

## REPORT TO CABINET

14 November 2018

<b>Subject:</b>	<b>Refurbishment of Alfred Gunn House</b>
<b>Presenting Cabinet Member:</b>	<b>Councillor Kerrie Carmichael - Cabinet Member for Housing</b>
<b>Director:</b>	<b>Executive Director - Neighbourhoods - Dr Alison Knight</b>
<b>Contribution towards Vision 2030:</b>	
<b>Key Decision:</b>	Yes
<b>Forward Plan (28 day notice) Reference:</b>	SMBC04/10/2018
<b>Cabinet Member Approval and Date:</b>	Councillor Carmichael 4th October 2018
<b>Director Approval:</b>	Dr Alison Knight
<b>Reason for Urgency:</b>	Urgency provisions do not apply
<b>Exempt Information Ref:</b>	Exemption Provisions do not apply
<b>Ward Councillor (s) Consulted (if applicable):</b>	Ward Councillors have been consulted and there will be on-going consultation with Ward Councillors throughout the works.
<b>Scrutiny Consultation Considered?</b>	Scrutiny have not been consulted.
<b>Contact Officer(s):</b>	<p>Steve Greenhouse Service Manager – Asset Management and Maintenance 0121 569 6441</p> <p>Simon Parry Business Manager – Contract Procurement and Improvement Programmes 0121 569 2949</p>

## DECISION RECOMMENDATIONS

### That Cabinet:

1. Authorise the Director - Housing and Communities, in consultation with the Executive Director – Resources, to prepare tendering documentation and to procure a contractor, in accordance with The Public Contracts Regulations 2015 and the Council's Procurement and Contract Procedure Rules, working on behalf of the Council, to deliver the Refurbishment of Alfred Gunn House.
2. Authorise the Director – Housing and Communities, in consultation with the Executive Director – Resources, to include the proposed new build council housing scheme to be covered by a separate report to Cabinet in January 2019, within 1 above, subject to approval.
3. Authorise the Director - Housing and Communities to award the contract for the Refurbishment of Alfred Gunn House and new build council housing scheme, as referred to in 2 above, to the successful contractor.
4. Authorise the Director – Monitoring officer to enter into or execute under seal any documentation in relation to the award of the Refurbishment of Alfred Gunn House and the new build council housing scheme, subject to 2 above.
5. Approve the inclusion to the project of constructing 10 new 2 bedroom flats on the roof of the existing Alfred Gunn House building.

## 1 PURPOSE OF THE REPORT

- 1.1 To seek approval to procure, award and enter into contract with a contractor to deliver the Refurbishment of Alfred Gunn House and potential new build housing scheme within its footprint to continue the substantial investment in the Council's Housing Stock.

## 2 IMPLICATIONS FOR SANDWELL'S VISION

- 2.1 *Ambition 1 – Provide good quality homes that raise the aspirations of families.*
- 2.2 These developments will provide a complete transformation of the existing building creating dwellings that will meet people's needs. The environment around the block will be modernised to provide much needed car parking as well as a more aesthetically pleasing area.

The new build scheme, subject to approval, will not only make good use of the redundant space but also provide new council housing as part of the ongoing programme of redevelopment within Sandwell.

- 2.3 *Ambition 3 – Our workforce and young people are skilled and talented, geared up to respond to changing business needs and to win rewarding jobs in a growing economy.*
- 2.4 The delivery of this project will support investing in businesses, people and jobs that will create wealth and tackle poverty. It will also actively promote Think Sandwell with the inclusion of apprenticeships and training opportunities within the contractual arrangements.
- 2.5 *Ambition 7 – Delivery of development opportunities near to key transport routes.*
- 2.6 Alfred Gunn House and the adjacent land are situated close to excellent infrastructure including Langley Rail Station and main roads.
- 2.7 *Ambition 8 – Our distinctive towns and neighbourhoods are successful centres of community life, leisure and entertainment where people increasingly choose to bring up their families.*
- 2.8 The significant investment to the block and surrounding immediate area will provide housing which can be used to promote families choosing to move into and stay in Sandwell and being proud of the town and area in which they live.

