

Agenda item:

Title of meeting: Cabinet Member for Housing

Date of meeting: 16th March 2015

Subject: TIPTON HOUSE & EDGBASTON HOUSE REFURBISHMENT CONSULTANTS

Report by: OWEN BUCKWELL – HEAD OF HOUSING & PROPERTY SERVICES

Wards affected: St Thomas

Key decision: Yes – Over £250,000

Full Council decision: No

1. Purpose of report

- 1.1 To seek permission to appoint an external lead consultant to undertake a feasibility study, design and manage a scheme to improve and maintain 2No high rise blocks of flats, Tipton House and Edgbaston House.
- 1.2 To seek permission to initially spend £100K for external lead consultants to undertake a full structural survey and feasibility study, providing detailed costed options to achieve the client brief for the project.

A further report will be submitted to the Cabinet Member for Housing by December 2015 to seek approval to proceed with the refurbishment works and will be dependent on the options assessed as part of the feasibility study. The report will include a financial appraisal for the cost of the works together with the additional associated fees to design and manage the project with the same lead consultant, which are estimated to be a further £700K. The additional services required will include;

Design development of the agreed option, preparing detailed design and specification for all planning/ building control approvals, procurement of a contractor to undertake the project, contract administration services together with project management until handover and cost control until settlement of final account.

- 1.3 If approved, it is anticipated that the consultant would commence the feasibility study in June 2015 and the outcome of the feasibility report will be reported to the Cabinet Member for Housing by December 2015. If permission is given to proceed with the scheme it is anticipated that a contractor will commence on site during 2017.

2. Recommendations

i. That approval is given to accept a tender for a lead consultant based on an estimated overall budget of up to £800K for the initial feasibility study, design and management of the scheme.

ii That following a full tender evaluation, authority to enter into contract with the preferred bidder is delegated to the Head of Housing and Property Services in consultation with the Head of Finance and Section 151 Officer.

lii That approval is given to spend up to £100K for the initial structural and feasibility report including costed options.

3. Background

- 3.1 All the properties in Tipton House and Edgbaston House are located within the St Thomas ward; both blocks are 18 storeys high and were constructed in 1966 using the 'Bison' precast concrete panel construction method.
- 3.2 Tipton House and Edgbaston House both contain 136no properties each; therefore there will be 272no properties included within the proposed scheme. Each block contains a 50:50 mix of one and two bedroom flats.
- 3.3 There are two leaseholders that will be affected by the scheme; one leaseholder is present in each of the blocks.
- 3.4 The age of the blocks is such that to ensure any refurbishment works are viable an assurance is required that the building structure will be sustainable as a lettable asset for at least 30 years.

It is proposed that a full structural survey will be undertaken and any structural work identified will be incorporated within the proposed scheme. If it is not viable to refurbish the blocks a further report will be submitted to the Cabinet Member for Housing recommending an alternative project.

- 3.5 Both blocks have poor thermal performance due to their height and the built construction method, typically they have an average RdSAP rating of 52 (Band E) compared to a PCC housing stock average RdSAP rating of 71 (Band C). The non-traditional construction of the blocks with regard thermal improvements is considered 'hard to treat'.

It is proposed that the refurbishment strategy is a whole building approach wrapping the envelope of the building to improve the thermal performance of the structure by undertaking external wall insulation, installing replacement triple glazed windows and a new insulated flat roof.

3.6 The blocks were originally heated using electric underfloor heating. As this has failed electric night storage heaters have been installed and there is currently a mixture of heating within the individual properties. Together with the electric hot water system this is both inefficient and costly for residents.

It is proposed to install new efficient electrical heating to all properties that is designed appropriately to meet the heating requirement of the properties new improved thermal performance as part of the scheme. Also incorporated within the scheme will be improved hot water heating and storage together with installation of MVHR units will both improve the running costs of the blocks.

3.7 The external and communal areas to both blocks are dated aesthetically and the communal areas require updating to meet current demands such as mobility scooters and improved main entrances. Both blocks are in the heart of Somerstown and have had extensive regeneration works undertaken around them.

It is proposed to redecorate or clad as appropriate all the external and communal areas as necessary to improve the aesthetic appearance of the blocks. The brief for the feasibility will include incorporating modernisation of the blocks to meet current demands including assessing storage for mobility scooters, improved entrances with enclosed lobby's, installation of Photo Voltaic (PV) panels and fire safety measures to maintain the block.

3.8 Within the PCC asset management strategy and 30 year business plan is the overall plan to refurbish the entire housing stock of high rise blocks of flats. High rise blocks of flats account for approximately 10% of the housing stock and it is necessary to maintain them as lettable assets for the next 30 years, ensuring they continue to meet modern demands of residents and future thermal performance.

It is anticipated that the construction work at Tipton House and Edgbaston House will follow on from Wilmcote House within the overall capital programme.

