

Public Document Pack



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

Town House,
ABERDEEN 21 January 2021

CAPITAL PROGRAMME COMMITTEE

The Members of the **CAPITAL PROGRAMME COMMITTEE** are requested to meet remotely on **THURSDAY, 28 JANUARY 2021 at 2.00 pm.**

FRASER BELL
CHIEF OFFICER - GOVERNANCE

In accordance with UK and Scottish Government guidance, meetings of this Committee will be held remotely as required. In these circumstances the meetings will be recorded and available on the Committee page on the website.

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 18 November 2020 (Pages 5 - 10)

COMMITTEE BUSINESS PLANNER

- 6.1 Committee Planner (Pages 11 - 12)

NOTICES OF MOTION

- 7.1 Notices of Motion

COMMITTEE BUSINESS

Councils Capital Programme

- 8.1 New Housing Programme Delivery Update - RES/20/132 (Pages 13 - 22)
- 8.2 Summerhill New Build Housing Progress Report - RES/20/131 (Pages 23 - 34)
- 8.3 Wellheads Road New Build Housing Progress Report - RES/20/130 (Pages 35 - 46)
- 8.4 ELC Programme Progress Report - RES/20/208 (Pages 47 - 58)

EXEMPT / CONFIDENTIAL BUSINESS

- 9.1 Where required

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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, 18 November 2020. Minute of Meeting of the CAPITAL PROGRAMME COMMITTEE. Present:- Councillor Boulton, Convener; and Councillors Graham, Houghton (as substitute for Councillor Lumsden), Laing, MacKenzie, McLellan, McRae, 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.

DECLARATIONS OF INTEREST

1. 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 23 SEPTEMBER 2020

2. The Committee had before it the minute of its previous meeting of 23 September 2020.

The Committee resolved:-

- (i) in relation to item 5(i) to note that the Director of Resources would circulate a response by email; and
- (ii) to otherwise approve the minute as a correct record.

COMMITTEE PLANNER

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

The Committee resolved:-

- (i) in relation to the Aberdeen Art Gallery, to note the update provided in the business planner relating to the Post Project Evaluation being delayed until Autumn 2021 and that a report would be submitted to the first available meeting of this Committee; and
- (ii) to otherwise note the content of the business planner.

CAPITAL PROGRAMME COMMITTEE
18 November 2020

NESS ENERGY PROJECT - RES/20/192

4. With reference to article 6 of the minute of its meeting of 22 January 2020, the Committee had before it a report by the Director of Resources which provided an update on the progress made with regards to the procurement, construction, and operation of the Ness Energy Project.

The report recommended:-

That the Committee –

- (a) note the progress achieved to date;
- (b) note the financial position for the project; and
- (c) instructs the Chief Officer Capital to provide a further update on progress to this Committee in March 2021.

The Committee resolved:-

- (i) in response to a question regarding whether an annual report reflecting the community benefits for all capital projects could be provided, to note that each project would have a Post Project Evaluation which would capture community benefits and that the Director of Resources in consultation with the Chief Officer – Capital would capture these for each project and provide an annual report to Committee; and
- (ii) to otherwise approve the recommendations contained in the report.

SOUTH COLLEGE STREET JUNCTION IMPROVEMENTS PROJECT PROGRESS REPORT - RES/20/195

5. The Committee had before it a report by the Director of Resources which provided an update on the progress of the South College Street Junction Improvements project.

The report recommended:-

That the Committee notes the update to the programme milestones and the associated financial implications.

The Committee resolved:-

- (i) in response to a question regarding paragraph 3.1 in the report and whether the Council would be accessing new Scottish Government funding for bus priority infrastructure, to note that the Director of Resources would liaise with the Chief Officer – Strategic Place Planning and provide a response to the Committee via email; and
- (ii) to otherwise approve the recommendation contained in the report.

CAPITAL PROGRAMME COMMITTEE
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UNION TERRACE GARDENS - RES/20/206

6. With reference to article 8 of the minute of its meeting of 22 January 2020, the Committee had before it a report by the Director of Resources which provided an update on progress of the delivery of Union Terrace Gardens project which had an anticipated completion date Autumn/ Winter 2021.

The report recommended:-

That the Committee –

- (a) notes the progress achieved to deliver the Union Terrace Gardens redevelopment; and
- (b) instructs the Chief Officer - Capital to provide a further update on progress at the Capital Programme Committee in March 2021.

The Committee resolved:-

to approve the recommendations contained in the report.

PROVOST SKENE'S HOUSE PROGRESS REPORT - RES/20/207

7. With reference to article 7 of the minute of its meeting of 22 January 2020, the Committee had before it a report by the Director of Resources which provided an update on progress of works to refurbish Provost Skene's House following the last update report of 22 January 2020.

The report recommended:-

That the Committee -

- (a) note the progress achieved in the procurement of Provost Skene's House refurbishment and the various unforeseeable challenges which were being addressed; and
- (b) instruct the Chief Officer Capital to provide a further update on progress to this Committee in March 2021.

The Committee resolved:-

to approve the recommendations contained in the report.

REPLACEMENT RIVERBANK PRIMARY SCHOOL - PROGRESS REPORT - RES/20/202

8. With reference to article 10 of the minute of its meeting of 12 September 2019, the Committee had before it a report by the Director of Resources which provided an update on the progress of the Replacement Riverbank Primary School.

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The report recommended:-

That the Committee -

- (a) note that the project formed part of the Education New Build Programme presented to the Capital Programme, Strategic Commissioning and City Growth and Resources Committees in September 2018 with the project contributing to the delivery of Aberdeen City Council's Early Learning and Childcare Expansion Programme of works;
- (b) note the current on-going work leading to completion of the construction of the Replacement Riverbank Primary School in Spring 2023; and
- (c) to instruct the Chief Officer Capital to provide a further update on progress to this Committee in March 2021.

The Committee resolved:-

to approve the recommendations contained in the report.

REPLACEMENT MILLTIMBER PRIMARY SCHOOL- PROGRESS REPORT - RES/20/205

9. With reference to article 9 of the minute of its meeting of 12 September 2019, the Committee had before it a report by the Director of Resources which provided an update on the progress of the Milltimber Replacement School.

The report recommended:-

That the Committee -

- (a) note that the project formed part of the Education New Build Programme presented to the Capital Programme, Strategic Commissioning and City Growth and Resources Committees in September 2018 with the project contributing to the delivery of Aberdeen City Council's Early Learning and Childcare Expansion Programme of works;
- (b) note the current on-going work leading to completion of the construction of the replacement Milltimber School in winter 2021/22; and
- (c) instruct the Chief Officer Capital to provide a further update on progress to this Committee in March 2021.

The Committee resolved:-

to approve the recommendations contained in the report.

TORRY COMMUNITY HUB AND PRIMARY SCHOOL - PROGRESS REPORT - RES/20/203

10. With reference to article 11 of the minute of its meeting of 12 September 2019, the Committee had before it a report by the Director of Resources which provided an update on the progress of the Torry Community Hub and Primary School.

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The report recommended:-

That the Committee -

- (a) note that the project formed part of the Education New Build Programme presented to the Capital Programme, Strategic Commissioning and City Growth and Resources Committees in September 2018 with the project contributing to the delivery of Aberdeen City Council's Early Learning and Childcare Expansion Programme of works;
- (b) note the current on-going work leading to completion of the construction of the Torry Community Hub and Primary School in Winter 2022/23; and
- (c) instruct the Chief Officer Capital to provide a further update on progress to this Committee in March 2021.

Members raised concerns in relation to the delays in the project and sought assurance that the project was now on track. The Chief Officer – Capital advised that the delays were mainly relating to asbestos and that the demolition works would commence in the New Year once the remaining asbestos had been removed from the site. He further advised that although the school had been in the capital programme since 2017, the finances for the demolition works was only approved at the budget meeting in 2019.

The Committee resolved:-

- (i) to note the verbal update provided; and
- (ii) to otherwise approve the recommendations contained in the report.

