

## ABERDEEN CITY COUNCIL

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<b>COMMITTEE</b>	Communities Housing and Public Protection
<b>DATE</b>	5 September 2024
<b>EXEMPT</b>	No
<b>CONFIDENTIAL</b>	No
<b>REPORT TITLE</b>	New Housing Capital Programme Delivery: Projects Update
<b>REPORT NUMBER</b>	RES/24/246
<b>DIRECTOR</b>	Gale Beattie
<b>CHIEF OFFICER</b>	John Wilson
<b>REPORT AUTHOR</b>	John Wilson
<b>TERMS OF REFERENCE</b>	1.1.1

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### 1. PURPOSE OF REPORT

- 1.1 The purpose of this report is to summarise the general progress of delivery of key capital expenditure projects identified within the approved Capital Programme from the Housing Revenue Accounts.
- 1.2 The report highlights matters considered worthy of particular note in relation to Council led new build housing sites at Summerhill, Craighill, Kincorth, Tillydrone, Kaimhill, Greenferns and Greenferns Landward and the Developer-led new build housing site at Cloverhill.

### 2. RECOMMENDATION(S)

That the Committee:-

- 2.1 Notes the progress to deliver the programme of social housing sites across the city.

### 3. CURRENT SITUATION

#### Background

- 3.1 At the Finance & Resources Committee meeting held on Wednesday 13 March 2024 within report RES/24/070, the Chief Officer – Capital advised in paragraph 3.2, that the delivery of the new housing developments (under construction) would be reported to the Communities, Housing and Public Protection Committee. This is with the understanding that any contractual/financial issues would continue to be reported to the Finance & Resources Committee.
- 3.2 The report follows the same reporting content/style as submitted to the Finance & Resources Committee but only in regard to key project updates within the approved Housing Capital Programme.

#### Housing Revenue Account (HRA) – Capital Programme

- 3.3 With regard to the Council-led new housing sites, works have continued to progress at the Summerhill, Kaimhill and Tillydrone projects such that they have achieved practical completion. Works are still suspended at the Craighill and Kincorth Council-led development sites however re-design development continued to try and identify savings.

- 3.4 The other two projects worthy of note are the new proposed complex care 8-bed facility at Stonewood and the works to bring into use the flats at 206 Union Street.

#### **Summerhill New Build Housing**

- 3.5 All of the units have now been handed over with the final block handed over in Spring 2024. All phases of this project have achieved practical completion. Snagging works are being carried out as issues emerge.

#### **Tillydrone New Build Housing**

- 3.6 The southern section of the site of 30 units was handed over in Q1 2024. The remaining 40 units on the northern side was handed over in Q2 2024. All phases of the project have now achieved practical completion.

#### **Kaimhill New Build Housing**

- 3.7 Handover of all 35 units took place during early Summer 2024. All phases of the project have now achieved practical completion.

#### **Kincorth and Craighill New Build Housing**

- 3.8 During Summer 2023, a committee decision was taken to pause the award of the construction works and to review where savings could be made through value-engineering to try and deliver a more cost-effective capital cost for each project.

- 3.9 Officers can advise that the enabling works for both projects are complete and all contractual payments with respect to the enabling works are agreed. Design works have progressed and revised planning applications for both sites were lodged in Q4 2023 with planning consent granted Q2 of 2024 for Craighill and anticipated in Q3 for Kincorth.

- 3.10 Within the tender for both projects, consideration is being given to phasing their development and delivery over a longer period to reduce the short-term impact on the capital budget by spreading costs over a longer period.

- 3.11 The expectations for both sites, allowing for due diligence, is that construction works for one will commence in Summer 2024 with the other following in the latter part of 2024.

#### **Craighill New Build Housing**

- 3.12 As previously reported, the enabling works (ground works) are complete, value engineering has been carried out, and a new planning application was submitted and approved which required re-design of tender documentation for the outstanding construction works.