3.9 The estimated costs of the lead consultants throughout the project from feasibility study to completion of the works and agreeing the final account are as follows;

Financial Year	Estimated Cost of Lead Consultant
2015/2016	£325,000
2016/2017	£225,000
2017/2018	£150,000
2018/2019	£75,000
2019/2020	£25,000

4. Reasons for recommendations

- 4.1 The proposed works are of a specialist nature, it is recommended that external consultants who are specialists in this field are best placed to offer workable solutions and add value to the project. This has been demonstrated by the Wilmcote House project where external consultants were able to develop the original PCC brief with a solution that exceeded expectations.
- 4.2 PCC surveying teams currently do not have the capability, skill or experience to undertake a project of this type as it is outside the scope of traditional planned maintenance schemes that are undertaken. Whilst the PCC in-house team is capable of managing traditional planned projects, it is predominantly an inexperienced team with a high proportion of graduates. Knowledge will be gained from the consultants that will inform and improve other planned maintenance projects undertaken by the team.
- 4.3 The scale of the project and estimated duration of the work would have a significant impact on the PCC resources in-house and the capacity of the team to undertake other planned maintenance projects to the remaining housing stock, utilising external consultants will enable the PCC in-house team to focus on the rest of the demand for planned maintenance.
- 4.4 As both blocks are adjacent to each other and identical, packaging both blocks together should gain efficiencies for developing the design, procuring and managing the project. There should also be efficiencies at the contractor stage procuring both blocks as one contract.

5. Options considered and rejected

- 5.1 An option considered and rejected was to undertake the project using the PCC in-house team.

This option was rejected as the team does not have sufficient experience, knowledge or capacity to solely manage a project of this complexity and scale.

- 5.2 An option considered and rejected was to not undertake the planned work.

If the work is not undertaken the blocks will deteriorate and will eventually not become a viable asset, this could eventually result in excessive maintenance costs or ultimately demolition. Ultimately the loss of 272no assets from the Housing & Property Services portfolio of stock would adversely impact on the local community and PCC rental income.

The works form part of the asset management strategy and 30 year business plan to maintain and improve our properties.

6. Duty to involve

- 6.1 Tipton House and Edgbaston House both have established resident panels and once the consultants have been appointed it is planned to engage with the groups at the earliest opportunity as part of the feasibility study.

A PCC Resident Liaison Officer will be assigned to undertake consultation and open days at various stages including before the designs are finalised, when a contractor is appointed and at various stages during the construction of works on site.

The aim of the consultation will be to engage with all the residents so that they are involved in all aspects of the design and procurement of a contractor as well as supported throughout the works. The lessons from the early resident engagement undertaken at Wilmcote will be applied to this project.

- 6.2 The two leaseholders will be consulted early in the project so that they are fully aware of their responsibilities under the lease, options to pay their contributions and support available from PCC.

- 6.3 A Planning application will be required to be submitted at which point all residents within the wider community will be consulted regarding the proposed scheme.

- 6.4 The consultancy service required specifically states that the consultant should work with PCC to provide resident consultation and allow for the design team to attend a specific number of open day events.

7. Implications

- 7.1 It is considered that the works will have a positive impact by helping to maintain the properties, whilst also improving the living environment of the individual properties, visual appearance of the blocks and the surrounding area.

- 7.2 The works will have positive implications by ensuring that PCC maintains good quality housing that is easily lettable.

- 7.3 There are two leaseholders within the blocks, there may be implications regarding the cost of the project or charges to leaseholders, however the Leasehold & Commercial team will engage with the leaseholders to discuss options available to them.

- 7.4 There is potential for negative implication due to the disruption to residents during the works. Measures will be undertaken to manage this risk and keep resident disturbance to a minimum during the works and provide respite areas as necessary.

- 7.5 The work is subject to the normal legal risk relating to building work, the financial and technical competence of the chosen contractor together with the disruption

that the work will cause to the occupiers generally. These should all be subject to existing risk control assessment and mechanisms for such work and as such minimised before work commences.

8. Corporate Priorities

- 8.1 The report and the planned maintenance works will contribute to the following corporate priorities.
- 8.2 Shaping the future of Portsmouth, a strategy for growth and prosperity, action no. 16, to improve the housing stock, including carbon emissions.
- 8.3 Shaping the future of housing, a strategic plan for Portsmouth for better housing and better health. The maintenance of Portsmouth's stock of residential properties is a priority as detailed in theme 5.

9. Equality impact assessment (EIA)

- 9.1 An EIA is not needed for this project. The project will not affect any equality group unequally and this no adverse impact on people who belong to any of the equality groups. Residents who live in the blocks affected by the project will be consulted on the work and specific needs will be address so that tenants with protected characteristics can be fully involved in the consultation. The project is expected to have positive outcomes for all current and future tenants.

10. City Solicitor's comments

- 10.1 The legal risks referred to at paragraph 7.5 above will be addressed through a detailed procurement process in compliance with the Council's Contracts Procedure Rules and managed under the terms of the resulting contract.
- 10.2 Under Part 2, Section 3 of the City Council's Constitution (responsibilities of the Cabinet) and further in accordance with the Scheme of Delegations at Appendix A to the Executive Procedure Rules in Part 3 of the Constitution, the Cabinet Member for Housing has the authority to approve the recommendations set out in this report.

11. Head of Finance's comments

- 11.1 This scheme forms part of line 11, Major Repairs Dwellings, within the Housing Investment Programme which was formally approved by Full Council on 10 February 2015.
- 11.2 The complete scheme, which will funded by Housing Revenue Account Contributions and Leaseholder Contributions, will ensure the ongoing structural integrity of the blocks and help protect against future deterioration, reduce ongoing cleaning and maintenance costs and maintain their letability for the next 30 years.

- 11.3 Following the completion of the initial structural and feasibility work, a detailed financial appraisal, approved by the Head of Finance and Section 151 Officer, will be required before construction work can commence.

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Signed by:

Owen Buckwell – Head of Housing and Property Services

Appendices:

NIL

Background list of documents: Section 100D of the Local Government Act 1972

NIL

The recommendation(s) set out above were approved/ approved as amended/ deferred/ rejected by the Cabinet Member for Housing on 16th March 2015

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Signed by:

Councillor Steve Weymss