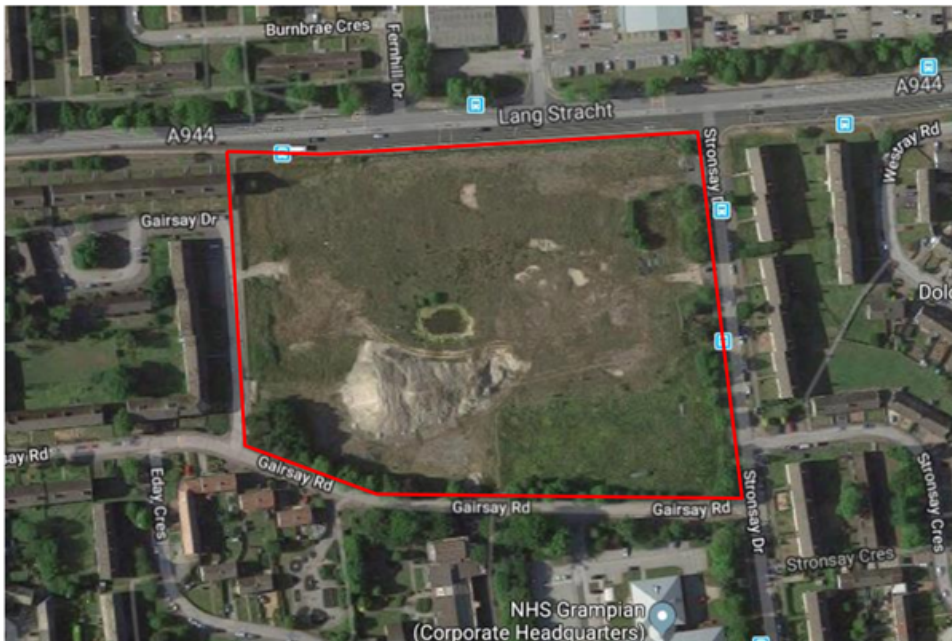
**11. REPORT AUTHOR CONTACT DETAILS**

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## Appendix 1 – Location Map



## Appendix 2 Site Layout



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## ABERDEEN CITY COUNCIL

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<b>COMMITTEE</b>	Capital Programme
<b>DATE</b>	25 <sup>th</sup> March 2020
<b>EXEMPT</b>	No
<b>CONFIDENTIAL</b>	No
<b>REPORT TITLE</b>	Wellheads Road New Build Housing Progress Report
<b>REPORT NUMBER</b>	RES/20/072
<b>DIRECTOR</b>	Steven Whyte, Director of Resources
<b>CHIEF OFFICER</b>	John Wilson, Chief Officer, Capital
<b>REPORT AUTHOR</b>	John Wilson, Chief Officer, Capital
<b>TERMS OF REFERENCE</b>	1.1

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### 1. PURPOSE OF REPORT

- 1.1 To update the Committee on the progress of the Wellheads Road new build Council housing project.

### 2. RECOMMENDATION(S)

That the Committee:

- 2.1 Notes the progress achieved in the procurement of new build Council housing project at Wellheads Road.

### 3. Procurement

- 3.1 Planning permission was granted for the site in February 2019.
- 3.2 A Development Agreement was subsequently agreed between Aberdeen City Council and Ogilvie Group Developments Ltd. (Principal Contractor) who will provide a development comprising of four blocks of flats offering 283 units, with a mix of one, two, three and four-bedroom flats.
- 3.3 The Principal Contractor took possession of the site in September 2019.

### Current Status

- 3.4 Construction works on Block 4 and Block 3 are progressing ahead of programme, timber kit has commenced on Block 4 and steelwork has commenced on Block 3.
- 3.5 Ogilvie Construction are making progress on site and the works are progressing ahead of the Development Agreement programme provided in June 2019.