ELC PROGRAMME EXPANSION PROJECT - RES/20/208

11. With reference to article 8 of the minute of its meeting of 23 September 2020, the Committee had before it a report by the Director of Resources which provided an update on the progress of the ELC Capital Projects which would help meet Aberdeen City Council's Early Learning and Childcare Delivery Plan objectives by working with the Education Operations teams to help meet the Council's commitment to expand funded early learning and childcare from 600 hours to 1,140 hours by 2020.

The report recommended:-

That the Committee -

- (a) note that the Early Learning and Childcare Expansion Programme of works formed part of the overall Aberdeen City Council Capital Plan; and
- (b) note the progress made with the overall delivery of projects in lieu of the Covid-19 pandemic impact.

The Committee resolved:-

- (i) in response to a question regarding whether there were updates in relation to progress at Westpark Nursery, Kirkhill Nursery and Danestone Nursey to note

CAPITAL PROGRAMME COMMITTEE

18 November 2020

- that the Chief Officer – Capital would provide any updates to the Committee via email;
- (ii) in response to a question regarding whether extended hours could be offered to families where the works had been completed, to note that the Director of Resources would liaise with the Chief Officer – Education and provide a response to the Committee via email; and
 - (iii) to otherwise approve the recommendations contained in the report.

- **MARIE BOULTON, Convener**

	A	B	C	D	E	F	G	H	I
1	CAPITAL PROGRAMME COMMITTEE BUSINESS PLANNER								
	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									
3	28 January 2021								
4	New Housing Programme Delivery	To provide an update to Committee in relation to th Housing Development Programme		John Wilson	Capital	Resources	1.1		
5	Summerhill New Build Housing Project Update	To provide an update to Committee in relation to the Summerhill Housing Development		John Wilson	Capital	Resources	1.1		
6	Wellheads New Build Housing Project Update	To provide an update to Committee in relation to the Wellheads Housing Development		John Wilson	Capital	Resources	1.1		
7	ELC Expansion Update Report	to provide an update on the progress of all of the ELC projects	This is a standing item on the Business Planner	Colin Kemp	Capital	Resources	1.1		
8	Countesswells Primary School	to provide an update on the progress on the delivery of the school			Capital	Resources	1.1	D	This report has been delayed to enable due diligence to be completed. The Planner will be updated to include a report when available.
9	24 March 2021								
10	Energy From Waste	To report on the progress of the delivery of the Energy from Waste Project.		John Wilson	Capital	Resources	1.1		
11	South College Street	To report on the progress of the delivery of the South College Street Corridor Improvement Project.		Alan McKay	Capital	Resources	1.1		
12	Tillydrone (Riverbank Replacement) Primary School	to provide an update on the progress on the delivery of the school		Neil Esslemont	Capital	Resources	1.1		
13	Torry Primary School (including Community Hub)	to provide an update on the progress on the delivery of the school		Bill Watson	Capital	Resources	1.1		
14	Milltimber Primary School	to provide an update on the progress on the delivery of the school		Neil Esslemont	Capital	Resources	1.1		
15	ELC Expansion Update Report	to provide an update on the progress of all of the ELC projects	This is a standing item on the Business Planner	Colin Kemp	Capital	Resources	1.1		
16	Union Terrace Gardens	to provide an update on progress on the delivery of the project.		Tara Gavan	Capital	Resources	1.1		
17	Provost Skene's House`	to provide an update on progress on the delivery of the project.		Colin Doig	Capital	Resources	1.1		
18	Cluster Risk Registers	to presnt the cluster risk registers and assurance maps.		John Wilson/ Stephen Booth	Capital/ Corporate Landlord	Resources			
19	26 May 2021								
20	New Housing Programme Delivery	To provide an update to Committee in relation to th Housing Development Programme		John Wilson	Capital	Resources	1.1		
21	Summerhill New Build Housing Project Update	To provide an update to Committee in relation to the Summerhill Housing Development		John Wilson	Capital	Resources	1.1		
22	Wellheads New Build Housing Project Update	To provide an update to Committee in relation to the Wellheads Housing Development		John Wilson	Capital	Resources	1.1		
23	ELC Expansion Update Report	to provide an update on the progress of all of the ELC projects	This is a standing item on the Business Planner	Colin Kemp	Capital	Resources	1.1		
24	10 September 2021								

	A	B	C	D	E	F	G	H	I
25	Energy From Waste	To report on the progress of the delivery of the Energy from Waste Project.		John Wilson	Capital	Resources	1.1		
26	South College Street	To report on the progress of the delivery of the South College Street Corridor Improvement Project.		Alan McKay	Capital	Resources	1.1		
27	Tillydrone (Riverbank Replacement) Primary School	to provide an update on the progress on the delivery of the school		Neil Esslemont	Capital	Resources	1.1		
28	Torry Primary School (including Community Hub)	to provide an update on the progress on the delivery of the school		Bill Watson	Capital	Resources	1.1		
29	Milltimber Primary School	to provide an update on the progress on the delivery of the school		Neil Esslemont	Capital	Resources	1.1		
30	ELC Expansion Update Report	to provide an update on the progress of all of the ELC projects	This is a standing item on the Business Planner	Colin Kemp	Capital	Resources	1.1		
31	Union Terrace Gardens	to provide an update on progress on the delivery of the project.		Tara Gavan	Capital	Resources	1.1		
32	Provost Skene's House'	to provide an update on progress on the delivery of the project.		Colin Doig	Capital	Resources	1.1		
33	Torry Heat Network	To report on the progress of the delivery of the Torry Heat Network Project.		Bill Watson	Capital	Resources	1.1		
34	1 December 2021								
35	New Housing Programme Delivery	To provide an update to Committee in relation to th Housing Development Programme		John Wilson	Capital	Resources	1.1		
36	Summerhill New Build Housing Project Update	To provide an update to Committee in relation to the Summerhill Housing Development		John Wilson	Capital	Resources	1.1		
37	Wellheads New Build Housing Project Update	To provide an update to Committee in relation to the Wellheads Housing Development		John Wilson	Capital	Resources	1.1		
38	ELC Expansion Update Report	to provide an update on the progress of all of the ELC projects	This is a standing item on the Business Planner	Colin Kemp	Capital	Resources	1.1		
39	Aberdeen Art Gallery	Capital Programme Committee 18/11/20 (i)in relation to the Aberdeen Art Gallery, to note the update provided in the business planner relating to the Post Project Evaluation being delayed until Autumn 2021 and that a report would be submitted to the first available meeting of this Committee		John Wilson	Capital	Resources	1.2		

ABERDEEN CITY COUNCIL

COMMITTEE	Capital Programme
DATE	28 January 2021
EXEMPT	No
CONFIDENTIAL	No
REPORT TITLE	New Housing Programme Delivery Update
REPORT NUMBER	RES/20/132
DIRECTOR	Steven Whyte, Director of Resources
CHIEF OFFICER	John Wilson, Chief Officer, Capital
REPORT AUTHOR	John Wilson, Chief Officer, Capital
TERMS OF REFERENCE	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, Kaimhill, Greenferns and Greenferns Landward.
- 1.3 Outline Progress for Granitehill site.
- 1.4 Outline progress for Developer led sites.

2. RECOMMENDATION(S)

That the Committee:

- 2.1 Notes the progress to deliver the programme of social housing sites across the city. Refer to Appendix 1.

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;
- Purchased 99 units through the buy-back scheme;
- Has entered 2 construction contracts (Summerhill and Wellheads) to deliver 652 units;
- Concluded a procurement exercise via the Invitation to Participate in Negotiation (ITPN) process for Developer Led Schemes, which recommended proceeding through a preferred bidder process with 3 sites proposed by 2 developers totalling an additional 723 Units.
- Included a site at Kaimhill that includes an additional 36 Units, this is currently being developed at RIBA Stage 2.
- Developed RIBA Stage 1 proposals for all current committed Council led Direct Sites (circa 897units), including the wider Greenferns and Greenferns Landward Masterplan areas which could accommodate further development.

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 approved by the Programme Board. The document will be reviewed in 2021 to capture any updates and lessons learned to date.

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 Aberdeen. 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 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, contributing to achieving a carbon neutral footprint, and achieving a higher quality of living for tenants. Additionally, all homes in the Programme

will comply with Housing for Varying Needs standards. The High-Level Requirements will be reviewed in 2021 to capture any updates and lessons learned to date.

