



Cassiltoun

Housing Association

Development Policy and Development Plan

Date Approved	Proposed Review Date
July 2020	July 2025
Chair Person/Office Bearers Signature:	

**Cassiltoun Housing Association Ltd.
Castlemilk Stables
59 Machrie Road
GLASGOW
G45 0AZ
Tel: 0141 634 2673**

Recognised Scottish Charity SC 035544

Development Policy and Plan

1.0 Purpose of the Policy

1.1 The purpose of this Policy is

- to set out the key principles that Cassiltoun HA will use when considering future development opportunities
- to confirm the roles and responsibilities of staff in the development process
- to state the approach that will be taken to record and monitor scheme progress
- to identify how post-construction review will take place to ensure continual improvement within the organisation.

1.2 The Development Plan provided within the Appendix details the nature and status of current development opportunities and links the policy principles to the current approach being taken.

2.0 Legal and Regulatory Framework

2.1 As a registered social landlord, Cassiltoun HA must comply with the Regulatory Standards of Governance and Financial Management set out by Scottish Housing Regulator.

2.2 The Public Contracts (Scotland) Regulations 2015 and the provisions of the Procurement Reform (Scotland) Act 2014 apply to Cassiltoun HA and are relevant to the development function.

3.0 Equal Opportunities Statement

3.1 We recognise our pro-active role in valuing and promoting diversity, fairness, social justice and equality of opportunity by adopting and promoting fair policies and procedures. We will check this policy and associated procedures regularly for their equal opportunity implications, taking appropriate action to address inequalities likely to result or resulting from the implementation of the policy and procedures. We are committed to providing fair and equal treatment to all applicants including tenants and will not discriminate against any on the grounds of race, colour, ethnic or national origin, religion, age, gender, sex, sexual orientation, marital status, family circumstances, employment status or physical ability.

4.0 Policy Review

4.1 This policy will be reviewed every five years, with interim annual updates made to the Development Plan.

5.0 Development Principles

5.1 The Development Policy of Cassiltoun HA is based around the following Principles, which will be used to assess whether to pursue potential opportunities.

1. Strategy

Opportunities for any development of new housing will be assessed for their 'fit' with the overall business strategy of the organisation

2. Risk

Strategic risk along with scheme-specific risk will be assessed for the life of the project- from initial awareness of a potential site through to the end of the defects liability period.

3. Product

New housing that is developed by Cassiltoun HA will be designed to meet housing need for the local area. Sustainability will be at the heart of decision-making.

4. Capacity

Embarking on any new development opportunity, Cassiltoun will have in place the appropriate organisational capacity to manage and deliver the desired outcomes, either through in-house staff or via partnerships with external agencies

5. Governance

The appropriate skills and experience of Senior Staff and the Board of Management must be in place to ensure governance arrangements provide proper oversight of the development programme. Assessment of this will take place via the staff appraisal system and Board Skills Audit assessment. Any shortfalls in the required proficiencies will be addressed through training.

6. Appraisal

Appraisal of any development opportunity will take place at appropriate stages of the life of the project to ensure that the proposals are viable, represent value for money and capture whole life costs. a discounted cashflow will be prepared in advance of signing a construction contract. A 30 year duration will typically be undertaken.

7. Funding

Cassiltoun will ensure that it has an appropriate funding strategy in place to ensure sufficient resources are available as and when they are required. There will be a clear understanding of the impact of development on future cash flow

8. Project management

Appropriate project management processes will be embedded into the approach to development and integrated across the whole organisation.

9. Procurement

A strategic approach to procurement will take place, ensuring that it is kept under review, complies with relevant legislation and assists the organisation in selecting the most appropriate procurement options.

10. Stakeholders

Cassiltoun actively manages and builds constructive relationships with stakeholders including tenants, service users, funders, Scottish Housing Regulator, Glasgow City Council, contractors and the Scottish Government.

6.0 Development Road Maps

- 6.1 In order to track progress with a scheme and to keep a clear record of the reporting and decision-making journey of a project, a live and working document for each development will be set up from inception. It will detail key stages that a scheme would ordinarily go through but will be adapted as appropriate for each scheme.
- 6.2 It will be updated regularly by the Development Consultant. An updated copy will be sent monthly to the CEO and Corporate Services Manager.
- 6.3 Key sections of the Roadmap will include the following:
- Milestones
 - Key Board decisions
 - Procurement
 - Statutory approvals
 - Acquisition
 - Grant approvals
 - Private borrowings
 - Building Contract
 - Collateral Warranties
- 6.4 Hyperlinks will be provided to Board reports, Board minutes and key documents, held via a Dropbox folder, accessible to senior staff, that will be maintained by the Development Consultant.

