

## 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

	<b>Risk</b>	<b>Low (L), Medium (M), High (H)</b>	<b>Mitigation</b>
<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.

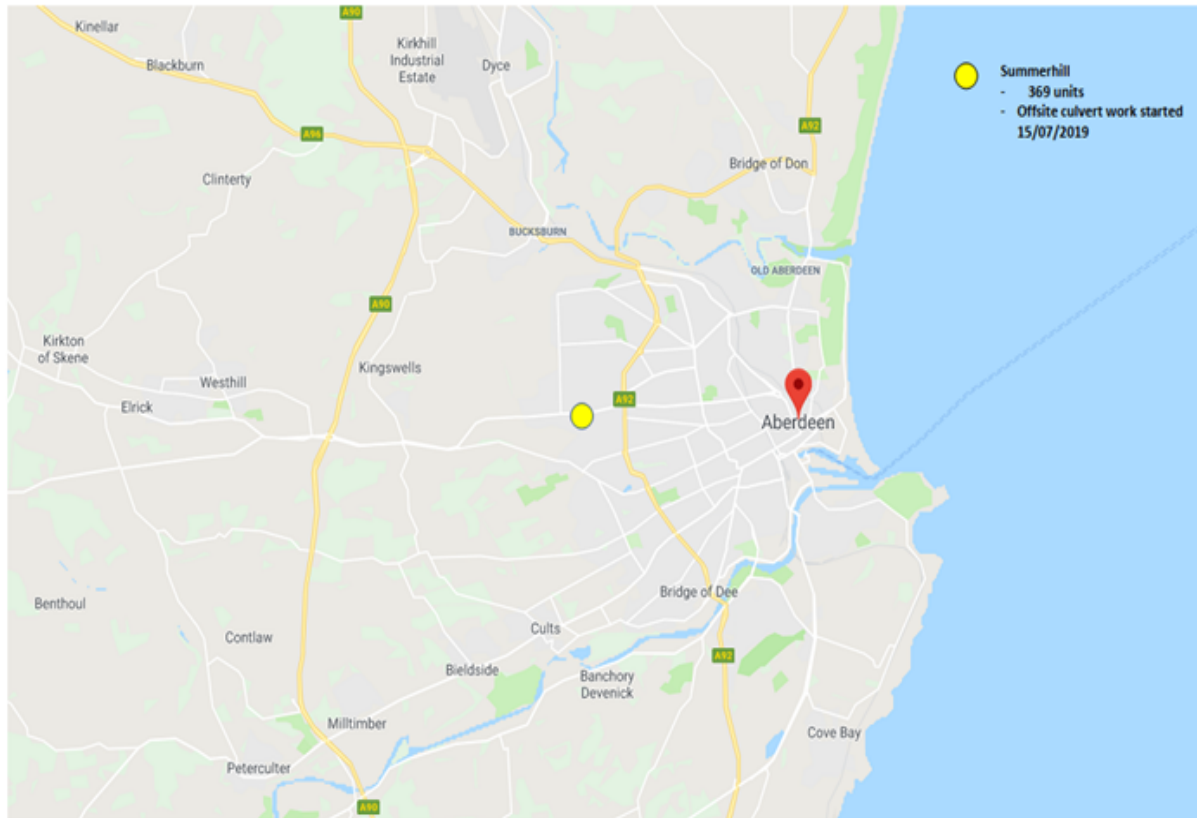
## 10. APPENDICES (if applicable)

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

**11. REPORT AUTHOR CONTACT DETAILS**

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

## Appendix 1 – Location Map





## Appendix 2 Site Layout