- 3.9 Delivery of Gold Level technical standards across the Housing Programme was approved at City Growth and Resources Committee on the 6th February 2020. These standards have been incorporated in the High-Level Requirements document and form part of both the Consultant and Developer ITT/ITPN documentation.

Current Status Council Led Sites

- 3.10 The Outline Business Cases (OBC's) have been drafted for the Council led projects at Kincorth, Craighill and Tillydrone. The Outline Business Cases (OBC's) have also been drafted for the Developer led sites at Auchmill Road, Grandhome and Cloverhill.
- 3.11 RIBA Stage 2 has been completed for the Craighill, Kincorth and Tillydrone sites, and RIBA Stage 3 activities are due to conclude in January 2021. RIBA Stage 2 designs are progressing for the Kaimhill site and are also due to conclude in January 2021.
- 3.12 Public consultation processes have been ongoing for the Craighill and Kincorth sites throughout November and December 2020. Two virtual consultation events were held for each site in Q4 2020, with feedback reports being collated for issue in Q1 2021. Planning applications for Craighill, Kincorth and Tillydrone will be submitted in Q1 2021, with an application due to be submitted in Q2 2021 for Kaimhill.
- 3.13 Landscape Architects, Acousticians and Fire engineers have now been appointed for each Direct site and designs are progressing with input from each consultant to support upcoming Planning applications.
- 3.14 With regard to the Granitehill site a draft Granitehill Heads of Terms is due from the Developer in January 2021 supported by a concept scheme proposed for the current site. Due diligence will be undertaken to ensure compliance with the Housing Programme High Level Requirements and a legal review of the proposed Heads of Terms. An outline delivery programme will be required from the Developer to provide visibility to the overall delivery timescales, the supporting OBC will commence drafting in Q1 2021

Next Steps for Council Led Sites

- 3.15 A procurement exercise for Greenferns is due to commence in Q1 2021 to establish a design team to progress the development through RIBA Stages 2 – 6.
- 3.16 The procurement for Tier 1 contractors for the direct sites will be undertaken in Q1 2021.

Activity	Target Date	Status
Direct Sites- Community Engagement for Craighill and Kincorth	December 2020	Complete
RIBA Stage 3 Report for Craighill and Kincorth Projects	January 2021	Ongoing
Direct Sites- Planning application for Craighill and Kincorth	January 2021	Ongoing
Direct Sites- Tier 1 Contractor Procurement Exercise	Q1 2021	Ongoing

Next steps for Developer Led Sites

- 3.17 The final ITPN submissions were received on the 27th August 2020 and were assessed by the evaluation team. An Evaluation, Recommendation and Award paper was issued to ACC in October 2020 following the evaluation process. The progression of Auchmill Road, Grandhome and Cloverhill sites were approved at the ACCHP Exceptional Board on 7th November 2020.
- 3.18 The Developer ITPN preferred bidder process is ongoing and will be concluded Q1 2021. This will contribute to the number of units under development in the ACC Housing Programme. Legal teams have been appointed to support the development of contractual agreements for these sites. The two proposed developments at Grandhome and Cloverhill and will require a Pre-Construction Services Agreement (PCSA) and a Pre-Award Services Agreement (PASA) respectively, with the Auchmill Road Development proceeding to a Development Agreement.
- 3.19 The Developer led sites are progressing through the design/ pre-construction stage to address any anomalies between the Developers proposal and the Councils High Level Requirements. This will culminate in the delivery of 723 units across three sites (Auchmill Road, Cloverhill and Grandhome).
- 3.20 Taking cognisance of lessons learned a second tranche of developer led proposals will be sought through a tender process.

The next steps programme is as shown in the following table.

Activity	Target Date	Status
Publish Final Developer ITPN	August 2020	Completed
ITPN Final Returns	August 2020	Completed
ITPN Final Evaluation	September- October 2020	Completed

Development of Technical and Contractual proposals	Varies	Ongoing
Preferred Bidder Status	Varies	Ongoing
Lessons Learned Session	Jan-Feb 2021	Ongoing
Developer 2 Tender Process	Q1 2021	Ongoing

4. FINANCIAL IMPLICATIONS

- 4.1 Outline Business Cases have been received for; Kincorth, Craighill & Tillydrone as well as the Developer Led sites located at; Cloverhill, Auchmill Road and Grandhome from the external Programme Management Consultants, and these now incorporate updated budgets.
- 4.2 Approval of Gold Technical Standards, while having an initial up front cost, will reduce future maintenance costs. This commitment of investment in properties does however promote 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.
- 4.4 Amendments to the Building (Scotland) Regulations have recently been approved resulting in a change to the regulations (from 31 March 2021) relating to automatic fire suppression systems. The implications of the Building Regulations on the ACC Housing Programme remain to be determined. It is likely that sprinklers will now be required within the housing units. Consideration of the additional design and installation costs for this change is underway but it is expected that this may have a significant impact upon the delivery cost of a typical housing unit.

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
Strategic Risk	Impact of Covid-19 on the projects under design/construction and potential future	M	Ensure lessons learned from current sites, embed float within programmes and closely

	impact upon delivery of units		monitor and liaise with the contractual parties.
Compliance	Failure to comply with project protocols	L	Increase site visits and monitoring of the construction works.
Operational	Staff both internal and external	L	Maintain home working where possible (design). Review business continuity plans.
Financial	Increased project costs, supplier risk in lieu of the recent Brexit agreement and any other Covid-19 related cost impacts.	H	Work with legal, finance and procurement teams to understand and address contractual impacts related to the supply of labour, plant and materials.
Reputational	Late delivery of housing units	M	Clearly communicate with key stakeholders regarding the impact of Covid-19 upon the delivery of units
	COVID-19 outbreak on a construction site	M	Intensify existing safety measures. Contracting parties need to develop and agree new working practices, adopt a more flexible working system, and address broader concerns associated with the pandemic to protect one of the most valuable resources: people.
	Resource available to ensure possession and management of new assets.	M	Ensure strategy is in place prior to Handover and ensure adequate resources are available (ACC resources). Handover strategy is currently being reviewed to enhance the process.
Environment / Climate	Targeting net zero	L	Mitigating climate risks requirements by ensuring at the point of contract award that target net zero requirements are

			embedded into project specification requirements.
Building Control	Amendments to the Building (Scotland) Regulations have recently been approved resulting in a change to the regulations (from 31st March 2021) relating to automatic fire suppression systems. The requirement now includes “social housing dwellings” where applicable criteria is met.	M	Strategic decision required - Building Warrant submissions could be accelerated, or designs could be amended at Stage 2/3 to accommodate sprinkler systems

7. OUTCOMES

<u>COUNCIL DELIVERY PLAN</u>	
	Impact of Report
<p>Aberdeen City Council Policy Statement Programmes in the Policy Statement include assess the digital needs of the region, working with our partners to ensure the city has the required infrastructure; maximise community benefit from major developments; commit to closing the attainment gap in education while working with partners across the city; build 2,000 new Council homes and work with partners to provide more affordable homes;</p>	<p>This report highlights the progress being made across a wide range of potential housing sites which when delivered will support several inter-related policy statements within the Council delivery Plan.</p>
Aberdeen City Local Outcome Improvement Plan	
<p>Prosperous Economy Stretch Outcomes</p>	<p>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.</p>
<p>Prosperous People Stretch Outcomes</p>	<p>The Council is committed to improving the key life outcomes of all people in Aberdeen City. The availability of affordable housing contributes to this</p>

	objective by providing choice and opportunities which would otherwise not be available.
Prosperous Place Stretch Outcomes	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.
Regional and City Strategies Strategic Development Plan; Local Development Plan	The proposals within this report support the Strategic Development Plan and Local Development Plan by working to deliver the new Council aspirations and accord with the requirements of both plans.
UK and Scottish Legislative and Policy Programmes Legislation which places a range of statutory duties on the Council, Planning (Scotland) Bill	The report sets out the progress achieved to deliver the new Council housing across the city, all in accordance with the required legislation.

