

ABERDEEN CITY COUNCIL

COMMITTEE	Capital Programme
DATE	16 June 2022
EXEMPT	No
CONFIDENTIAL	No
REPORT TITLE	Auchmill Road New Build Housing Progress Report
REPORT NUMBER	RES/22/114
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 the Auchmill Road new build Council housing project.

2. RECOMMENDATION(S)

That the Committee:

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

3. CURRENT SITUATION

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 The Development Agreement was signed for the delivery of 92 Units on the 29th January 2021.
- 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.

Update since last report in December 2021

3.6 Construction Progress

Block A

Rendering is 90% complete with automatic opening vent and access left out for materials. 90% of Taping, Kitchens and District Heating completed. 2nd fix MEP engineers continue works in communal areas, stairs, risers, and all levels. Floor coverings are progressing and water tank has been installed and all levels are being painted.

Block B

Brick and block work has been completed and rendering is 80% done, Juliet balconies continue to be installed. 1st MEP fixing are ongoing in communal areas, stairs, risers, and all levels to apartments.

The dry lining first fix for levels 1, 2 & 3 have been completed and fire taping on the ground floor is ongoing.

Block C

Brick and block is progressing and 90% of the roof tiles have been fitted. Levels 1-3 dry lining first fixes are ongoing, and level 3 is undergoing 1st MEP fix on the sprinkler, the ventilation 1st fix is now complete.

External Works

A96 Ramp Planning permission received 16th March 2022, to install the ramp, selected trees have been taken down prior to bird nesting season.

Formation of the roads, kerbs and parking bays are ongoing and multi utility tracks are being installed throughout the site.

3.7 Quality Assurance

Quality Assurance Audits will be conducted on site and 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. This has been exacerbated by the implications of Brexit and more recently by the ongoing conflict in Ukraine.

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 Stakeholder engagement and communications with key parties remains ongoing, key relationships are being managed. There is a requirement to obtain wayleave, this is currently in hand. The impending ‘off-site’ works will soon commence. In regard to works outside the curtilage of the development boundary, the relevant statutory approvals and consents are being managed by the Developer.

4. FINANCIAL IMPLICATIONS

There are no direct financial implications arising from the recommendations of this report. The Contract is a Development Agreement with Provisional Sums included for the Sprinklers (previously instructed) and the Off-site works, which comprise the creation of a new ramp, steps and pelican crossing over the A96. Following 12 months of dialogue with the Planning Department, the works have been redesigned and are currently forecast to be above the provisional sum allowance. The figures are being verified by the Consultant QS prior to instruction

4.2 The total project spend to date is as follows

Gross Budget	Spend to date
£19.7m	£15.2m

5. LEGAL IMPLICATIONS

5.1 There are no direct legal implications arising from the recommendations of this report.

6. ENVIRONMENTAL IMPLICATIONS

6.1 There are no direct environmental implications arising from the recommendations of this report.

7. RISK

Key Risks for Initial Construction Activities

- 7.1 Impact of Covid-19 delay to the programme, impact upon the site operations
- 7.2 Combined Heat & Power resourcing for the heating systems of the new units in order to meet the programme.
- 7.3 Inclement weather
- 7.4 Supply chain insolvency/liquidation
- 7.5 Material shortage and labour shortage

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 related to the Brexit agreement,	H	Work with legal, finance and procurement teams to understand and address

	Covid-19 related cost impacts and the impact of the Ukraine War and the recent announcement of a potential recession from the Bank of England.		contractual impacts related to the supply of labour, plant and materials.
Reputational	Late delivery of the 92 units	L	Clearly communicate with key stakeholders regarding the impact of world events upon the delivery of units.
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.

8. OUTCOMES

<u>COUNCIL DELIVERY PLAN</u>	
	Impact of Report
<p style="text-align: center;">Aberdeen City Council Policy Statement</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 Auchmill 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.

9. IMPACT ASSESSMENTS

Assessment	Outcome
Integrated 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.

10. BACKGROUND PAPERS

- 10.1 Council 6 March 2018: Draft Housing Revenue Account Budget and Housing Capital Budget 2018/19 to 2022/23: report no CG/18/030.
- 10.2 Capital Programme 23 May 2018: Shaping Aberdeen Housing LLP – Referral from City Growth and Resources: report no RES/18/006.
- 10.3 Council 5 March 2019: Housing Revenue Account Budget 2019/20: report no RES/19/202.

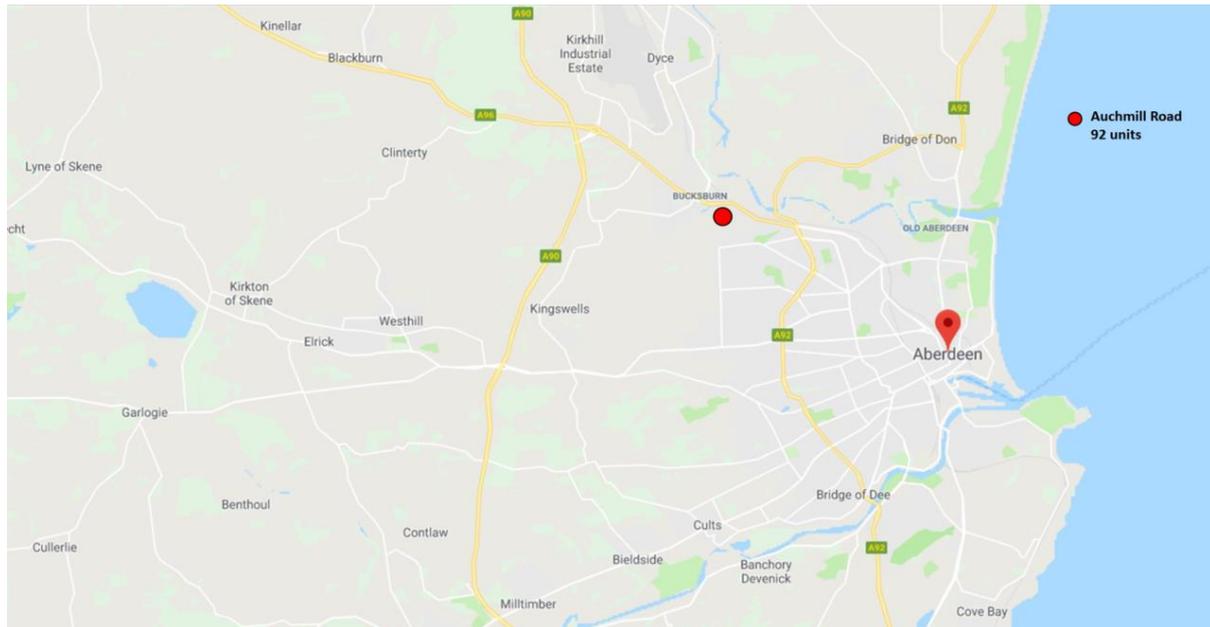
11. APPENDICES

- 11.1 Appendix 1: Location Map
- 11.2 Appendix 2: Site Map
- 11.3 Appendix 3: Site Progress Photographs

12. REPORT AUTHOR CONTACT DETAILS

Name	John Wilson
Title	Chief Officer, Capital
Email Address	JOHNW@aberdeencity.gov.uk
Tel	01224 523629

Appendix 1: Location Map



Appendix 2: Site Layout Plan



Appendix 3 Site progress photographs April 22:



Block B



Block A



Fitted Kitchen Block A



Fitted Bathroom Block A



Stairwell Block B



Tree removal for A96 Ramp



Stairwell Block C



Kitchen Block C