

ABERDEEN CITY COUNCIL

COMMITTEE	Capital Programme
DATE	23 September 2020
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 The Site was in lockdown following the Covid-19 outbreak between the dates of the 23 March 2020 - 1 June 2020, with re-mobilisation over two weeks to enable a phased return to site from 15 June 2020.
- 3.2 As a consequence of 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.
- 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. Due to unforeseen ground conditions and issues related to clashes with existing utility apparatus, the works were delayed. The completion of these works was further delayed by the Covid-19 outbreak, however following the return to site these works have now been concluded. It should also be noted that the delivery of the culvert works was not a critical path item.

- 3.4 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. The re-use of existing materials on site is also a positive outcome as it contributes to the Green Agenda approved by Council in March 2020. The Contractor continues to progress earthworks cutting operations to formation level.
- 3.5 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. Foundations and substructure are complete for Blocks 1, 2, & 5, and commenced for Block 3. Ground floor Slabs and timber kit have commenced for Block 5.
- 3.6 Quality Assurance audits have commenced on site and will continue throughout the duration of the Contract to ensure quality across the overall Housing Programme.

Current Status

Phasing

- 3.7 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	Ongoing
Phase 3 (Blocks 7 and 8)	Spring 2021	Awaited

- 3.8 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 housing list register at the same time.*

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	£6.3m

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 Impact of Covid-19 delay to the programme, impact on site operations.

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	H	Clearly communicate with key stakeholders regarding the impact of Covid-19 upon the delivery of units
	COVID-19 outbreak on a construction site	H	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

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	
<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.

10. APPENDICES

- Appendix 1 Location Map
Appendix 2 Site Layout

11. REPORT AUTHOR CONTACT DETAILS

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Appendix 1 – Location Map



Appendix 2 Site Layout