8. IMPACT ASSESSMENTS

Assessment	Outcome
Impact Assessment	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.
Data Protection Impact Assessment	Privacy impact assessment (PIA) screening has been undertaken and a PIA is not necessary.

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.
- 9.4 City Growth & Resources 28 October 2020: New Housing Programme Delivery Update: Report No RES/20/132

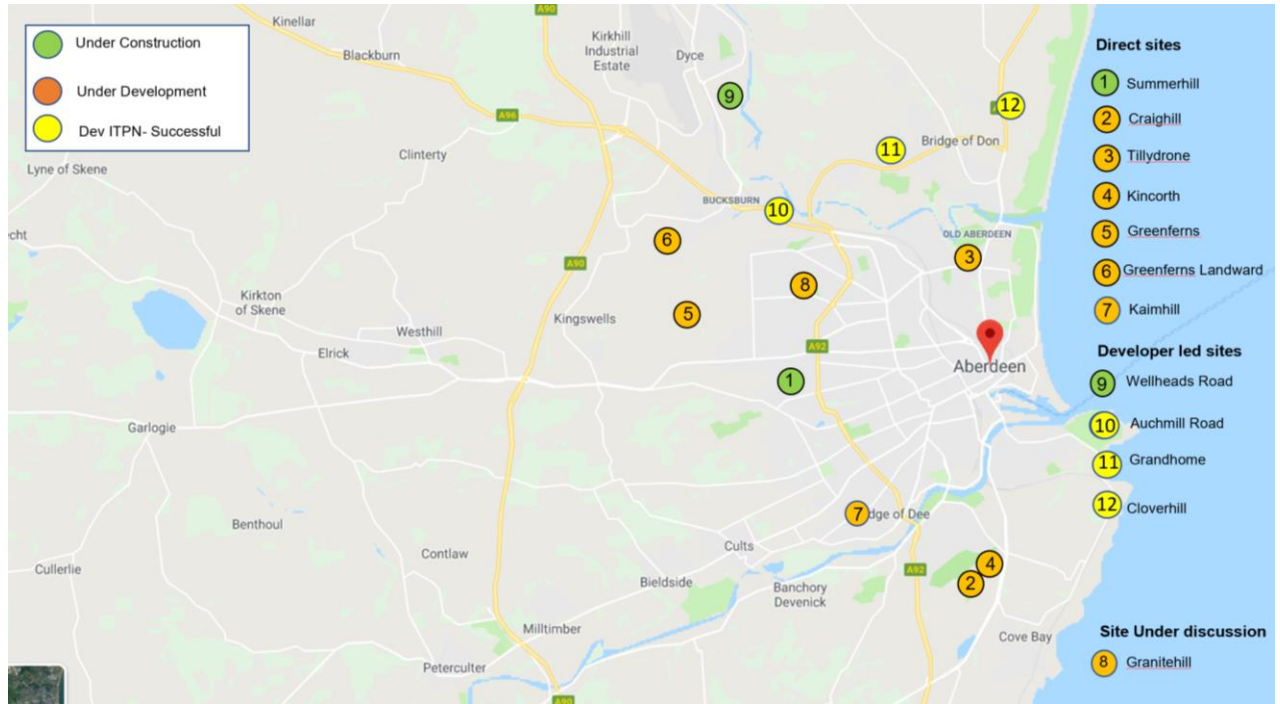
10. APPENDICES

- 10.1 ACCHP Location Map of Housing Sites

11. REPORT AUTHOR CONTACT DETAILS

Name	John Wilson
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APPENDIX 1: ACCHP Location Map of Housing Sites



ABERDEEN CITY COUNCIL

COMMITTEE	Capital Programme
DATE	28 January 2021
EXEMPT	No
CONFIDENTIAL	No
REPORT TITLE	Summerhill New Build Housing Progress Report
REPORT NUMBER	RES/20/131
DIRECTOR	Steven Whyte, Director of Resources
CHIEF OFFICER	John Wilson, Chief Officer, Capital
REPORT AUTHOR	John Wilson, Chief Officer, Capital
TERMS OF REFERENCE	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. BACKGROUND

- 3.1 As a consequence of the Covid 19 lockdown the programme has lost 12 weeks of activity. CHAP Construction will issue revised programmes, however since return to site good progress has been made, including early commencement of blocks within Phase 2. They have also indicated an intent despite the lockdown to better the sectional completion dates noted under 3.8. Progress this quarter has maintained this betterment.

- 3.2 Construction Progress to Date:

Phase 1

- **Block 1** – Foundations complete. Timber kit nearing completion. Roof installation commenced at lower roofs; still to commence at highest roof level. Facing brick to elevations well progressed.
- **Block 2** – Foundations complete. Timber kit nearing completion. Roof installation commenced at lower roofs; still to commence at highest roof level. Facing brick to elevations well progressed.

- **Block 5** – Foundations complete. Timber kit nearing completion. Roof installation well progressed. Facing brick to elevations well progressed. Stair 3 precast in place; other stairs precast in progress. Internal partitions and dry lining commenced. Services first fix to commence January.

Phase 2

- **Block 3** – Foundations complete. Timber kit to commence at the same time as Blocks 4 & 6.
- **Block 4** – Foundations to commence January as soon as top soil spoil is removed.
- **Block 6** – Foundations will be completed early January. Timber kit to commence at the same time as Blocks 3 & 4.

Phase 3 – not yet commenced.

3.3 Quality Assurance audits have continued on site and will continue throughout the duration of the Contract to ensure quality across the overall Housing Programme.

Current Status

Phasing

3.4 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 (commenced)	Ongoing
Phase 3 (Blocks 7 and 8)	Spring 2021	Awaited

3.5 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 late 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 housing list register at the same time.*

Headlines/Key Issues

- 3.6 The Contractor is considering the impact that the Covid-19 pandemic has had on the construction programme. To date, he has submitted an extension of time claim for the lock down period.
- 3.7 Following initial consideration of the claim, meetings are now underway to seek agreement in terms of likely cost and time impacts. The outcome of the claim negotiation with officers will be reported in due course but initial consideration would suggest that the original programme dates can still be achieved but recognising there will be a cost impact related to working practices.
- 3.8 There remains a residual risk of future national or local lockdowns being imposed, which would impact upon labour and material availability and subsequently impact upon the overall timeframes.

Interdependencies update

- 3.9 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 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, however we are currently carrying out negotiations with the Contractor in lieu of the Covid-19 outbreak and this budget may need to be revised.

Gross Budget	Spend to date
£57.8m	£11.4m

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 Impact of Covid-19 delay to the programme, impact upon the site operations
- 6.2 Combined Heat & Power resourcing for the heating systems of the new units in order to meet the programme.
- 6.3 Inclement weather
- 6.4 Supply chain insolvency/liquidation

Category	Risk	Low (L) Medium (M) High (H)	Mitigation
Strategic Risk	Impact of Covid-19 on the projects under design/construction and potential future impact upon delivery of units	M	Ensure lessons learned from current sites, embed float within programmes and closely monitor and liaise with the contractual parties.
Compliance	Failure to comply with project protocols	L	Increase site visits and monitoring of the construction works.
Operational	Staff both internal and external	L	Maintain home working where possible (design). Review business continuity plans.
Financial	Increased project costs, supplier risk in lieu of the recent Brexit agreement and any other Covid-19 related cost impacts.	H	Work with legal, finance and procurement teams to understand and address contractual impacts related to the supply of labour, plant and materials.
Reputational	Late delivery of the 369 units	L	Clearly communicate with key stakeholders regarding the

	COVID-19 outbreak on a construction site	M	<p>impact of Covid-19 upon the delivery of units</p> <p>Intensify existing safety measures. Contracting parties need to develop and agree new working practices, adopt a more flexible working system, and address broader concerns associated with the pandemic to protect one of the most valuable resources: people</p>
Environment / Climate	Targeting net zero	L	Mitigating climate risks requirements by ensuring at the point of contract award that target net zero requirements are embedded into project specification requirements

7. OUTCOMES

<u>COUNCIL DELIVERY PLAN</u>	
	Impact of Report
<p>Aberdeen City Council Policy Statement Programmes in the Policy Statement include assess the digital needs of the region, working with our partners to ensure the city has the required infrastructure; maximise community benefit from major developments; commit to closing the attainment gap in education while working with partners across the city; build 2,000 new Council homes and work with partners to provide more affordable homes;</p>	<p>This report highlights the progress being made with the delivery of the new Council housing at Summerhill which when delivered will support a number of inter-related policy statements within the Council delivery Plan.</p>
Aberdeen City Local Outcome Improvement Plan	

Prosperous Economy Stretch Outcomes	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.
Prosperous People Stretch Outcomes	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.
Prosperous Place Stretch Outcomes	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.
Regional and City Strategies Strategic Development Plan; Local Development Plan	The proposals within this report support the Strategic Development Plan and Local Development Plan by working to deliver the new Council aspirations and accord with the requirements of both plans.
UK and Scottish Legislative and Policy Programmes Legislation which places a range of statutory duties on the Council, Planning (Scotland) Bill	The report sets out the progress achieved to deliver the new Council housing across the city, all in accordance with the required legislation.

