

ABERDEEN CITY COUNCIL

COMMITTEE	Capital Programme
DATE	23 September 2020
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, 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 delivery of 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;
 - Purchased 90 units through the buy-back scheme;
 - Has entered into 2 construction contracts (Summerhill and Wellheads) to deliver 652 units
 - Commenced a procurement exercise via the Invitation to Participate in Negotiation (ITPN) process for Developer Led Schemes.
 - Included a site at Kaimhill that includes an additional 36 Units, this is currently being development at RIBA stage 1.

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.
- 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 Following the Covid-19 related lockdown, the Initial Surveys and Investigations were halted, these have since resumed on the 10th August 2020. These are required to support design development in order to inform the technical proposals to accord with the site constraints. Further surveys will be required later in the Programme in order to achieve Planning permission.
- 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, 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.
- 3.10 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 documentation.

- 3.11 The Design Consultants (Lead Designer, Architect, & BIM Coordinator, Civil & Structural Engineer and Building Services Engineers) have been procured and appointed for the ACC Direct sites.
- 3.12 The Outline Business Cases (OBC's) have been drafted for the Council led projects at Kincorth, Craighill and Tillydrone.
- 3.13 RIBA Stage 1 has been completed for the above named projects within the OBC budgets, RIBA Stage 2 has commenced and is due to conclude in Q4 2020.
- 3.14 The Developer ITPN process has commenced with the Prior Information Notice (PIN) being issued in Q1 2020, the Initial Evaluation and Negotiation Processes are now concluded, the procurement exercise is currently ongoing and will be concluded Q4 2020. This will contribute to the number of units under development in the ACC Housing Programme.

Next steps for Developer ITPN

- 3.15 Following an initial submission with later planned stages of negotiation the Final ITPN was issued to those Developers who were successful in the previous stages of the procurement process. The final submissions were due on the 27th August 2020.
- 3.16 The final evaluation process will commence during September-October 2020.

Next Steps (Council Direct Sites)

Activity	Target Date	Status
Approval of Programme Level BIM Protocol	August 2020	Completed
Developer ITPN Evaluation Period	September- October 2020	Ongoing
Phase 1 Site surveys to be completed	October 2020	Ongoing
Procurement of, and Appointment of Tier 2 (Landscape Architect, Fire Engineer, Acoustician) Professionals	October 2020	Ongoing

RIBA Stage 2 for Council Direct Sites	October 2020	Ongoing
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Next Steps (Developer Led)

- 3.18 In the case of Developer Led sites, these are now at an advanced stage of negotiation and the intention is that any outstanding matters will conclude over the coming months. 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	Ongoing
ITPN Final Evaluation	September- October 2020	Awaited
Development of Technical and Contractual proposals	Varies	Awaited

4. FINANCIAL IMPLICATIONS

- 4.1 Business cases have been received from the external Programme Management Consultants, and these now incorporate updated budgets.
- 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.
- 4.4 In lieu of the Covid-19 pandemic, it is highly likely that there will be additional costs and delays on the two projects (Summerhill and Wellheads) currently under construction.

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 impact upon delivery of units	H	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	H	Work with legal, finance and procurement teams to understand and address contractual impacts.
Reputational	Late delivery of the 2000 units COVID-19 outbreak on a construction site	H H	Clearly communicate with key stakeholders regarding the impact of Covid-19 upon the delivery of units 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 across a wide range of potential housing sites which when delivered will support a number of 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 objective by providing choice and opportunities which would otherwise not be available.</p>
<p>Prosperous Place Stretch Outcomes</p>	<p>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.</p>
<p>Regional and City Strategies Strategic Development Plan; Local Development Plan</p>	<p>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.</p>
<p>UK and Scottish Legislative and Policy Programmes</p>	<p>The report sets out the progress achieved to deliver the new Council housing across the city, all in accordance with the required legislation.</p>

Legislation which places a range of statutory duties on the Council, Planning (Scotland) Bill	
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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.

10. APPENDICES

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