

## 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>	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

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### 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

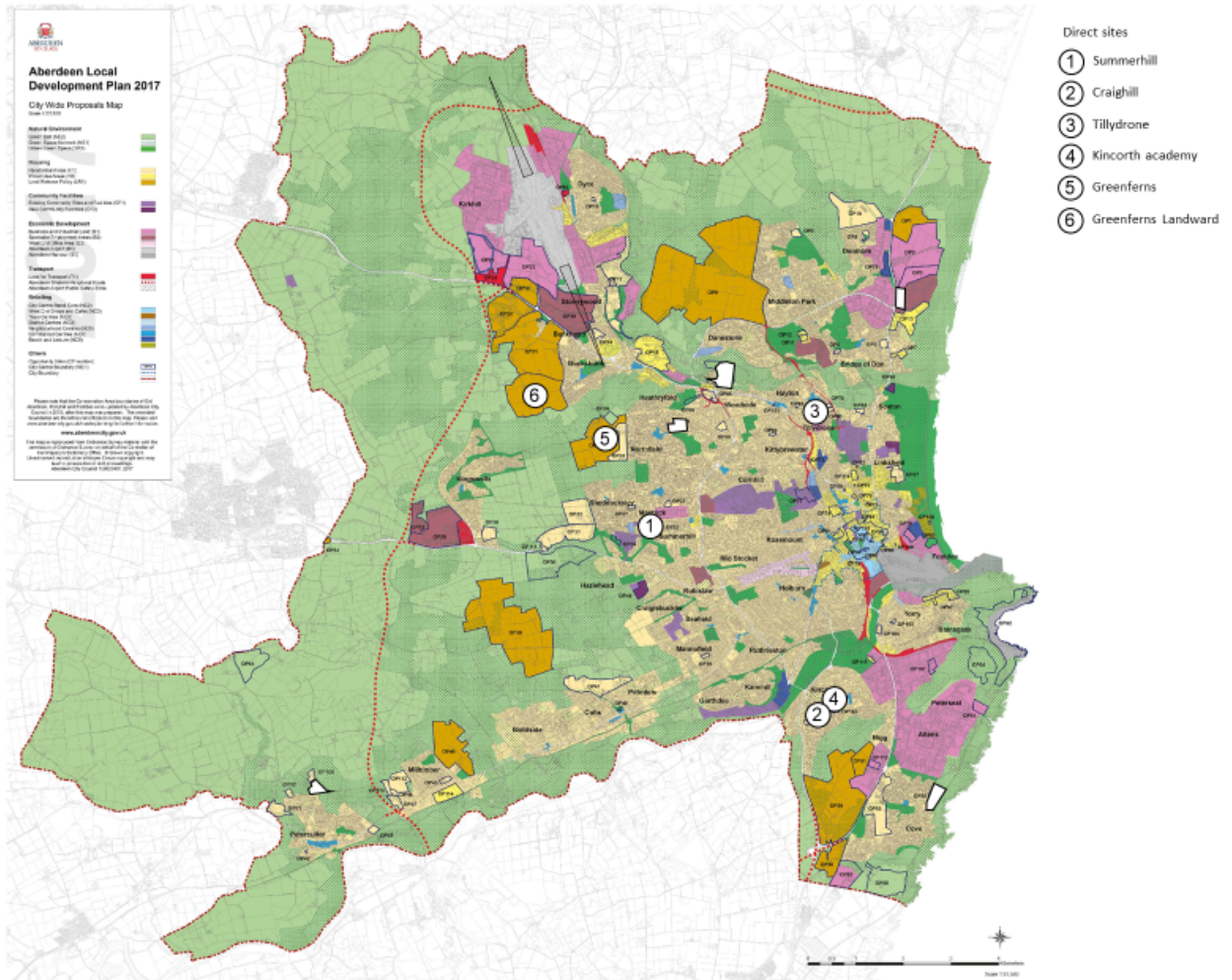
<b>Assessment</b>	<b>Outcome</b>
<b>Equality &amp; Human Rights Impact Assessment</b>	An Equality and Human Rights Impact Assessment (EHRIA) in connection with the Council housing building programme has been carried out on 11.4.2018 based on report no RES/18/006.
<b>Data Protection Impact Assessment</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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