8. IMPACT ASSESSMENTS

Assessment	Outcome
Impact Assessment	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.
Data Protection Impact Assessment	Privacy impact assessment (PIA) screening has been undertaken and a PIA is not necessary.

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.

9.4 Capital Programme 23 September 2020: Summerhill New Build Housing Progress Report: report no RES/20/131.

10. APPENDICES

Appendix 1 Location Map

Appendix 2 Site Layout

Appendix 3 Site progress photographs

11. REPORT AUTHOR CONTACT DETAILS

Name	John Wilson
Title	Chief Officer, Capital
Email Address	JohnW@aberdeencity.gov.uk
Tel	01224 523629

Appendix 1 – Location Map



Appendix 2 Site Layout



Appendix 3 Site progress photographs



Block 5 – Roof installation progressing; external brick to 3rd floor (02.12.2020)



Block 1 – Timber kit erected to top floors; roof to commence (02.12.2020)



Block 2 – Timber kit erected to top floors; lower roof commenced (02.12.2020)



Block 3 – Foundations complete (12.11.2020)



Block 6 – Foundations in Progress (02.12.2020)

ABERDEEN CITY COUNCIL

COMMITTEE	Capital Programme
DATE	28 January 2020
EXEMPT	No
CONFIDENTIAL	No
REPORT TITLE	Wellheads Road New Build Housing Progress Report
REPORT NUMBER	RES/20/130
DIRECTOR	Steven Whyte, Director of Resources
CHIEF OFFICER	John Wilson, Chief Officer, Capital
REPORT AUTHOR	John Wilson, Chief Officer, Capital
TERMS OF REFERENCE	1.1

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. BACKGROUND

- 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 Following the Covid-19 lockdown on 24 March 2020, the contractor has ensured that the correct Health & Safety (H&S) and physical distancing provisions have been adopted in their approach and embedded within the Construction Phase H&S Plan which is under continual review by the Contractor.
- 3.5 A revised construction programme was submitted in December 2020 following return to site post-Covid-19 lockdown and is under review outlining the Covid-19 impact on the handover dates.

3.6 Construction Progress to Date:

- **Block 1-** Foundations constructed with structural steelwork, stairs and edge protecting commenced
- **Block 2-** The building envelop has been constructed with windows installed, the fire stopping, and curtain checks are progressing.
- **Block 3-** The internal fit out has progressed with Ames-taping, first fix joinery and M&E proceeding as per programme
- **Block 4-** Works are progressing in line with the Sectional Completion Date within the Development Agreement. Internal fit-out works; including the installation of the Kitchens on Levels 4 and 3 are well advanced with final decorations commenced. Progress on levels 2 and 1 maintain the same sequence as the floors above albeit staggered by several weeks. The external civil works to create the parking and outdoor amenity is progressing. Power on and heating is expected to occur January 21.

3.7 Block 4 could potentially be offered for handover at the end of Q1 2021, 3-4 months ahead of programme. Discussions are ongoing with the Developer to arrange the handover of the first 67 No. completed units.

3.8 Quality Assurance audits are continuing throughout the duration of the Contract to ensure consistency in quality across the overall Housing Programme. A final inspection of Block 4 will be undertaken before the units are accepted.

3.9 The construction programme is under review to capture the impact of the Covid-19 lockdown, this may have revised completion dates, once confirmed Capital Officers will liaise with Housing Officers to coordinate the possession of the units. Phased delivery plan is as previously outlined below:

Activity	Status
Execution of Contract	Completed
Mobilisation	Completed
Block 4	Commenced
Block 3	Commenced
Block 2	Commenced
Block 1	Commenced

3.10 Following receipt of the revised programme, the Sectional Completion dates will likely need to be revised. The current four Sectional Completion dates contained within the Development Agreement are as follows:

Block 4	Spring 2021	67 Units
Block 3	Autumn 2021	83 units
Block 2	Winter 2021/2022	77 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 housing list register at the same time.*

Headlines/Key issues of the moment

- 3.11 The Contractor has assessed his considered impact that the Covid-19 pandemic has had on his construction programme. It is anticipated that programme dates will still be achieved, however once the programme has been reviewed there will be a better understanding of the impact on the Sectional Completion Dates. There remains a residual risk of future national or local lockdowns being imposed, which would impact upon labour and material availability and subsequently impact upon the overall timeframes.

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 total project spend to date is as follows

Gross Budget	Spend to date
£44.2m	£26.5 m

- 4.3 As noted above, meetings are now underway to seek agreement in terms of likely cost and time impacts. The outcome of the claim negotiation with officers will be reported in due course.
- 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 Impact of Covid-19 delay to the programme, impact upon the site operations

- 6.2 Combined Heat & Power resourcing for the heating systems of the new units in order to meet the programme.
- 6.3 Inclement weather
- 6.4 Supply chain insolvency/liquidation

Category	Risk	Low (L) Medium (M) High (H)	Mitigation
Strategic Risk	Impact of Covid-19 on the projects under design/construction and potential future impact upon delivery of units	M	Ensure lessons learned from current sites, embed float within programmes and closely monitor and liaise with the contractual parties.
Compliance	Failure to comply with project protocols	L	Increase site visits and monitoring of the construction works.
Operational	Staff both internal and external	L	Maintain home working where possible (design). Review business continuity plans.
Financial	Increased project costs, supplier risk in lieu of the recent Brexit agreement and any other Covid-19 related cost impacts.	H	Work with legal, finance and procurement teams to understand and address contractual impacts related to the supply of labour, plant and materials. .
Reputational	Late delivery of the 283 units	L	Clearly communicate with key stakeholders regarding the impact of Covid-19 upon the delivery of units
	COVID-19 outbreak on a construction site	M	Intensify existing safety measures. Contracting parties need to develop and agree new working practices, adopt a more flexible working system, and address broader concerns associated with the pandemic to protect one of the most valuable resources: people

Environment / Climate	Targeting net zero	L	Mitigating climate risks requirements by ensuring at the point of contract award that target net zero requirements are embedded into project specification requirements
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7. OUTCOMES

<u>COUNCIL DELIVERY PLAN</u>	
	Impact of Report
<p>Aberdeen City Council Policy Statement Programmes in the Policy Statement include assess the digital needs of the region, working with our partners to ensure the city has the required infrastructure; maximise community benefit from major developments; commit to closing the attainment gap in education while working with partners across the city; build 2,000 new Council homes and work with partners to provide more affordable homes;</p>	<p>This report highlights the progress being made with the delivery of the new Council housing at Wellheads which when delivered will support a number of inter-related policy statements within the Council delivery Plan.</p>
Aberdeen City Local Outcome Improvement Plan	
Prosperous Economy Stretch Outcomes	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.
Prosperous People Stretch Outcomes	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.
Prosperous Place Stretch Outcomes	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.
Regional and City Strategies Strategic Development Plan; Local Development Plan	The proposals within this report support the Strategic Development Plan and Local Development Plan by working to deliver the new Council aspirations and accord with the requirements of both plans.
UK and Scottish Legislative and Policy Programmes Legislation which places a range of statutory duties on the Council, Planning (Scotland) Bill	The report sets out the progress achieved to deliver the new Council housing across the city, all in accordance with the required legislation.