7.0 Roles and Responsibilities

- 7.1 The roles and responsibilities for the development process are summarised below.

Activity	Lead Officer	Reporting/Approval Arrangements
Creation and maintenance of project-specific 'Roadmap' including decisions log	Development Consultant	Monthly update to CEO
Submission of Strategy and Development Funding Plan, Grant Applications and Grant Claims to Glasgow City Council	Development Consultant	Strategy and Development Funding Plan Report to be approved by CEO/Appropriate Board or Sub-Committee Agreement to accept offer of full-scheme grant to be approved by Appropriate Board or Sub-Committee. (<i>Pre-tender grant offers</i>)

		<i>can be accepted without Board approval).</i>
Negotiating and securing private borrowings	Director of Finance and IT	CEO/Appropriate Board or Sub-Committee
Cashflow monitoring	Director of Finance and IT with input from Development Consultant	CEO/Appropriate Board or Sub-Committee approval via management accounting process
Review of impact on development within business plan and annual budgets	Director of Finance and IT	CEO/Appropriate Board or Sub-Committee approval via budgeting and business planning process
Project Progress reporting including key sign off stages and updates on scheme risk register	Development Consultant	Quarterly reporting to the Appropriate Board or Sub-Committee
Approval of development project invoices	Initial sign off by Development Consultant with final sign off by Director of Operations	n/a
Coordination of 'lessons learnt' meeting	Development Consultant	Summary report to Appropriate Board or Sub-Committee
Undertaking Tenant Satisfaction survey	Director of Operations	Summary report to Appropriate Board or Sub-Committee

8.0 Post Completion Review

- 8.1 The Association will undertake a post-completion review of each development. This will be two-staged.
- 8.2 A "lessons learnt" meeting will be held within two months of the full project coming off-site to establish what aspects of the development and the development process worked well and should be repeated for future projects, and what aspects can be improved upon to ensure continual improvement.
- 8.3 Participants of the meeting will include Director of Operations, Development Consultant, Clerk of Works and both Housing Managers.
- 8.4 An action list will be produced following on from the meeting to ensure any areas for improvement can be identified and acted upon, and any aspects that were noted as particularly successful are repeated for future projects. A summary of this will be provided to the Regeneration Sub-Committee.
- 8.5 A tenant satisfaction survey will be carried out no earlier than 12 months after the scheme comes off site. The purpose of waiting 12 months is that it allows for the tenants to experience a full year living in the properties- and will allow the properties to be assessed through all four seasons. It will also allow for the Association to report

upon the performance of the contractor's performance during the defects liability period.

- 8.6** The findings of the tenant satisfaction survey will be summarised and presented to the Board of Management/ Regeneration Sub- Committee.
- 8.7** Similar to the "lessons learnt" meeting, an action list will be produced following on from the survey to ensure any areas for improvement can be identified and acted upon. Similarly, it will note any aspects of the development that worked well and should be repeated for future projects. This may include specification, process, customer engagement, communication or staff/ contractor performance.
- 8.8** An article will be included in the next available CHA newsletter detailing the findings of the survey and any actions that the Association plans to take as a result.

9.0 Other key policies

9.1 This overarching development policy is supported by a suite of linked operational policies:

- Sustainability Policy
- Handover of Completed Buildings Policy
- Defects Policy
- Community Benefits Policy
- Policy Statement on Construction (Design and Management) Regulations 2015
- Collateral Warranties Policy
- Liquidated and Ascertained Damages Policy
- Contractor Liquidation Policy
- Procurement Policy

Appendix 1

Cassiltoun Housing Association Housing Development Plan (2020-2023)

Foreword, George Kelly, Chair

June 2020

“We are a community led housing association that empowers the local community by delivering housing and non-housing projects that people care about, which meets local needs and which maximises the financial and social benefits to support the wider regeneration of our area.

