

## ABERDEEN CITY COUNCIL

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COMMITTEE	Capital Programme
DATE	1 December 2021
EXEMPT	No
CONFIDENTIAL	No
REPORT TITLE	Auchmill Road New Build Housing Progress Report
REPORT NUMBER	RES/21/291
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

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### 1. PURPOSE OF REPORT

- 1.1 To update the Committee on the progress of the Auchmill Road new build Council housing project.

### 2. RECOMMENDATION(S)

That the Committee:

- 2.1 Notes the progress achieved in the procurement of new build Council housing project at Auchmill Road.

### 3. BACKGROUND

- 3.1 Planning permission was granted for the site in January 2021.
- 3.2 A Development Agreement was subsequently agreed between Aberdeen City Council and Ogilvie Group Developments Ltd (Principal Contractor) who will provide a development comprising of 3 blocks of flats offering 92 units, with a mix of one, two, three and four-bedroom flats.
- 3.3 The Principal Contractor took possession of the site in January 2021.
- 3.4 Development Agreement was signed for the delivery of 92 Units on the 29 January 2021.

## Current Status

- 3.5 Works started on site in February 2021 and construction of Blocks A and B commenced in March 2021. Block C construction commenced in June 2021.
- 3.6 Construction Progress to date:

### Block A

Timber kit to roof level has been erected, roof trusses are now installed, and timber roof sheeting largely completed. Timber kit has progressed to third floor level, roof trusses have been installed and timber sheeting to roof trusses is largely completed. Fire barriers have been installed to the timber frame and separating walls, non-combustible material laid over, separating wall heads. Dry verging has been installed. Membrane has been laid over roof sheeting, eaves vents and tile battens have been installed. Installation of rainwater goods have been progressed.

### Block B

Timber frame has been progressed and floor cassettes are currently being constructed.

### Block C

Scaffold has been erected around the ground floor slab.

- 3.7 Quality Assurance audits have continued on site and will continue throughout the duration of the Contract to ensure quality across the overall Housing Programme.
- 3.8 A revised construction programme was issued by the Developer in September 2021 highlighting sectional completion dates. Once handover dates are confirmed Capital Officers will liaise with the Corporate Landlord Housing Officers to coordinate the possession of the units. Phased delivery plan is as previously outlined below:

Activity	Status
Execution of Contract	Completed
Mobilisation	Completed
Phase 1 [Block A]	Ongoing
Phase 2 [Block B]	Ongoing
Phase 3 [Block C]	Ongoing

3.9 Following receipt of the construction programme, the Practical Completion date contained within the Development Agreement is as follows:

Block A	Autumn 2022	26 units
Block B	Autumn 2022	40 units
Block C	Autumn 2022	26 units

- *Please note that until the whole 2,000 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 of the moment**

- 3.10 There is an ongoing risk in relation to labour and material availability which could subsequently impact upon overall timeframes for the project. The contractor has advised of long lead in times for various materials and a shortage in trades such as brick layers and joiners.
- 3.11 There is a residual risk of future national or local COVID-19 lockdowns being imposed, which would impact upon project delivery and timescales.

### **Interdependencies Update**

- 3.12 The contract parties are in discussion and working closely to ensure the work by other parties does not impact overall project delivery.

## **4. FINANCIAL IMPLICATIONS**

- 4.1 There are no direct financial implications arising from the recommendations of this report.
- 4.2 The total project spend to date is as follows

<b>Gross Budget</b>	<b>Spend to date</b>
<b>£19.7m</b>	<b>£10.1m</b>

- 4.3 The spend to date includes land acquisition, development fees, legal costs, design development fees, site investigations.