- 3.6 Construction to Block 4 and Block 3 are progressing ahead of programme, timber kit has commenced on Block 4 and steelwork has commenced on Block 3. Foundations and structural steel erection on Block 2 are now complete. An updated programme is awaited however Block 4 is 3-4 months ahead of programme, and Block 2 is 6-7 months ahead, as the lag between blocks has been reduced.
- 3.7 Quality Assurance audits have commenced on site and will continue throughout the duration of the Contract to ensure consistency in quality across the overall Housing Programme.
- 3.8 The construction programme incorporated within the Development Agreement details target start dates, however final stage completion dates cannot be confirmed because the council will have to ensure these dates are staggered to avoid a large volume of properties coming on to the council tax register at one time. Phased delivery plan as outlined below:

Activity	Target Start Date
Execution of Contract	Completed
Mobilisation	Completed
Block 4	Commenced
Block 3	Commenced
Block 2	Commenced
Block 1	Winter 2020

3.9 The construction programme incorporates four Sectional Completion dates which will provide a phased release of housing units. Sectional Completion dates are as follows:

Block 4	Spring 2021	67 Units
Block 3	Autumn 2021	83 units
Block 2	Winter 2021	77 units
Block 1	TBC	56 units

- *Please note that until the whole 2,000 Programme is developed, final stage completion dates cannot be confirmed because the Council will have to ensure these dates are staggered to avoid a large volume of properties coming on to the council tax register at the same time.*

#### Headlines/Key issues of the moment

- 3.10 Design development is ongoing for the inclusion of a small Combined Heat & Power (CHP) system and package boiler plant in lieu of individual domestic gas boilers. Instruction anticipated in the coming month.

- 3.11 The inclusion of a Combined Heat & Power (CHP) system will make a major contribution to carbon reductions and additional savings in terms of life cycle costs, whilst supporting the Council’s drive to reduce fuel poverty across the city and minimise carbon footprint in line with the Strategic Housing Investment Plan.

**Interdependencies Update**

- 3.12 The contract parties are in discussion and working closely to ensure the work by other parties does not impact overall project delivery.

**4. FINANCIAL IMPLICATIONS**

- 4.1 There are no direct financial implications arising from the recommendations of this report.
- 4.2 The Business Case has been drafted to include the appointment of F+G as Project Monitor and to provide Quality Assurance service to ensure the standards are consistent across the programme for all ACC Housing projects.
- 4.3 The total project cost is supported by funding from the following sources:
- (a) Public Works Loan Board borrowing
  - (b) Second homes Council tax discount
  - (c) Developer contributions for affordable housing
  - (d) Scottish Government funding

<b>Gross Budget</b>	<b>Spend to date</b>
<b>£44.2m</b>	<b>£10.0m</b>

- 4.4 The spend to date includes land acquisition, development fees, legal costs, design development fees, site investigations.

**5. LEGAL IMPLICATIONS**

- 5.1 There are no direct legal implications arising from the recommendations of this report.

**6. MANAGEMENT OF RISK**

**Key Risks for Initial Construction Activities**

- 6.1 Combined Heat & Power resourcing to meet the programme.
- 6.2 There is risk that, as the Wellheads Road Housing project design changes it may not be consistent with the wider programme objectives. As a result, some

design changes are anticipated as the vision is being developed, which may impact cost and programme.

6.3 Inclement weather

6.4 Supply chain insolvency/liquidation

	<b>Risk</b>	<b>Low (L), Medium (M), High (H)</b>	<b>Mitigation</b>
<b>Design</b>	Combined Heat & Power resourcing to meet the programme.	M	Programme GANTT chart has been shared with potential provider to review programme.
<b>Design</b>	There is risk that, as the Wellheads Road Housing project design changes it may not be consistent with the wider programme objectives.	M	Upon completion of the Programme blueprint, a gap analysis will be undertaken for ACC consideration.
<b>Programme</b>	Inclement weather	M	Monitor and plan the works taking cognisance of the likelihood of bad weather, especially during the winter months.
<b>Programme</b>	Supply chain insolvency/liquidation	M	Building Contractor to ensure financial checks of supply chain.

## 7. OUTCOMES

<b>Local Outcome Improvement Plan Themes</b>	<b>Impact of Report</b>
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## **10. APPENDICES (if applicable)**

Appendix 1: Location Map  
Appendix 2: Site Map

## **11. REPORT AUTHOR CONTACT DETAILS**

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Email Address	JohnW@aberdeencity.gov.uk
Tel	01224 523629

## Appendix 1 – Location Map



## Appendix 2: Site Layout Plan