Our approach can provide local jobs and further opportunities for local people and boost the local economy, is a genuinely achievable option for Cassiltoun Housing Association and we intend to pursue local housing development as described in this plan”

By delivering our development plan we wish to (PRIMMS):-

- **P**rovide better value for money
- **R**emain accountable to the local people we serve
- **I**mprove our efficiency
- **M**aximise opportunities locally
- **M**inimise the impact of our activities on the environment
- **S**atisfy local housing need

Table of Contents

- 1. Introduction**
- 2. On-site development projects**
- 3. Approved projects**
- 4. Pipeline projects**
- 5. Applying the Development Principles**
- 6. Time Scales and Conclusions**

1. Introduction

- 1.1** After a hiatus of new build activity, 2018 saw the commencement of an exciting development phase at Cassiltoun HA to help improve the physical environment in our area of operation and to increase the supply of good quality affordable housing for rent.
- 1.2** The Association has invested millions of pounds in our area however we face fresh challenges to meet housing demand from our existing tenants, waiting list applicants and from homeless applicants.
- 1.3** As at June 2020, we have one project, over three sites, under construction. The three sites which will provide 42 new homes for rent are known locally as:-
- Castlemilk East Church – Barlia Drive)
 - Labour Club Site – 3 Barlia Street) Brownfield Sites
 - The old local repairs office – 6 Barlia Street)
- 1.4** In March 2020, we received an offer of grant to develop a further 60 units for rent at Castlemilk Drive, a brownfield site that historically held tenemental housing.
- 1.5** Finally, following successful completion of a feasibility study supported by Glasgow City Council, the Association is progressing with concept design for a large greenfield site known as the Nursery site which has the potential for approximately 130 units of mixed tenure housing.

2. On-site projects

2.1 Barlia 3

2.1.1 The Barlia 3 project commenced on site in October 2018. It is a three-site project and was tendered as one project to realise the economies of scale that individual projects would not have achieved. The sites are in close proximity to each other, which enabled this approach.

2.1.2 The project has been supported by Glasgow City Council with grant assistance through the Affordable Housing Supply Programme.

2.1.3 The contractor is Cruden Building and Renewals who won the tender after a mini-competition held via the Link Group Framework.

2.1.4 The design team comprises MAST Architects, Reid Associates and G3 Engineers.

2.1.5 A key visual features of all three sites within this development is the Windor pods which give additional amenity to the living areas.

2.1.6 As standard, the project achieves Housing for Varying Needs, 'Silver Standard' in terms of energy efficiency under the Building Regulations and Secure by Design Accreditation.

2.1.7 Key financial summary

	£
Works cost	5,790,276
Other costs	1,052,221
Total scheme costs	6,842,497
<i>Funded by:</i>	
Grant assistance	3,600,912
CHA reserves	741,585
Private Finance	2,500,000

2.1.8 Castlemilk East Church Site (0.29 Hectares)

2.1.9 This site is set close to the tranquillity of Castlemilk Park and enjoys panoramic views across Glasgow from its high vantage point.

2.1.10 It was purchased the Church of Scotland in 2012 with a small parcel of additional land purchased from GCC in 2018.

2.1.11 During late summer/early autumn of 2020 we will see completion of 22 units at this site providing a mix of flatted and townhouse accommodation. Two of the flats are wheelchair adaptable, allowing residents increased flexibility to remain in their homes as medical/mobility issues arise or deteriorate.

2.1.12 House mix

House Type	Description	Number	House Size
House	Three storey townhouse	4	5apt/6 person
Flat	Tenemental flat	4	3apt/ 4 person
Flat	Tenemental flat	2	3apt/ 3 person
Flat	Tenemental flat	12	2apt/ 2 person

2.1.13 Site plan



2.1.14 Digital image of how Castlemilk East Church Site will look after completion



2.1.15 Site photograph from November 2019 - Castlemilk East Church Site under construction



2.1.16 Labour Club Site – 3 Barlia Street (0.17 Hectares)

2.1.17 The site is close to local amenities including the shopping centre, bus routes, community centre and sports centre.

2.1.18 This site was acquired by the Association in 2015 from City Property

2.1.19 Previously it was a thriving social club in Castlemilk for many years. However, for over a decade the site lay vacant. The building was destroyed by fire in 2011.