8. IMPACT ASSESSMENTS

Assessment	Outcome
Impact Assessment	An <u>Equality and Human Rights Impact Assessment (EHRIA)</u> in connection with the Council housing building programme has been carried out on 11.4.2018 based on report no RES/18/006.
Data Protection Impact Assessment	Privacy impact assessment (PIA) screening has been undertaken and a PIA is not necessary.

9. BACKGROUND PAPERS

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- 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.
- 9.4 Capital Programme 23 September 2020: Wellheads Road New Build Housing Progress Report no RES/20/130.

10. APPENDICES

Appendix 1: Location Map
Appendix 2: Site Map
Appendix 3 Site Progress Photographs

11. REPORT AUTHOR CONTACT DETAILS

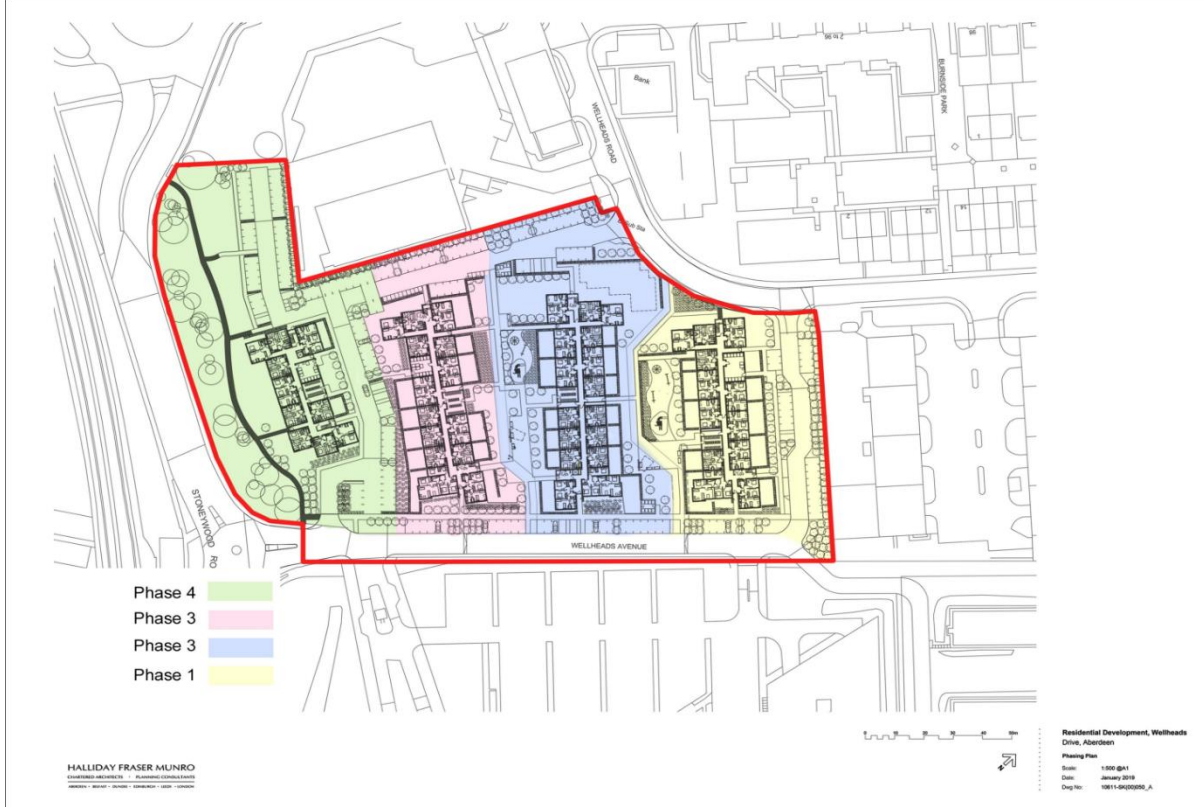
Name	John Wilson
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Tel	01224 523629

Appendix 1 – Location Map



Appendix 2: Site Layout Plan





Appendix 3 Site progress photographs



Block 3/4 – Scaffold Strip and brickwork (15.12.2020)



Block 1 – Superstructure/ Steel Frame progressing (15.12.2020)

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ABERDEEN CITY COUNCIL

COMMITTEE	Capital Programme Committee
DATE	28 January 2021
EXEMPT	No
CONFIDENTIAL	No
REPORT TITLE	ELC Programme Progress Report
REPORT NUMBER	RES/20/208
DIRECTOR	Steve Whyte
CHIEF OFFICER	John Wilson
REPORT AUTHOR	Colin Kemp
TERMS OF REFERENCE	1.1

1. PURPOSE OF REPORT

- 1.1 The purpose of this report is to update the committee on the progress of ELC Capital Projects. These projects will help meet Aberdeen City Council's Early Learning and Childcare Delivery Plan objectives by working with the Education Operations teams to help meet the Councils commitment to expand funded early learning and childcare from 600 hours to 1,140 hours by 2020.

2. RECOMMENDATION(S)

That the Committee: -

- 2.1 Note that the Early Learning and Childcare Expansion Programme of works forms part of the overall Aberdeen City Council Capital Plan.
- 2.2 Note the progress made with the overall delivery of projects in lieu of the Covid-19 pandemic impact.

3. BACKGROUND

- 3.1 The Council is committed to expanding the provision of funded early learning and childcare from 600 hours to 1140 hours by 2020. The expansion should prioritise a high-quality experience for the child to capitalise on the significant contribution that Early Learning and Childcare can make to a child's development and to closing the poverty related attainment gap.
- 3.2 Local Authorities' duty to provide 1140 hours of Early Learning and Childcare for eligible two-year olds and all three and four year olds by August 2020 has been revoked by the Scottish Parliament. However, a new date has now been agreed, refer to paragraph 3.12. This project forms part of the ELC Delivery Plan that will help Aberdeen City Council manage the transformational change necessary to deliver expanded services by 2020.

- 3.3 All Local Authorities were asked to develop an Early Learning and Childcare (ELC) Delivery Plan to guide expansion plans. The Aberdeen City Plan highlights a focus on the provision of outdoor learning to support wellbeing, on accessibility to increase uptake, on delivery of Family Learning to fully capitalise on the expansion programme and on the provision of a 'localised offer' to meet the needs of families within each community.
- 3.4 In September 2017 the Education & Children's Services Committee endorsed a provisional ELC Delivery Plan which detailed three proposed phases of work.

Committee Approvals

- 3.5 Following the ELC Programme Board approval of the preferred options these were referred to elected members for approval at the following meetings:
- Council Budget Meeting 05 March 2019 (Phase 1 projects)
 - City Growth and Resources Committee 26 September 2019 (Phase 2 Projects)
 - City Growth and Resources Committee 05 December 2019 (Phase 3 Projects)

Consultation

- 3.6 Prior to the reports being prepared for the committee meetings consultations were held with stakeholders, as part of the design development further consultation will be carried out with stakeholders.

Site Assessments

- 3.7 Following approval of the delivery plan a review of capacity and demand across the city was carried out and several properties were identified with the potential to deliver the projects objectives and included in the grant submission for ELC funding.
- 3.8 Following confirmation of the Early Learning and Childcare Capital Grant Allocation to Aberdeen City Council the Capital Cluster were appointed to carry out feasibility studies to determine the options available at each site. On completion these were submitted to the Corporate Landlord and Operations Clusters for consultation.
- 3.9 Following a review of the options, including a further review of demand and capacity, the preferred option was presented to the ELC Programme Board for discussion and approval.

COVID-19 Impact

- 3.10 Following the Prime Minister's lockdown instruction on the 23 March 2020, and the subsequent Scottish Government guidance clearly indicating that all non-essential construction work should cease, the main contractor notified Aberdeen City Council they had taken the decision to stop work and close down all ELC construction sites with immediate effect.

This action, together with the stay at home advice, had a direct impact of the ability of the majority of the external consultants to maintain a continuity of service and their ability to provide a full service supporting the ELC programme of work.