- 3.13 The tender documents have since been issued to the market and, following completion of the tender process, CHAP Construction were appointed as the Principal Contractor. The final contract documents are now being put in place with a site start likely to be in Q3 2024.

This project will deliver 87 new units.

#### **Kincorth New Build Housing**

- 3.14 As previously reported, the enabling works (ground works) are complete, value engineering has been carried out, new planning application submitted and approved which required re-design of tender documentation.

The tender documents will be issued in the coming weeks, and allowing for due diligence the expectation is for works to commence in Winter 2024/2025.

### **Cloverhill New Build Housing**

- 3.15 The project continues to progress well on site with the latest 35 houses handed over as part of Phase 4 in July 2024. A total of 203 units have been handed over to ACC with the next handover being for 10 units in October 2024.

### **206 Union Street Refurbishment**

- 3.16 Agreement has been reached with Ogilvie Construction Ltd to be appointed as Principal Contractor and undertake the external and internal works to upgrade the property. This will include a new roof, windows, fabric repairs and the provision of up to 28 new one-bedroom social rent apartments.
- 3.17 Final agreement has now been reached on the scope of the project and the intention is that all 28 refurbished units will be provided. The final contract documentation has been signed.

### **Complex Care**

- 3.18 The Strategic Business Case for the project was approved at Finance and Resources Committee in December 2022 with the Outline Business Case approved at Finance and Resources Committee in March 2023.
- 3.19 Capital funding was approved at the Integration Joint Board meeting on 6 February 2024.
- 3.20 Officers with external support have developed the design information to RIBA Stage 4. Tenders have been assessed and the Principal Contractor Ogilvie Construction Ltd have been appointed to undertake the management and delivery of the construction phase. Construction commenced in early summer 2024.
- 3.21 Works are progressing on site with sub structure, foundation and utility connections moving forward.
- 3.22 Negotiations remain ongoing with external parties to confirm the extent, if any, of grant funding which can be provided. Scottish Government are currently undertaking a technical review of the proposals.
- 3.23 Delivery of the project is expected in early 2025.

### **Clinterty Travellers Site**

- 3.24 The site is now fully operational. A successful official opening event was held on 29 April 2024. Paul McLennan MSP, Scottish Government Minister for Housing also carried out a site visit on 10 July 2024 gathering positive feedback from residents. The works are now practically complete following delays with utility connections and the weather. Tenants started returning to the site from early February 2024.

## **4. FINANCIAL IMPLICATIONS**

- 4.1 Notwithstanding all of the above, the Chief Officer – Capital continues to review the approved Capital Programme in light of external pressures, such as, but not limited to;
- Inflation;
  - Energy supply and cost;
  - Covid 19 impacts;
  - War in Ukraine and
  - Brexit.
- 4.2 There is still a significant risk that costs will increase for those projects under construction and also those in the future pipeline. Close collaboration is being maintained with finance colleagues.

- 4.3 Members are aware that the Council are obliged to deliver its obligations within a balanced budget. In the context of the approved Capital Programme, and bearing in mind paragraphs 4.1 and 4.2 above, regular consideration needs to be carried out on whether to delay, pause or cancel any projects which are still not legally committed.
- 4.4 Throughout the financial year, the Chief Officer - Finance monitors the budget and uses various controls and tools to ensure a balanced budget is delivered.
- 4.5 In a similar context, the Chief Officer - Capital is tasked with delivering the approved Capital Programme whilst ensuring that sufficient budgetary provision exists.
- 4.6 In addition, consideration also needs to be given to funding the necessary Reinforced Autoclaved Aerated Concrete (RAAC) related works at Balnagask, following the Council decision at its meeting on Wednesday 21 August 2024.