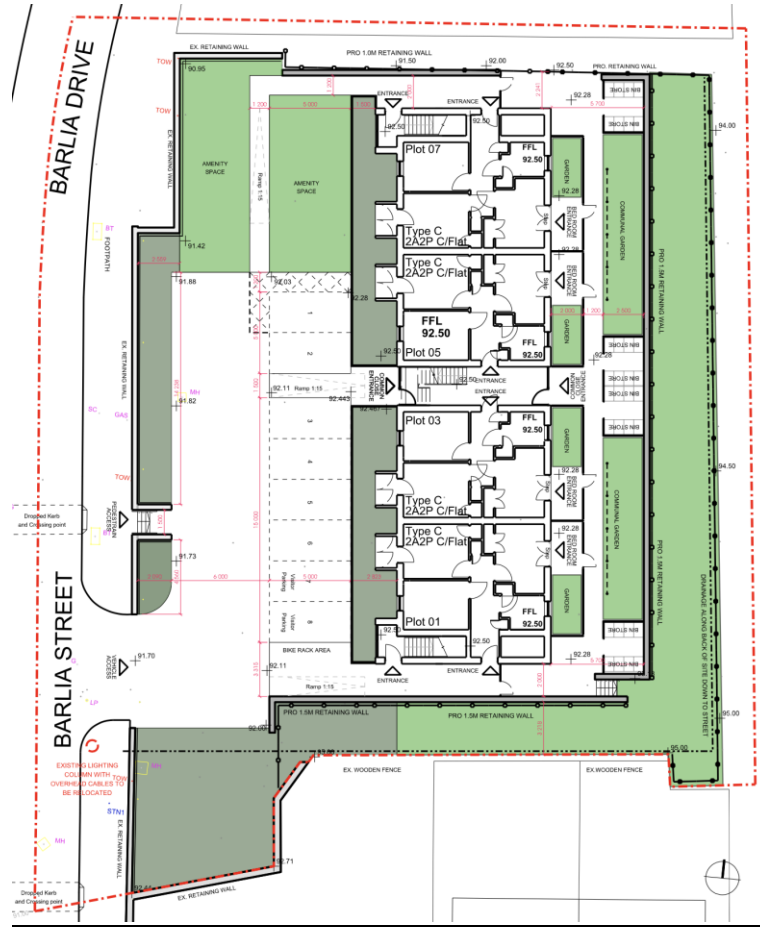
2.1.20 Due to the challenging topography of the site, there was limited in the number of units that the site could reasonable accommodate.

2.1.21 During late summer/early autumn of 2020 we will see completion of 8 cottage type houses for elderly and disabled tenants.

2.1.22 House mix

House Type	Description	Number	House Size
Flat	Cottage Flat	8	2 Apt/ 2 person

2.1.23 Site plan



2.1.24 Labour Club site under construction November 2019



2.1.25 Old “Local Repair Office” – 6 Barlia Street (0.12 Hectares)

2.1.26 The Association acquired this site from City Property in March 2017. Situated across the road from the old Labour Club site, this site will allow future residents easy access to many local amenities in the heart of Castlemilk.

2.1.27 This property was previously used by City Building as their repairs base in Castlemilk. However, the property has been vacant for several years.

2.1.28 This site will provide 12 flats for rent, all 3 apartment in size, anticipated to be off site in late summer/early autumn of 2020.

2.1.29 House mix

House Type	Description	Number	House Size
Flat	Tenemental flat	12	3 Apt/ 4 person

2.1.30 Site plan



2.1.31 Digital image of how Site D will look after construction



3. Approved projects

3.1 57-85 Castlemilk Drive (Estimated 2 Hectares)

- 3.1.1** The Association acquired two significant and prominent sites in 2009 as part of the stock transfer from GHA.
- 3.1.2** Both sites are located on Castlemilk Drive adjacent to the main bus routes, local primary school and shopping centre. Demand for this location is high and we anticipate that new housing will be popular within the local community.
- 3.1.3** Due to the topography of the sites, the only real development option was to design for flatted dwellings to maximise the use of the sites and create the best response to meeting housing need.
- 3.1.4** A public consultation event was held during the summer of 2018, in line with the requirements for planning applications for developments in excess of 50 units.
- 3.1.5** The project received grant approval from the Glasgow City Council in March 2020 and a site start is anticipated in Autumn 2020 with completion by the summer of 2022.
- 3.1.6** The project is being developed as a negotiated Design and Build with Cruden Homes (West). It will be developed to meet the 'Glasgow Standard' required by Glasgow City Council in terms of energy efficiency, space standards, and security standards.
- 3.1.7** Crudens have employed Hypostyle Architects and G£ Engineers as their main designers. Cassiltoun has employed Reid Associates as Cost Consultants.