## **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
- 6.5 Material shortage and labour shortage

Category	Risk	Low (L) Medium (M) High (H)	Mitigation
<b>Strategic Risk</b>	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.
<b>Compliance</b>	Failure to comply with project protocols	L	Increase site visits and monitoring of the construction works.
<b>Operational</b>	Staff both internal and external	L	Maintain home working where possible (design). Review business continuity plans.
<b>Financial</b>	Increased project costs, supplier risk related to the 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.
<b>Reputational</b>	Late delivery of the 92 units	L	Clearly communicate with key stakeholders regarding the impact of Covid-19 upon the delivery of units
	COVID-19 outbreak on a construction site	M	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
<b>Environment / Climate</b>	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><b>COUNCIL DELIVERY PLAN</b></u>	
	<b>Impact of Report</b>
<p><b>Aberdeen City Council Policy Statement</b></p> <p>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 Wellheads which when delivered will support a number of inter-related policy statements within the Council delivery Plan.</p>
<b>Aberdeen City Local Outcome Improvement Plan</b>	
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.
<b>Regional and City Strategies</b> 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.
<b><i>UK and Scottish Legislative and Policy Programmes</i></b> 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
<b>Impact Assessment</b>	An <u>Equality and Human Rights Impact Assessment (EHRIA)</u> 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.

## 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.

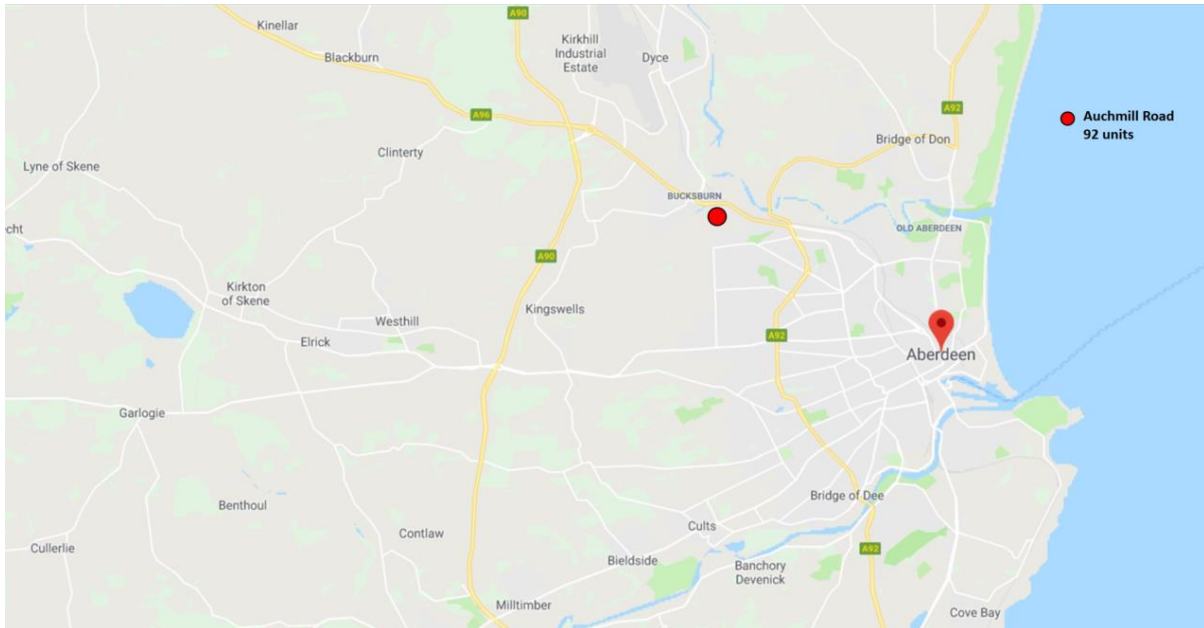
## 10. APPENDICES

- Appendix 1: Location Map
- Appendix 2: Site Map
- Appendix 3: Site Progress Photographs

## 11. REPORT AUTHOR CONTACT DETAILS

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## Appendix 1: Location Map



## Appendix 2: Site Layout Plan



### Appendix 3 Site progress photographs: August 2021

Roof trusses being installed – Block A



Scaffold erection to Block B





Cassettes for first floor formed on ground floor slab – Block B



Block A Horizontal roof battens being installed



Travelling crane lifting in timber kit panels and plasterboard



Block B 1<sup>st</sup> Floor timber kit flooring being installed