## 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

Category	Risks	Primary Controls/Control Actions to achieve Target Risk Level	*Target Risk Level (L, M or H)  *taking into account controls/control actions	*Does Target Risk Level Match Appetite Set?
<b>Strategic Risk</b>	Failure to manage Council finance and resources could lead to failure to achieve strategic objectives.	Regular financial reporting and monitoring activities, to incorporate financial resilience to address financial pressures arising in year is maintained and monitored.	M	Yes
<b>Compliance</b>	Failure to be able to comply with project requirements	Increase site visits and monitoring of the construction works. If required, review alternative options as soon as possible.	L	Yes
<b>Operational</b>	Balancing the pressures of finite resources both internal and external to the Council	Regular engagement between relevant Clusters within the Council along with ongoing engagement with Framework hosts, Suppliers, Procurement & Services re alternative products or delivery methods.	M	Yes

<b>Financial</b>	Escalation of costs	Development of suitable price mechanisms.	M	Yes
	Differing market conditions depending on commodity/service	Use of Business Intelligence to predict market changes/trends. Price Increase Request Process. Market engagement/use of business intelligence to assist in predicting market changes and trends.	M	
<b>Reputational</b>	Programmes/projects being delayed or stopped	As above.	M	Yes
<b>Environment / Climate</b>	Failure to consider sustainable options due to costs.	Ensure all contracts consider environmental considerations, and early market engagement is conducted to seek market intelligence.	M	Yes

## 8. OUTCOMES

<u><a href="#">COUNCIL DELIVERY PLAN 2022-2023</a></u>	
<b>Impact of Report</b>	
<b>Aberdeen City Council Policy Statement</b>  <u><a href="#">Working in Partnership for Aberdeen</a></u>	Reviewing the approved Capital Programme in light of the cost pressures resulting from external drivers, will enable the Council best to meet and prioritise the delivery of its capital funded programmes /projects.
<u><a href="#">Aberdeen City Local Outcome Improvement Plan 2016-26</a></u>	
Prosperous Economy Stretch Outcomes	The recommendations outlined within this report have included consideration of the current stage of programme/project delivery.
Prosperous People Stretch Outcomes	The recommendations outlined within this report have included consideration of the current stage of programme/project delivery.
Prosperous Place Stretch Outcomes	The recommendations outlined within this report have included consideration of the current stage of programme/project delivery.
<b>Regional and City Strategies</b>	Reviewing the approved Capital Programme in light of the cost pressures resulting from external drivers, will enable the Council best to meet and prioritise the delivery of its capital funded programmes /projects to align with its regional and city strategies.

## 9. IMPACT ASSESSMENTS

Assessment	Outcome
<b>Integrated Impact Assessment</b>	For the purpose of this report which is an update on the overall Capital Programme and delivery of key projects within it, it is confirmed by Chief Officer John Wilson that no Integrated Impact Assessment is required.
<b>Data Protection Impact Assessment</b>	Not required
<b>Other</b>	Not required

## 10. BACKGROUND PAPERS

10.1 None

## 11. APPENDICES

11.1 Appendix A – Supporting Project Annex Information

## 12. REPORT AUTHOR CONTACT DETAILS

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## Appendix A – Supporting Project Annex Information

### ACC Summerhill Project Update

The project is to construct 369 housing units across 8 blocks with a mix of one, two and three bedroom flats. The site is brownfield, formerly the location of Summerhill Academy. The Principal Contractor for the works is Chap Construction Ltd.

1. Update since last report provided in March 2024

The project is complete with all blocks handed over to the Council. Last block was handed over in Q2 2024. The completed project provided 369 new units for the Council.

2. Planned progress in next reporting period (consider 3 months)

Any snagging works, if applicable.

3. Spend to end of Period 4 2024/25

Gross Budget	Spend to Date
£57.8m	£61.46m

**Note: Spend to date does not include for Grant income of circa. £21m**

4. Interdependencies

None.

5. Progress Photographs



## Tillydrone Project Update

The proposed new development is located on the former St Machar Primary School in the Tillydrone area of Aberdeen. The site is bound on the North by Aberdon Court, the East by Tillydrone Avenue, the South by Harris Drive and the West by Conningham Terrace and the boundary with the new Riverbank Primary School site.

