

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

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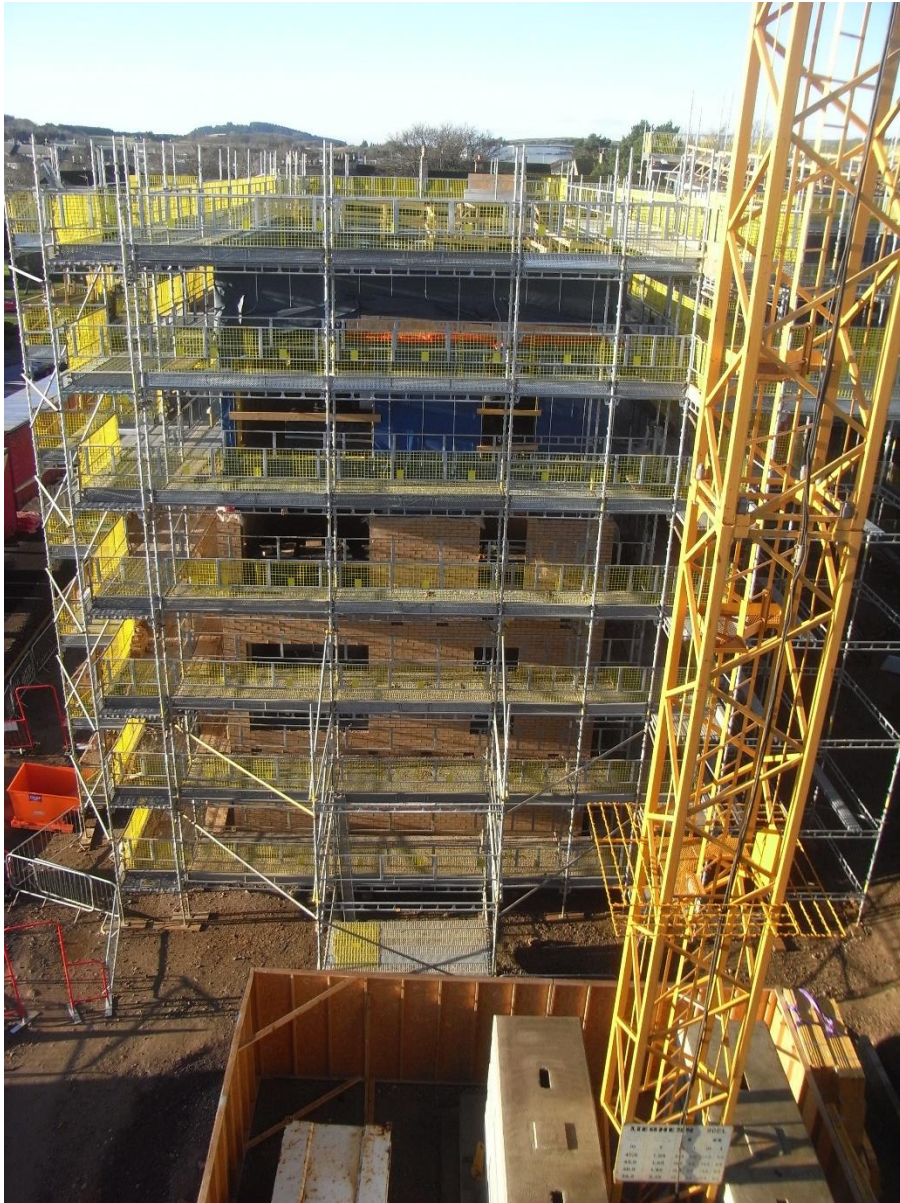
Appendix 1 – Location Map



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)