- 3.11 The Scottish Government on the 30 March 2020 removed the duty on Local Authorities to make available 1140 hours of ELC to all eligible 2-year olds and all 3 and 4-year-old children from August 2020. On the aforementioned date, the Children and Young People (Scotland) Act 2014 (Modification) (No.2) Revocation Order 2020 was enacted. The Order revoked the change to the Children and Young People (Scotland) Act 2014, which required education authorities to secure 1140 hours of ELC provision for all eligible children from August 2020. The removal of the statutory duty was in recognition of the negative impact of coronavirus (Covid-19) restrictions and the ongoing response to the pandemic on planned work to deliver 1140 hours

Revised Timeline: ELC Joint Delivery Board Recommendation

- 3.12 The implementation of ELC expansion is overseen by the ELC Joint Delivery Board. The ELC Joint Delivery Board met on 4th December 2020 to consider a report on the revised date for full implementation of the expansion to 1140 hours. The Joint Delivery Board has recommended to Scottish Ministers and COSLA leaders that August 2021 should be the date to reinstate the 1140 hours duty. On 14 December 2020, this recommendation was agreed by Scottish Ministers and COSLA Leaders.

Further recommendations by the ELC Joint Delivery Board are the following:

- Agree that where there is potential to deliver expanded hours ahead of that date, this will be delivered to families;
- Agree the end goal of the expansion is “That all eligible children whose families wish to access up to 1140 hours should be able to do so, in a way which meets the national standard and the principles of funding follows the child”;
- Agree that from August 2021 the eligibility for the 2-year-old ELC offer is extended to include children with a parent with care experience. Legislation for this commitment will be developed by the Scottish Government in due course.

Programme Milestones

- 3.13 Since Aberdeen City Council moved into Tier 4 restrictions works onsite have continue following a review of health and safety measures and in compliance with Scottish Government guidance
- 3.14 The design team and main contractor continue to evaluate the impact on the programme of Government guidance and the requirement to comply with physical distancing measures.

3.15 Since the update to the committee on 18th November 2020 one further project has been completed bringing the total completed to five. Appendix 2 summarises the current projected programme dates of all 27 No. projects, these are subject to Scottish Government exercising their statutory authority and understanding that there could be further lockdowns or restrictions.

4. FINANCIAL IMPLICATIONS

4.1 The Aberdeen City Council Early Learning and Childcare Expansion Programme of works forms part of the Aberdeen City Councils Capital Programme.

4.2 All staffing and other support costs associated with the ELC Delivery Plan are being funded from the Early Learning and Childcare revenue grant funding allocation.

4.3 The introduction of, and the requirement to comply with, Government guidance and statutes has added significant additional costs to both legally committed and future projects. The impact on these were reviewed by the design team and main contractor in June 2020 and a report was submitted to the ELC Project Board at the end of June 2020.

The report highlighted the potential financial impact and made recommendations to keep the overall programme within the approved budget. The recommendations re-profiled the individual projects and suggested potential savings that did not require projects to be cancelled and maintain the additional capacity requested by Education.

4.4 Since the update to the committee on 18th November one tender has been returned and is being evaluated. Appendix 1 has a breakdown of the project allocations and current estimated final account figure. The current estimated costs reflect ongoing design development and discussions with the design teams and main contractor to reduce the Covid-19 impact costs and potential delays while maintaining the quality of the finished designs.

4.5 The current budget spend is as follows;

Gross Budget	Spend to date
£23.04m	£ 13.50m

Contingency Planning

4.6 There are ongoing discussions with the Early Learning, Corporate Landlord and Capital teams to development options to ensure the 1140 hour entitlement is available in the event a project is delayed or programmed completed beyond any new date the Scottish Government set for Local Authorities to deliver 1140 hours of early learning and childcare.

Where appropriate, contingency planning has been included in the current estimated final account.

5. LEGAL IMPLICATIONS

- 5.1 The legal implications arising out of the recommendations are referred to within the body of the report.

6. MANAGEMENT OF RISK

Category	Risk	Low (L) Medium (M) High (H)	Mitigation
Strategic Risk	<p>Late delivery will impact on the level of learning provision which can be provided.</p> <p>The statutory duty for local authorities to provide 1140 hours is now August 2021.</p> <p>The risk is that the time limit introduced is not met</p>	M	This is being mitigated through early planning, clear governance arrangements and close working between teams across Aberdeen City Council to ensure that the expansion of Early Learning and Childcare is being planned for across all teams.
Compliance	Not meeting the statutory date for delivery.	M	All teams are working towards delivering the projects as soon as possible taking cognisance of work restrictions regarding the Covid-19 pandemic.
Operational	Covid-19 pandemic restrictions impacting on work practices.	M	All teams are working towards delivering the projects as soon as possible taking cognisance of work restrictions regarding the Covid-19 pandemic.
Financial	The expansion of funded Early Learning and Childcare will require very careful budget monitoring and financial planning to mitigate the risk of funding being insufficient to realise the expansion.	M	<p>Cost checks will be carried out throughout the design stage to monitored estimates against the allocated budget. These will also be reported monthly to the ELC Programme Board.</p> <p>Costs reviewed and adjusted to cover potential</p>

	Government exercising their statutory powers to manage their Covid-19 health response including future lock downs		costs associated with compliance with current Government guidance. VE engineering exercise carried out to keep costs within the approved budget.
Reputational	The reputational risk of not being in a position to offer sufficient 1140 hours places to meet demand from August 2021.	M	This is being mitigated through early planning, clear governance arrangements and close working between teams across Aberdeen City Council to ensure that the expansion of Early Learning and Childcare is being planned for across all teams.
Environment / Climate	Environmental assessments will be considered prior to confirming any sites for expansion or extension and feasibility studies will be undertaken where appropriate	L	This level of scrutiny and by following of Aberdeen City Council's Building Performance Policy will ensure that environmental risks remain low.

7. OUTCOMES

<u>COUNCIL DELIVERY PLAN</u>	
	Impact of Report
<p>Aberdeen City Council Policy Statement</p> <p>Programmes in the Policy Statement include working with our partners to ensure the city has the required infrastructure; completion of school estate review (P1) and development of estate strategy for next 5-10 years (P2); work with the Scottish Government to provide flexible and affordable childcare for working families on the lowest incomes; commit to closing the attainment gap in</p>	<p>The projects outlined in this report is part of Aberdeen City Council's Early Learning and Childcare (ELC) Expansion Programme. The expansion of ELC requires an investment in our Early Years Estate as well as an investment in staffing to ensure we are providing high quality provision that meets the needs of children and families in all localities. To this end, the proposals within the report support the delivery of childcare education learning targets.</p>

education while working with partners across the city;	
Aberdeen City Local Outcome Improvement Plan	
Prosperous Economy Stretch Outcomes	<p>The project outlined in this report is part of Aberdeen City Council’s Early Learning and Childcare (ELC) Expansion Programme. The expansion of ELC requires an investment in our Early Years Estate as well as an investment in staffing to ensure we are providing high quality provision that meets the needs of children and families in all localities. To this end, the proposals within the report support the delivery of LOIP Stretch Outcome 1 – 10% increase in employment across priority and volume growth sectors by 2026. The investment in our estate is interlinked with the investment in our workforce. To staff the expanding estate the Early Years team will contribute to the diversification of the local economy by offering flexible pathways into the Early Years Sector and increasing the number of people employed in this growth sector.</p>
Prosperous People Stretch Outcomes	<p>The proposal within this report supports the LOIP Stretch Outcome 3 – 95% of children (0-5 years) will reach their expected developmental milestones by the time of their child health reviews by 2026. The project(s) outlined in this report will be designed to support outdoor learning and the free flow of direct access to the outside environment. Outdoor learning, exercise and play benefits pre-school children by encouraging them to be physically active. This will help address many of the health challenges outlined in the LOIP. Children will have daily access to outdoor play and will regularly experience outdoor play in a natural environment as part of their ELC funded offer. Outdoor learning will significantly contribute to a child’s development and wellbeing.</p>
Prosperous Place Stretch Outcomes	<p>The proposals within this report support the delivery of LOIP Stretch Outcome 13 – No one in Aberdeen will go without food due to poverty by 2026. To deliver the 1140 funded hours necessitates the building of several new ELC settings and a reconfiguration and extension of current provision. Increasing the accessibility of provision will contribute to transforming the lives of families across Aberdeen City. There are gaps in the provision in our three Priority Areas, which are home to the highest proportion of pre-school children and the highest concentration of families living in poverty. Every child attending a funded</p>

	early learning and childcare (ELC) session will receive a healthy meal. The accessibility of provision will lead to an increase in the uptake of the ELC funded offer and help ensure that no child in ELC will go hungry.
Regional and City Strategies Strategic Development Plan; Local Development Plan	The proposals in this report will impact on the consideration of future regional and city strategies with respect to education and learning.
UK and Scottish Legislative and Policy Programmes Legislation which places a range of statutory duties on the Council, the Children and Young People (Scotland) Act 2014.	The statutory duty for local authorities to provide 1140 hours by August 2020 has been revoked and the new date is August 2021.

