

THE EXECUTIVE

15 AUGUST 2006

REPORT OF THE CORPORATE DIRECTOR OF CUSTOMER SERVICES

This report is submitted under Agenda Item 14. The Chair will be asked to decide if it can be considered at the meeting under the provisions of Section 100B(4)(b) of the Local Government Act 1972 as a matter of urgency in order not to delay the reprofiling of the budget to assist in the delivery of the project.

BARTLETTS HOUSE AND OLDMEAD HOUSE REFURBISHMENT	FOR DECISION
<p>Summary:</p> <p>Following the Executive approval to proceed with the refurbishment of these blocks on 18 January 2005, and the more detailed report of the 13th of September 2005, this report updates the Executive on the budget and the funds needed to bring the blocks to the Decent Homes Standard Plus.</p> <p>Members are asked to agree the use of the £4.25 million previously agreed in the Executive report of 13 September 2005 and the transfer of additional £1.2 million provision for Bartletts and Oldmead within the Decent Homes Capital Programme to give a total budget of £5.45 million.</p> <p>Wards Affected: Village</p>	
<p>Implications:</p> <p>Financial: Expenditure during 2006/07 is limited to the construction start up costs and consultant design fees of around £700,000. Most of the remainder of the expenditure, approximately £4,700,000, will be spent in 2007/8 with only retention remaining in 2008/9.</p> <p>Funds need to be brought forward from within the future capital programme budget so as not to affect the existing 2007/8 programme.</p> <p>Legal: There are no legal implications</p> <p>Risk Management: The high level of spending proposed to these blocks cannot be afforded when dealing with other blocks</p> <p>Social Inclusion and Diversity: There are no specific adverse impacts.</p> <p>Crime and Disorder: There are no specific implications.</p>	
<p>Recommendation(s)</p> <p>The Executive is asked to:</p> <ol style="list-style-type: none">1. Note the progress of the project to date;2. Agree the revised budget for this scheme of £5.45m for amendment and reprofiling within the capital programme, as identified within paragraph 2.3.	

3. Note that a further report will be presented to the Executive to seek approval for the appointment of the constructor in September 2006 following the budget approval.
4. Agree the proposals for resident liaison and consultation, whereby residents will decide on the priority of non essential improvements.

Reason(s)

The proposed methodology and programme will assist the Council to achieve its Community Priority of 'Improving Health, Housing and Social Care'.

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1. Introduction and Background

- 1.1 Over the past ten years little has been spent on the councils high rise structures and many are now in a poor condition. This project is not only about the end product of a good state of repair and reaching the Decent Homes standard, it is also about getting the delivery mechanism and process right so as to achieve value for money in the delivery of the construction works and causing minimal disruption to residents.
- 1.2 On 18 January 2005 the Executive agreed to allocate higher than expected 2004/5 Right-to-Buy receipts to the Housing Capital Programme to be spent across the years 2005/06 and 2006/07, to fund the refurbishment of Bartletts House and Oldmeads House.
- 1.3 The higher than expected receipts were initially anticipated to be £5.7 million, but fell back to £4.25 million as the level of sales dropped in the second half of the year. This project is not only expected to bring the minimum of Decent Homes Standard but expected to go much further in demonstrating how high rise blocks could be developed to a liveable standard – the Decent Homes Plus standard.
- 1.4 The current position is that the design team are building specifications and works protocols to get firm prices on both core works and cost options.

2. Project Budget

- 2.1 The difference between the current estimated project cost and identified funding has resulted in a situation where expectations have been raised amongst residents that the scheme will produce a modern liveable block; the reality is that if just £4.25 million is spent little more will be achieved than the very basic Decent Homes standard.
- 2.2 The Housing Futures report was based on information from the Council's stock condition survey, and this contained the cost estimate to bring all our stock up to the Decent Homes standard by 2010. Bartletts and Oldmead Houses had some provision within the Housing Futures plan totalling £1.2m up to 2010/11.

- 2.3 In order to progress the proposals in this report, it is proposed to transfer the budget sum of £1.2m from the Housing Futures 2008/09 budget to the existing budget of £4.25m to bring the total revised budget to £5.45m for this scheme, to be allocated as £700,000 in 2006/07 and £4.75m in 2007/08.
- 2.4 Should this be approved, a further report will be submitted to the Executive in November 2006 requesting approval to accept tenders for a Main Works Contractor.
- 2.5 The programme targets completion of the final design and pre-construction works in time for a start on site in early 2007, with completion of the project in early 2008.

3. Informing Housing Futures Process

- 3.1 The Council has around 40 high rise blocks within its existing stock, of which Bartletts and Oldmead Houses will be the first to be refurbished to meet the Government's Decent Homes Standard. Work will be ongoing to develop information as to costs and budget that will be available to any Housing Futures PFI bid.

Background Papers

- The Executive , 18 January 2005, minute no. 257
- The Executive , 13 September 2005 minute no. 117