CHAP Construction have been appointed as the Principal Contractor responsible for construction, with works commencing in November 2021.

1. Update since last report provided in March 2024

The project was completed in Q2 2024 with the final 40 units being handed over. A total of 70 units have been provided on site.

2. Planned progress in next reporting period (consider 3 months)

Any snagging works, if applicable.

3. Spend to date

Spend to end of Period 4 2024/25 is as follows:

Gross Budget	Spend to Date
£24.7m	£22.570m

4. Interdependencies

N/A, project is complete.

5. Progress Photographs







## Kaimhill Project Update

The project is to construct a mix of 35 no. bungalow's/housing units across 9 blocks and also include a new community play park and community green space.

1. Update since last report provided in March 2024

The project was completed in Q2 2024 with all units being handed over.

2. Planned progress in next reporting period (consider 3 months)

Any snagging works, if applicable.

3. Spend to end of Period 4 2024/25 date

Gross Budget	Spend to Date
£13.8m	£13.602m

4. Interdependencies

None

5. Progress Photographs





## Craighill Project Update

The site is the former Craighill Primary School at Kincorth and was being developed for social housing. However, the original design of 99 No. units cannot be delivered within the planned budget, such that the project was paused following completion of the enabling works.

Following the pause on the original proposal, a value engineering / redesign process has been carried out which has resulted in a potential 2-phase layout of the site.

The combined phasing consists of 87 No units.

1. Update since last report to Committee in March 2024;

A re-tender exercise has been completed and CHAP Construction have been appointed as Principal Contractor.

2. Planned progress in next reporting period (consider 3 months)

It is anticipated that the site will re-commence works in Q3 2024 with all units to be constructed in a single phase.

3. Spend to date

Spend to end of Period 4 2024/25:

Contract Sum	Spend to Date
£26m	£6.506m

4. Site Progress Photographs

External Project Images



## Kincorth Project Update

The site is the former Kincorth Academy site at Kincorth, and was being developed for social housing. However, the original design of 212 No. units cannot be delivered within the planned budget, such that the project was paused following completion of the enabling works.

Following the pause on the original proposal, a value engineering / redesign process has been carried out which has resulted in a potential 5-phase layout of the site.

The combined new phasing consists of 195 No units.

1. Update since last report to Committee in March 2024;

A new planning application has been lodged for the scheme and planning consent should be issued Q3 2024.

2. Planned progress in next reporting period (consider 3 months)

The project is now back out to tender and it is anticipated that a new contractor will be appointed to allow site commencement in Winter 24/25.

3. Spend to date

Spend to end of Period 4 2024/25:

<b>Contract Sum</b>	<b>Spend to Date</b>
<b>£59.36m</b> <b>(to be confirmed following tender)</b>	<b>£7.039m</b>

4. Site Progress Photographs

External Project Images

## Cloverhill Project Update

The Cloverhill site forms part of the wider Aberdeen City Council Housing Programme to deliver council homes to those in need. Cloverhill provides a total of 536 units, 3 commercial units, community centre, football pitch and public park areas in the Bridge of Don area of the city.

Cloverhill is a Developer led scheme presented by Bancon Homes Limited comprising of 536 units. Bancon started on site on the 7th February 2022, the Practical Completion date for the Project is the 14th August 2026. The Project will be delivered over phases as follows;