### **3 BACKGROUND AND MAIN CONSIDERATIONS**

- 3.1 This report seeks the approval to procure, award and enter into contract with a contractor to carry out the refurbishment of Alfred Gunn House. Should approval be given to the new build social housing scheme within the footprint of Alfred Gunn House, that similar approvals are given as part of a separate report to Cabinet in January 2019.
- 3.2 Alfred Gunn House was built in 1962 and comprises of 120 flats. It is located on Thompson Road in Langley and is close to key rail and road transport links.
- 3.3 On 18<sup>th</sup> October 2017 Cabinet approved the Housing Revenue Account (HRA) – Housing Investment Programme report. The report set out a refreshed 10 year HRA investment plan to enable the delivery of new build projects, continue investment into existing stock and communal spaces in our neighbourhoods.

- 3.4 One of the key aspects to the report was to maintain our existing stock.
- 3.5 The Council has delivered a programme of improvements to High Rise Blocks of flats across the Borough generally including improvements to the external fabric such as new windows, surface treatment such as render and cladding and roofing works together with improvements to the communal areas such as new entrances, fire retardant paintwork and fire doors.
- 3.6 The high-rise refurbishment projects have been a highly visible sign of the significant investment Sandwell has made in its stock and has proved popular with residents and visitors alike.
- 3.7 In the late 1980's Alfred Gunn House received some low-level improvements to the external façade including new windows and entrance porches. The internal corridors were repainted in recent years and during 2010-11 the individual flats were improved through Sandwell's HRA funded capital investment programme.
- 3.8 Analysis of tenancy data shows Alfred Gunn House has a relatively high turnover and shorter than average tenancies.
- 3.9 One factor the local team have already identified as particularly problematic is related to the 57 3 bed units in the block. Properties of this size would typically house families but high-rise accommodation is not highly desired within that demographic. Consequently, the proposal is to remodel the accommodation to provide more desirable 2 bed units.
- 3.10 Alfred Gunn House is ideally located close to key transport link. Improving the external appearance and the accommodation on offer should help increase demand from commuters who will benefit from easy access to Langley Train Station and Junction 2 of M5.
- 3.11 Within a separate report, at the January 2019 Cabinet meeting, consideration will be requested for a new build, social housing scheme built on the approximately 12,000m<sup>2</sup> of land that surrounds the block.

#### **4 THE CURRENT POSITION**

- 4.1 Over the past 20 years we have invested in the external façade and communal areas of our high-rise buildings.
- 4.2 The Cabinet Report of 18<sup>th</sup> October 2017 included a commitment to complete the refurbishment of the final 13 high rise blocks managed by the Council.

- 4.3 The priority of these remaining blocks is Alfred Gunn House based on its condition. Owing to a lack of major investment the external façade and communal areas are looking dated and the car parking and grounds require improvements to make these spaces more useable and attractive.
- 4.4 There are ongoing issues with the internal soil stacks, which have begun to fail owing to the age and condition of the pipework.
- 4.5 The scope of works is identified to significantly improve the existing building will include improved entrances and security systems, a new pitched roof, improvements to the balconies, new windows throughout, upgrading fire protection, decoration and lighting in the communal areas and corridors.
- 4.6 To improve reliability the existing two lifts within the block will be replaced.
- 4.7 The external of the block will receive rain screen cladding that will conform with all relevant regulations. This treatment will not only improve the look of the block but will also improve energy efficiency which will assist in lowering tenant's fuel bills.
- 4.8 With the issues related to demand in the block for the 3 bed properties these will be remodelled into 2-bedroom accommodation in order to maximise occupancy.
- 4.9 Further remodelling will be required to 12 x 2 bed flats as a consequence of improvements relating to fire protection. Alfred Gunn House comprises of 3 interlinked blocks that are served by a staircase at the furthest points. In order to reduce the excessive travel distance from one staircase to the other a new staircase is planned that will serve as a midpoint.
- 4.10 The feasibility of constructing new flats on the roof of the existing block have been concluded and it is proposed to provide an additional 10 x 2 bed flats to this space. A similar scheme was developed and implemented at Lancaster House and has proved successful. These however, subject to approval, are dependent on satisfactory negotiations with the telecommunications suppliers that have equipment situated on the current roof area.
- 4.11 The current ground floor areas are generally occupied by redundant storage sheds. As part of the scope of works, this space will be remodelled to provide 4 x 2 bed new flats subject to technical solutions.
- 4.12 The landscaping directly around the block will be improved including the provision of much needed additional car parking.

- 4.13 At present, there are four properties in the block that became available through the voids process that are now being used for emergency temporary accommodation. It is anticipated that a further 9 flats will be used over the next few months for the same purpose prior to the commencement of the works.

