

ABERDEEN CITY COUNCIL

COMMITTEE	Capital Programme
DATE	16 June 2022
EXEMPT	No
CONFIDENTIAL	No
REPORT TITLE	Cloverhill New Build Housing Progress Report
REPORT NUMBER	RES/22/115
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 works being undertaken at Cloverhill new build Council housing project.

2. RECOMMENDATION(S)

That the Committee:

- 2.1 Notes the progress achieved in the housing project at Cloverhill.

3. CURRENT SITUATION

Background

- 3.1 Planning permission was granted for the site on 30th September 2021.
- 3.2. A Design and Build Contract has been agreed between Aberdeen City Council and Bancon Homes Ltd (Principal Contractor) who will build 536 new council homes, a sports pitch, a community hall, and retail/commercial units.
- 3.3 The Principal Contractor Bancon Homes Ltd took possession of the site 7th February 2022 and construction of phase 1 has commenced.

3.4 Construction Progress to Date:

Work on site has begun, the topsoil strip and general earthworks has started with a cut and fill exercise to install structural fill. Sewer installation is underway. The next stage will see the formation of structural fill platforms and an extended Sustainable Drainage System (SuDS) basin located at the north aspect of the site. Section 1 Flats are due to commence 4th April.

3.5 Quality Assurance Audits are being conducted on site and will continue throughout the duration of the Contract to ensure quality across the overall Housing Programme.

3.6 Key Milestones in the Contractor's programme are as follows:

Section Build	1	Flats (36 units, 3 shops)	Spring 2024
Section Build	2	Semi/terrace Mix (31 units)	Summer 2024
Section Build	3	Flats & Semi/terrace mix (10 + 48 units) including comm hall	Spring 2025
Section Build	1A	Semi/terrace mix (43 units)	Winter 2024/25
Section Build	4	Semi/terrace mix (35 units)	Spring 2025
Section Build	2A	Semi/terrace mix (36 units)	Autumn 2025
Section Build	5	Semi/terrace mix (58 units)	Spring 2026
Section Build	6	Semi/terrace mix (70 units)	Winter 2026/27
Section Build	3A	Flats, Semi/terrace mix (24 +21 units)	Spring 2026
Section Build	4A	Semi/terrace mix (37 units)	Winter 2026/27
Section Build	7	Semi/terrace mix (30 units)	Spring 2027

Section Build	8	Semi/terrace mix (23 units)	Autumn 2027
Section Build	5A	Semi/terrace mix (34 units) & Sports Pitch	Summer 2027

- *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

- 3.7 It is evident from projects that are at a more advanced state of construction within the Housing programme that 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.
- 3.8 There is a residual risk of future national or local COVID-19 lockdowns being imposed, which would impact upon project delivery and timescales.
- 3.9 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

- 3.10 Stakeholder engagement and communications with key parties remains ongoing, the contracted 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

Gross Budget	Spend to date
£137.5m	£22.3m

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. 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 Supply chain / material availability and extended lead in times.

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, 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.	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 536 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
Aberdeen City Council Policy Statement Programmes in the Policy Statement include assess the	This report highlights the progress being made with the delivery of the new Council housing at Cloverhill which when delivered will support a number of inter-related policy statements within the Council delivery Plan.

<p>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>Aberdeen City Local Outcome Improvement Plan</p>	
<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>Regional and City Strategies 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>

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.
- 10.4 Capital Programme 23 September 2020: New Build Housing Progress Report: report no RES/20/131.

11. APPENDICES

- 11.1 Appendix 1: Location Map
- 11.2 Appendix 2: Site Plan
- 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

11.1 Appendix 1: Location Map



11.2 Appendix 2: Site Plan



11.3 Appendix 3: Site Progress Photographs

Week commencing Monday 2 May 2022



Photo 1 – Membrane works underway at the initial flatted blocks



Photo 2 – Blocks of insulation being installed at the initial flatted blocks



Photo 3 – Underbuilding platform being smoothed for installation of DPM and insulation



Photo 4 – Structural fill platforms being upfilled

Week commencing Monday 2 May 2022



Photo 5 – Road formation with foul and surface manhole cylinders visible in the distance



Photo 6 – View towards the compound area at the North-West corner of the site, with a mortar silo installed for underbuilding blockwork



Photo 7 – Main drainage installed with typical connection visible at the pipe



Photo 8 – One of the earth moving machines being used to help form required levels on site

Block 1 foundation 04/05/2022



Block 2 foundation 04/05/2022