8. IMPACT ASSESSMENTS

Assessment	Outcome
Impact Assessment	Full impact assessment not required.
Data Protection Impact Assessment	Not required

9. BACKGROUND PAPERS

- 9.1 Item 10.02 Early Learning and Childcare Delivery Plan; Education and Children's Services Committee 14th September 2017
- 9.2 Item 4(b) General Fund Revenue Budget - 2.1.3; Council Budget Meeting 5th March 2019

10. APPENDICES

- Appendix 1 – Project Estimated Final Accounts
Appendix 2 – Project Milestones

11. REPORT AUTHOR CONTACT DETAILS

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Appendix 1 – Project Estimated Final Accounts

Project	Initial Allocation from the Capital Grant	Re-profiled project costs	Budget Variation **	Current Estimated Final Account
Duthie Park	£ 0.65m	£1.10m	£ 0.00m	£1.10m
Seaton Nursery	£ 2.10m	£1.73m	-£ 0.05m	£1.68m
Tillydrone Nursery	£ 1.25m	£2.35m	£ 0.04m	£2.39m
Northfield Cummings Park Nursery	£ 2.40m	£2.65m	£ 0.09m	£2.74m
Quarryhill Nursery	£0.47m	£0.63m	-£ 0.06m	£0.57m
Westpark Nursery	£ 0.50m	£0.25m	£ 0.00m	£0.25m
Kingsford Nursery	£ 1.75m	£1.95m	-£ 0.19m	£1.76m
Woodside Nursery	£ 2.00m	£2.17m	£ 0.16m	£2.33m
Tullos Nursery	£ 0.65m	£0.82m	£ 0.28m	£1.10m
Culter Nursery	£ 1.40m	£1.73m	£ 0.00m	£1.73m
Cults Nursery	£ 1.82m	£1.85m	£ 0.06m	£1.91m
Hazlehead Park	£ 0.25m	£0.25m	£ 0.00m	£0.25m
Kingswells Nursery	£ 0.05m	£0.09m	£ 0.00m	£0.09m
Kirkhill Nursery	£ 1.75m	£0.55m	£ 0.00m	£0.55m
Broomhill Nursery	£ 1.61m	£1.85m	£ 0.04m	£1.89m
Charleston Nursery	£ 0.12m	£0.07m	£ 0.00m	£0.07m
Gilcomstoun Nursery	£ 2.00m	£2.38m	£ 0.01m	£2.39m
Loirston Nursery	£ 0.13m	£0.10m	£ 0.00m	£0.10m
Danestone Nursery	£ 1.67m	£0.55m	£ 0.00m	£0.55m
Dyce Nursery	£ 0.07m	£0.10m	£ 0.00m	£0.10m
Glashieburn Nursery	£ 0.07m	£0.10m	£ 0.00m	£0.10m
Forehill Nursery	£ 0.07m	£0.10m	£ 0.00m	£0.10m
Fernilea Nursery	£ 0.07m	£0.10m	£ 0.00m	£0.10m
Scotstown Nursery	£ 0.07m	£0.10m	£ 0.00m	£0.10m
Kittybrewster Nursery	£ 0.07m	£0.10m	£ 0.00m	£0.10m
Greenbrae Nursery	£5k	£6.4k	£ 0.00m	£6.4k
Walker Road Nursery	£5k	£11.2k	£ 0.00m	£11.2k

Note

1. The above figures includes an allowance for contingencies
2. The above figures do not include £1.1m of revenue grant allocation for staffing and support costs
3. The Budget variation is the difference between the current estimated final account and the re-profiled project cost

Appendix – 2 Project Milestones

Project Status : January 2021									
			Estimated Site Start	Estimated Practical Completion	Estimated Handover	Tendering Status	Accepted	Works Completed	Comments
Phase 1	7969	Duthie Park	Winter 20	Summer 21	Summer 21	Returned	No	No	The tender has been returned and is being checked
	7974	Seaton Nursery	Winter19/20	Winter 20	Winter 20	Complete	Yes	Yes	Project Complete
	7975	Tillydrone Nursery	Spring 20	Spring 21	Spring 21	Complete	Yes	No	Works progressing onsite
	7990	Northfield Cummings Park	Spring 20	Spring 21	Spring 21	Complete	Yes	No	Works progressing onsite
	7991	Quarryhill School	Winter19/20	Autumn 20	Autumn 20	Complete	Yes	Yes	Project Completed
	7992	Westpark School	Re-design TBC	Re-design TBC	Re-design TBC	Not Started	No	No	New proposals agreed and being developed, work planned for Summer 2021
	7993	Kingsfords School	Spring 20	Spring 21	Spring 21	Complete	Yes	No	Works progressing onsite
	7996	Woodside School	Spring 20	Spring 21	Spring 21	Complete	Yes	No	Works progressing onsite
	7997	Tullos School	Winter19/20	Autumn 20	Autumn 20	Complete	Yes	Yes	Project Completed
Phase 2	8000	Culter School	Autumn 20	Summer 21	Summer 21	Complete	Yes	No	Works progressing onsite
	8001	Cults School	Autumn 20	Summer 21	Summer 21	Complete	Yes	No	Works progressing onsite
	8004	Hazlehead Park	Spring 21	Summer 21	Summer 21	Not Started	No	No	Planning Application submitted
	8006	Kingswells School	Summer 21	Summer 21	Summer 21	Not Started	No	No	Project scope of work agreed, work planned for Summer 2021
	8007	Kirkhill School	Spring 21	Summer 21	Summer 21	Not Started	No	No	New proposals agreed and being developed
	8017	Broomhill School	Winter 20	Summer 21	Summer 21	Complete	Yes	No	Works progressing onsite
	8018	Charleston School	Summer 21	Summer 21	Summer 21	Not Started	No	No	New proposals agreed and being developed
	8019	Gilcomstoun School	Autumn 20	Summer 21	Summer 21	Complete	Yes	No	Works progressing onsite
	8020	Loirston School	Summer 21	Summer 21	Summer 21	Not Started	No	No	New proposals agreed and being developed
Phase 3	8022	Danestone	Spring 21	Summer 21	Summer 21	Not Started	No	No	New proposals agreed and being developed
	8002	Dyce	Summer 21	Summer 21	Summer 21	Not Started	No	No	Project scope of work agreed, work planned for Summer 2021
	8014	Glasheburn	Summer 21	Summer 21	Summer 21	Not Started	No	No	Project scope of work agreed, work planned for Summer 2021
	8015	Forehill	Summer 21	Summer 21	Summer 21	Not Started	No	No	Project scope of work agreed, work planned for Summer 2021
	8016	Fernielea	Summer 21	Summer 21	Summer 21	Not Started	No	No	Project scope of work agreed, work planned for Summer 2021
	8023	Scotsown	Summer 21	Summer 21	Summer 21	Not Started	No	No	Project scope of work agreed, work planned for Summer 2021
	8024	Kittybrewster	Summer 21	Summer 21	Summer 21	Not Started	No	No	Project scope of work agreed, work planned for Summer 2021
	8003	Greenbrae	Summer 20	Summer 20	Summer 20	Complete	Yes	Yes	Project Completed
	8026	Walker Road	Summer 20	Summer 20	Summer 20	Complete	Yes	Yes	Project Completed

Colour Legend	
	Design Complete
	Legally Committed
	VE re-design ongoing
	Completed

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