## **5 CONSULTATION (CUSTOMERS AND OTHER STAKEHOLDERS)**

- 5.1 Information regarding the scope and choices associated with the refurbishments works will be shared with tenants and local members. As we move through the programme relevant updates will be contained in future publications of the Sandwell Herald and our social media platforms. Initial consultation has been held with the Bristnall Ward Councillors and this will continue throughout the works.
- 5.2 With the remodelling works to downsize the number of bedrooms within the properties, the provision of the additional staircase, new flats potentially being constructed on the roof and the overall programme of works to improve the block a schedule of consultation and communication will commence, subject to approval. Through this consultation the impact on tenants will be assessed to understand the level of decanting required to achieve the outcomes of the refurbishment.

## **6 ALTERNATIVE OPTIONS**

- 6.1 The alternative is to not invest in our Council Housing Stock which in turn may lead to dissatisfaction from existing and potential new tenants as well as disrepair and additional burden on the Housing Revenue Account.

## **7 STRATEGIC RESOURCE IMPLICATIONS**

- 7.1 The annual budget for the Refurbishment of Alfred Gunn House is contained within the High Rise External Improvements Budget line in Appendix 1 - HRA Investment Plan 2017/27 of the Housing Revenue Account Housing Investment Programme approved by Cabinet in October 2017.
- 7.2 The budget for the refurbishment, as detailed above, is £11.8m including the provision of new flats on the roof and within ground floor areas.
- 7.3 The new build social housing scheme will be covered by a separate report. Funding for these works form part of the New Build budget line as approved within the report highlighted at 7.1 above.

## **8 LEGAL AND GOVERNANCE CONSIDERATIONS**

- 8.1 In order to comply with the Council's Procurement and Contract Procedure Rules, to procure a contractor to deliver these works it is intended to use the Delivery Partner Panel 3 framework as maintained by Homes England.
- 8.2 Advice will be taken from the Council's Procurement and Legal Services to ensure that The Public Contracts Regulations 2015 and the Council's Procurement and Contract Procedure Rules are complied with.
- 8.3 The provisions of the Public Services (Social Value) Act 2013 are included within this tender. These provisions are monitored and delivered through a series of indicators which seek to provide added Social Value outside of the physical improvement to people's homes. Examples of this include community/school activities, apprenticeships and local employment.

## **9 EQUALITY IMPACT ASSESSMENT**

- 9.1 Works will be undertaken to all properties where required as such an assessment has not been undertaken.

## **10 DATA PROTECTION IMPACT ASSESSMENT**

- 10.1 The collection and sharing of data with the successful contractors will be in accordance with the General Data Protection Regulation (GDPR).

## **11 CRIME AND DISORDER AND RISK ASSESSMENT**

- 11.1 The plans will include a review of current local issues such as anti-social behaviour and crime and wherever possible we will look to improve security measures for residents and visitors.
- 11.2 Ongoing risk assessments and inspections have been used to influence the scope of work required to the block.

## **12 SUSTAINABILITY OF PROPOSALS**

- 12.1 The funding set out within this report is part of an affordable programme that remains within our borrowing capacity limits.

## **13 HEALTH AND WELLBEING IMPLICATIONS (INCLUDING SOCIAL VALUE)**

- 13.1 The work will ensure the buildings remain wind and weather tight as well as improving the thermal efficiency.
- 13.2 The provisions of the Public Services (Social Value) Act 2012 will be incorporated into the tender documentation and will be monitored throughout the delivery of the Contract. Typically, this will give opportunities for training and employment, community and/or school based activities and work experience opportunities.

## **14 IMPACT ON ANY COUNCIL MANAGED PROPERTY OR LAND**

- 14.1 The scope of works contained within this contract will complement the HRA Asset Management strategy 2017-2020 as approved by Cabinet in October 2017 by maintaining the Council's Housing Assets and associated communal spaces within the neighbourhoods across the Borough.

## **15 CONCLUSIONS AND SUMMARY OF REASONS FOR THE RECOMMENDATIONS**

- 15.1 The procurement of this contract will continue the investment into the current stock to ensure it meets the needs of existing and new tenants. The investment will see a complete transformation of the block and the surrounding area providing modern facilities and accommodation that meets people's needs.
- 15.2 Linking in to the work of Think Sandwell with regards to supporting local businesses and the recruitment of local talent will generate Social Value opportunities.

## **16 BACKGROUND PAPERS**

- 16.1 Report to The Cabinet, 18th October 2017 Housing Revenue Account Funded Housing Investment Programme Minute no 167/17 refers.

**Dr Alison Knight**  
**Executive Director – Neighbourhoods**