Section 1 Build -	Flats (36 units, 3 shops) - Delivered
Section 2 Build -	Semi/terrace Mix (31 units) - Delivered
Section 3 Build -	Flats & Semi/terrace mix (10 + 48 units) incl comm hall - Delivered
Section 1A Build -	Semi/terrace mix (43 units) – Delivered 2024
Section 7 Build -	Semi/terrace mix (30 units) – Summer 2026
Section 8 Build -	Semi/terrace mix (23 units) – Autumn 2026
Section 5A Build -	Semi/terrace mix (34 units) & Sports Pitch – Summer 2026
Section 4 Build -	Semi/terrace mix (35 units) – Autumn 2024
Section 2A Build -	Semi/terrace mix (36 units) – Summer 2025
Section 5 Build -	Semi/terrace mix (58 units) – Summer 2025
Section 6 Build -	Semi/terrace mix (70 units) – Winter 2025
Section 3A Build -	Flats, Semi/terrace mix (24 +21 units) – Autumn 2024
Section 4A Build -	Semi/terrace mix (37 units) – Winter 2025

1. Update since last report to Committee in March 2024;

Additional units have been handed over in line with the schedule above.

2. Planned progress in next reporting period (consider 3 months)

The project remains on programme and the handover of the next phase of units is in line with the information stated above.

3. Spend to date

Spend to end of Period 4 2024/25:

<b>Contract Sum</b>	<b>Spend to Date</b>
<b>£137.5m</b>	<b>£90.245m</b>

4. Site Progress Photographs

External Project Images



## 206 Union Street Project Update

The project will see the refurbishment and upgrade of the upper floors of the property at the above address. This is above the Co-op convenience store on Union Street.

The project is the refurbishment of the existing upper floors (and roof) for 28 No existing flats. There have been numerous attempts to tender this project; inclusive of both internal and external contractors, all without success.

The project team have now negotiated a tender and works commenced in Q2 2023.

The initial works covered roof replacement, external window replacement on Union Street and external fabric repairs along with 28 one bed social rent units.

The initial letter of intent that has been issued covers the main roof works, external windows. The number of units to be created will be dependent on the budgetary constraints once the main external works have been completed.

1. Update since last report to Committee in March 2024;

The Principal Contractor Ogilvie Construction Ltd has been appointed and the contract document is signed.

2. Planned progress in next reporting period (consider 3 months)

Works continue on site with an anticipated completion date of Q1 2025.

3. Spend to date

Spend to the end of Period 4 2024/25:

<b>Gross Budget</b>	<b>Spend to Date</b>
<b>£3.7m</b>	<b>£1.1m</b>

4. Interdependencies

None

5. Progress Photographs







## Complex Care

Individuals with learning disabilities and complex care needs require the provision of suitable, robust accommodation, which is currently unavailable within our existing housing stock. Unsuitable environments can lead to challenges in the management of need and communication, often resulting in challenging behaviour. This requires the development of sustainable and robust accommodation which will meet the profile of need for those with complex care requirements. These requirements are evidenced through good practice and wider learning on a local and national basis.

This project aims to deliver:

- 8 No. individual homes which meets the environmental specifications for individuals with complex care needs through a new build delivery approach as considered within the project options appraisal. In addition, this accommodation will provide adequate office/respice space for care provider employees who will provide 24/7 onsite support.
- Adequate community and service links to allow individuals with complex care needs to integrate and participate in their local community.
- Learning and a model for further development for unmet and future need that will allow the operating model to be as flexible as possible for the unknowns' future delivery.

1. Update since last report to Committee in March 2024;

Works have commenced on site with sub structure foundation and utility connections are progressing.

2. Planned progress in next reporting period (consider 3 months)

Progress over the next period should see the substructure works drawing to a conclusion and the commencement of the erection of the timber kits.

3. Spend to date

Spend to end of Period 4 2024/25:

<b>Gross Budget</b>	<b>Spend to Date</b>
<b>£5.6m</b>	<b>£0.510m</b>

4. Interdependencies

None

5. Progress Photographs



## ACC Greenferns

The Greenferns site is a 73.6ha site located on the eastern boundary of the city between Bucksburn and Sheddocksley. The Greenferns site is included as an Opportunity Site (Ref: OP 33 & 28) within the adopted Aberdeen Local Development Plan (2017) (ALDP).

