

## ABERDEEN CITY COUNCIL

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COMMITTEE	Capital Programme
DATE	1 December 2021
EXEMPT	No
CONFIDENTIAL	No
REPORT TITLE	Summerhill New Build Housing Progress Report
REPORT NUMBER	RES/21/284
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

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

#### **Current Status**

- 3.1 As a consequence of the Covid 19 lockdown the programme has lost time which is under review. The Principal Contractor (CHAP Construction) has issued revised programmes. Having indicated potential risk of delay, revised programmes confirm completion is still aligned with sectional completion dates noted in section 3.5.

- 3.2 Construction Progress to Date:

#### ***Phase 1***

- **Block 1** – Roof works complete subject to snagging. First Fix M&E works complete. Fire Stopping and ceilings in progress. Corium cladding wall progressed. Facing brick nearing completion over balconies and subject to snagging. Window installation complete. Juliet balcony installation commenced.
- **Block 2** – Roof works complete subject to snagging. First Fix M&E works complete. Fire Stopping and ceilings in progress. Corium cladding wall

progressed. Facing brick nearing completion over balconies and subject to snagging. Window installation complete. Juliet balcony installation commenced.

- **Block 5** – M&E first fix nearing completion in majority of plots subject to snagging. Plasterboard and ceilings nearing completion. Kitchen installations and tiling commenced. Decoration works commenced. Second fix M&E commenced. Bathroom installations commenced. Steel work to balconies and walkways nearing completion. Facing brick at balconies in progress.

### **Phase 2**

- **Block 3** – Timber kit erection complete; masonry nearing completion. Facing brick complete subject to snagging. Roof installation commenced. M&E first fix commenced.
- **Block 4** – Timber kit erection complete; masonry nearing completion. Facing brick substantially advanced. Roof installation commenced. M&E first fix commenced.
- **Block 6** – Timber kit erection and window installation progressed to third floor.

**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.

3.4 Key milestones detailed in the Contractor's programme are as follows:

<b>Activity</b>	<b>Target Start Date</b>	<b>Status</b>
Offsite culvert works	Summer 2019	Completed
Issue second Letter of Intent	Summer 2019	Completed
Site clearance	Autumn 2019	Completed
Let full Contract	Autumn 2019	Completed
Site start	Autumn 2019	Completed
Phase 1 [Blocks 1, 2 and 5]	Winter 2019-2020 (commenced)	Ongoing
Phase 2 [Blocks 3, 4 and 6]	Spring 2020 (commenced)	Ongoing
Phase 3 [Blocks 7 and 8]	Spring 2022	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:

<b>Activity</b>	<b>Completion Date</b>	<b>No. of Units</b>
Offsite Culvert Works	Winter 2019/2020	N/A
Phase 1	Spring 2022	128 units
Phase 2	Winter 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 Covid-19 lockdown period and supply chain re-mobilisation. The works are impacted by ongoing supply chain issues due to Covid-19 pandemics impacts along with delays from supply of labour, materials and deliveries, resulting in significantly extended lead time for materials.
- 3.7 Meetings continue 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 it is now noted that the original programme dates cannot be achieved. An extension of time has been granted for Section 1; further extension of time claims are being reviewed and assessed; negotiation of costs is ongoing.
- 3.8 While ongoing Covid-19 work practice requirements and supply chain issues are impacting progress on site, the contractor and design team are seeking mitigation where possible.

### **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.

<b>Gross Budget</b>	<b>Spend to date</b>
<b>£57.8m</b>	<b>£21.3m</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 Impact of Covid-19 delay to the programme, impact upon the site operations
- 6.2 Supply chain / material availability and extended lead in times.
- 6.3 Inclement weather
- 6.4 Supply chain insolvency/liquidation

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 369 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>COUNCIL DELIVERY PLAN</u>	
<b>Impact of Report</b>	
<p><b>Aberdeen City Council Policy Statement</b> 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>
<b>Aberdeen City Local Outcome Improvement Plan</b>	
<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><b>Regional and City Strategies</b> 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><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</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>
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## 8. IMPACT ASSESSMENTS

Assessment	Outcome
<p><b>Impact Assessment</b></p>	<p>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.</p>
<p><b>Data Protection Impact Assessment</b></p>	<p>Privacy impact assessment (PIA) screening has been undertaken and a PIA is not necessary.</p>

## 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.
- 9.5 Capital Programme 28 January 2021: Summerhill New Build Housing Progress Report: report no RES/20/131.
- 9.6 Capital Programme 26 May 2021: Summerhill New Build Housing Progress Report no RES/21/125

## 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: 28 September 2021**



Block 5 – Completed Facing Brick; Installation of walkways (28.09.2021)



Block 5 – Kitchen fittings installation (28.09.2021)



Block 5 – Window, facing brick, and Juliette balcony installation (28.09. 2021)





Block 5 – Balcony steelwork progressing (28.09. 2021)



Block 1 – Vico Roofing complete; Corium cladding in progress (28.09.2021)



Foreground – Block 2; Background right – Block 6 (28.09.2021)