3.1.8 House mix

House Type	Description	Number	House Size
Flat	Tenemental flat	47	3apt/ 4 person
Flat	Tenemental flat	1	3 apt/3 person
Flat	Tenemental flat	12	2 apt/ 2 person

3.1.9 Key financial summary

	£
Works cost	8,623,610
Other costs	1,121,861
Total scheme costs	9,745,471
<i>Funded by:</i>	
Grant assistance	5,940,000
CHA reserves	1,305,471
Private Finance	2,500,000

3.1.10 57-85 Castlemilk Drive Elevation example



4. BLOCKS FRONT ELEVATION

3.1.11 57-85 Castlemilk Drive Site layout



HYPO
STRIVE

HYPOSTRIVE Architects
www.hypostrive.co.uk

Cruden Estates Ltd.
Casellton HA
Castlemilk Drive, Castlemilk

Site Layout

3609 AL_0_101 D

4. Pipeline projects

4.1 Nursery Site (Adjacent to Barlia Way) (Greenfield Site)

- 4.1.1** The Nursery site in Castlemilk is a large area of land surrounded by Castlemilk Park owned by Glasgow City Council. It was previously used by Glasgow City Council to grow plants and flowers for the parks and hanging baskets around the city.
- 4.1.2** The Council provided CHA with funding to undertake a feasibility study, seeking to review the viability of carrying out a housing development at the site. Cassiltoun commissioned Collective Architecture to undertake the study during 2017/18. An outcome of the study was that a capacity of 137 units was identified for the site. Approval to proceed with the scheme was given by GCC in 2019, although there was an indication that a slightly less dense scheme would be favoured.
- 4.1.3** The basis of the approval was also that 60% of the housing would be for private housing with 40% being for social rented. Due to the mixed tenure requirement for the site, the Association took the approach of seeking to involve contractor, namely Crudens with whom the Association is on site with and in negotiations with for the other two main development projects.
- 4.1.4** A design team was appointed in 2019/20 that included Collective Architecture, G3 Engineers, Brown and Wallace Cost Consultants, Carbon Futures Energy Consultants and Raeburn/Farquhar/Bowen (Landscape Architects).
- 4.1.5** The opportunities afforded by the site were identified by Cassiltoun as not just to meet housing need; it was viewed as an ideal setting for the location of a Social Enterprise and Wellbeing Centre (SEWC), tying in with the Association's aspiration to expand the business operations within the local area.
- 4.1.6** An application has been made for Lottery funding to assist with the design and construction of the SEWC with a view to then making further charitable and trust applications to realise the aspirations for the Centre.
- 4.1.7** The design development of the housing element and the SEWC are running separately but in tandem by the same design team.
- 4.1.8** It is envisaged that a Planning Approval application for the housing element of the project will be submitted to GCC by late 2020/ early 2021.

4.1.9 Nursery site digital image



4.1.10 Nursery site layout (draft June 2020)



5. Applying Development Principles to our Pipeline Projects

1. Strategy

There is a strategy underpinning the timing of our developments to ensure the organisation is not overloaded in terms of workload, letting requirements and financial commitments. There is a clear understanding of why the organisation plans to develop, what it plans to develop and how this integrates to the organisation's business strategy- in terms of potential future stream of rental income and the capital cost of development. The Development Consultant updates the Regeneration Sub-Committee on a quarterly basis with progress on development, to review risks and to propose any approvals required to move to the next stage of the process.

2. Risk

The Association reviews its strategic risk register to establish the key issues faced when new build housing development is being undertaken. This includes:-

- Finance and borrowing capacity
- Development skills and site management
- Ensuring that we have a team of independent advisors in place to assist the process and provide the Board with assurance.

During development and construction phases of new build sites the Association works closely with the design team and contractors to ensure:-

- Health and safety is managed
- A programme of work is agreed and monitored
- Costs are monitored and reported on
- Quality control procedures are in place (Development Consultant and Clerk of Works service)
- The Board are regularly updated
- Staff are kept up to date with progress
- Our control procedures pick up any identified weaknesses in advance to allow corrective measures to be put in place.

During 2017/18 our full suite of development policies and procedures were reviewed and updated to ensure that we take an appropriate approach to meeting legislative and good practice requirements. Additional policies, such as Community Benefits Policy, have been introduced in the intervening period. During 2020/21, a further review of all development policies will take place.

Risk registers for each scheme are regularly updated and reported to the Board every three months.

3. Product

After many years improving the physical, environmental and social conditions in Castlemilk the Association has been successful in sustaining tenancies and making the east side of Castlemilk a desirable place to live.