The allocation establishes the principle of developing the site as an extension of the city boundary for around 1,470 homes and 10 hectares of employment land. The site is owned by ACC. The site forms an important contribution to the city's future housing and employment land requirements ensuring the area has enough new homes and employment land requirements.

It is anticipated that the overall development of the site will take place over a number of years depending on demand for private housing sites from housing developers, but it is anticipated that this location will positively contribute to the continued growth of the city over the next decade and beyond.

As part of the housing programme ACC identified the opportunity to provide additional social housing and have identified the opportunity to bring forward around 350 new social rented homes as part of the overall development in the early phases of the project with the potential for further social rented units being provided as part of the subsequent phases of the development.

### 1. Update since last Report in March 2024

Planning permission in principle was granted in Q2 2024 subject to conditions within the agreement. A legal agreement has been drafted to regularise the future development of the site when further detailed planning applications are lodged in due course. This agreement will cover the outstanding roads conditions as well as other developer contributions. It is anticipated this will be concluded in Q3 2024.

### 2. Planned progress in next reporting period (consider 3 months)

The design work on the phase 1 is progressing well with the layout and unit designs agreed. It is anticipated that the design works will be concluded to allow a submission of the planning application in the Q3 2024 which should link with agreeing the final terms of the legal agreement for the overall Planning Permission in Principle. The final design works on Phase 1 will be completed by end of Q2 2024.

## Site Photograph



## ACC Greenferns Landward

The Greenferns Landward site extends to approximately 69.6ha and is located in the Newhills area to the northwest of Aberdeen. The site is predominantly in agricultural use at the present time.

The Greenferns Landward site is included as an Opportunity Site (Ref: OP22) within the adopted Aberdeen Local Development Plan (2017). This establishes the principle of developing the site for around 1,500 new homes. The site therefore forms an important contribution to meeting the City's housing land requirements, ensuring the area has enough new homes to meet demand.

It is anticipated that the overall development of the site will take place over a number of years depending on demand for private housing sites from housing developers, but it is anticipated that this location will positively contribute to the continued growth of the city over the next decade and beyond.

As part of the housing programme ACC identified the opportunity to provide additional social housing and have identified the opportunity to bring forward around 150 new social rented homes as part of the overall development in the early phases of the project with the potential for further social rented units being provided as part of the subsequent phases of the development.

### 1. Update since last report provided in March 2024

The Planning Permission in Principle application was lodged in Q2 2024. As part of the review of the application, additional information around flooding has been requested from SEPA. This work is currently being undertaken and will be completed Q3 2024. It is anticipated that the consent will be granted subject to conditions and a legal agreement being required Q4 2024.

### 2. Planned progress in next reporting period (consider 3 months)

Design work on the first phase of Social Housing has now commenced and this will be for approximately 108 units. The design work will continue over the coming 3 months with an anticipation that an application will be lodged in Q4 2024 after completion of the PPIp for the larger scheme. Formal consent will be due Q1 2025.

## Site Photograph



## Clinterty Travellers Site Project Update

The site redevelopment will increase caravan capacity whilst retaining the provision of 21 individual plots. A mixture of plot sizes has been provided to ensure the site meets the needs of the travelling community.

Each plot has an amenity building providing cooking, washing and storage spaces.

The proposed development has been designed to meet the Scottish Government Interim Site Design Guide for Gypsy/Traveller Sites in Scotland.

The Contractor for the works was the Council's Building Services.

Update since last report provided in March 2024.

The works were practically complete in early February 2024 with tenants returning to site thereafter. The official opening event was held on 29 April.

### 1. Planned progress in next reporting period (consider 3 months)

Commence close out reporting and participate in Scottish Government post project evaluation tasks as part of Grant Funding conditions. Attend to minor defects.

### 2. Spend to date

Spend to the end of Q4 2024/25 :

Gross Budget	Spend to Date
£6.48m	£6.03m

### 3. Interdependencies

None.

### 4. Progress Photograph

Practical Completion.