As a result, demand to live in our area is high as illustrated in the waiting list and transfer tables below:

647 people seeking alternative housing

WAITING LIST APPLICANTS (as at May 2020)							
Apartment Size	2 Apt	3 Apt	4 Apt	5 Apt	6 Apt	7 Apt	TOTAL
Number on list	136	158	107	34	5	1	441

INTERNAL TRANSFER APPLICANTS (as at May 2020)							
Apartment Size	2 Apt	3 Apt	4 Apt	5 Apt	6 Apt	7 Apt	TOTAL
Number on list	51	91	49	13	2	0	206

New housing supply is an expensive and scarce resource which must be used to maximise housing need therefore the Association will consider the bigger picture by carefully assessing overall housing demand and need to maximise opportunities for as many people as possible.

For every 10 new houses built we would like to satisfy 15 people or families housing need therefore, in practice and where possible, we will transfer tenants who are under occupying or overcrowding properties to free up these properties for people who are also needing the housing that becomes available as a result. Our approach will be to prioritise to ensure that our allocation policy and targets are adhered to.

In the years when new housing supply is complete and available to let the Association will review our void procedures to ensure that properties re-let meet the expectations of applicants.

At the last tenant satisfaction survey, 93% of our tenants indicated they were satisfied with the condition of their home when moving in. This was a significant

improvement from the previous survey which reported 80% satisfaction. This has been facilitated by the hard work of staff and a thorough review of void management procedures and budget.

4. Capacity

The Association entered into a 3-year contract with Edwards Macdowall Consulting Ltd (2017-2020) and this was extended in March 2020 for a further two years, to assist with the project management of the development programme. Alongside this external resource, the team at Cassiltoun has the capacity to absorb the flow of work arising from the planned expansion. This will be kept under review.

5. Governance

Senior staff have transferable skills in general project management, risk management and financial management to oversee the development programme. Development-specific training has taken place for the Governing Body to ensure that Member of the Board of Management are equipped to effectively discharge their duties.

6. Appraisal

Key milestones have been set for each project for which a 'stage and gate' process is being followed. This is to ensure the continuation of the project at each milestone is decided based on the information available at the time, including the business case, risk analysis and critically financial appraisal. Outwith the formal milestones, regular reporting to Board of Management and Regeneration Sub-Committee assists with on-going assessment of the viability of each scheme.

7. Funding

The Association in the first instance seeks the support of Glasgow City Council for grant funding towards the overall cost of new build housing.

In addition, the other traditional funding routes are:-

- Using our own resources
- Borrowing from lenders (banks)

For the non-housing element of our newbuild programme, namely the planned SEWC at the Nursery site, external grant funding such as Lottery and Scottish Government Capital Regeneration Funding is sought, along with other smaller trusts and non-repayable funding opportunities.

HRC Limited assists the Association in securing the best deal for private finance. We work with our advisors to establish the current lending appetite amongst banks and building societies well in advance of any new site development. A key sign off before entering into a building contract is confirmation that sufficient grant funding is in place alongside our own resources and private finance deal.

8. Project management

As noted above, The Association has entered into a contract with Edwards Macdowall Consulting Ltd to assist with the project management of the development programme. A system of reporting has been established to ensure appropriate project management processes are adhered to.

9. Procurement

Cassiltoun HA has in place a procurement policy, which guides the organisation in its procurement activities. Approval from any proposed deviation from this is sought in advance from the Board of Management.

Specifically, in relation to development, the Association has been listed on the procurement framework set up by Link Group. This allows efficiencies to be achieved in the procurement process, while still working within the requirements of the relevant procurement legislation.

10. Stakeholders

Cassiltoun will continue to actively manage and build constructive relationships with stakeholders including tenants, service users, funders, Scottish Housing Regulator, Glasgow City Council, contractors and the Scottish Government.

On-going relationships with the local community, Glasgow City Council, SHR and funders are nurtured as part of the overarching approach to delivery of service at CHA.

With regards to local community engagement, the Association goes beyond the minimum requirements set. The Nursery site feasibility study is a good example of how we used existing events, often linked the Castlemilk Park programme of activities, to engage with the local community on their aspirations for the site and the local area.

5. Time Scales and Conclusion

- 6.1 By Autumn 2020, the Association will see for the first time in a number of years its first new build units coming off site, helping to meet housing demand in the area and contributing to the physical regeneration of the east of Castlemilk.
- 6.2 This will begin a rolling programme of completions that will extend into 2023/24.
- 6.3 This period will be challenging however we have allocation, void management and development plans in place that are understood by all our staff. With good planning and clear communication, the Association is confident that this will be a successful and exciting time.
- 6.4 To further support our planning framework, we will review our staff structure to ensure it is appropriate to the changing needs and size of the organisation.