

Housing Scrutiny Commission

The approach to the Refurbishment of Goscote House

Assistant Mayor for Housing: Cllr Andy Connelly

Lead director: Chris Burgin

Date: 10th. July 2017



City Mayor

Useful information

- Ward(s) affected: Wycliffe
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- Report version number: V.1

1. Summary

The purpose of this report is to inform members of the Housing Scrutiny Commission on the proposed plans for the future use of Goscote House and to seek their views on the proposals.

2. Background

Tower block refurbishment project.

The Housing Division have embarked on a project to refurbish 4 tower blocks on St Peters estate, the refurbishment of the 4th block is due to start in September 2017 and is expected to be complete in June 2018. The refurbishments that have already been completed have been well received.

The refurbishment of Goscote House.

Because Goscote House was constructed differently to the other four blocks and presents different challenges, it was agreed that a consultant would be appointed to carry out an assessment of its current condition, and recommend proposals for either its future use or disposal. As a result of this report it has been agreed that Goscote House will be refurbished and reconfigured to provide 1, 2 and 3 bedroomed flats and that it will have a full time concierge service.

The original layout had up to 7 units of accommodation on each floor which included bedsits. The proposed layout has removed these bedsits and increase the number of two bedroom flats, the net effect being an overall reduction in the total number of flats from 134 to 101.

Existing layout



AS EXISTING
5th FLOOR LEVEL
SCALE 1:50




- KEY
- Bedsit Type A
 - Bedsit Type B
 - 1 bedroom flat
 - 2 bedroom flat
- 7 dwelling units – 8 bedrooms

Proposed layout



AS PROPOSED
5th FLOOR LEVEL
SCALE 1:50

KEY

-  1 bed flat (unchanged)
 -  2 bed flat (created from Type A and Type B bedsit)
 -  2 bed flat (unchanged)
- 5 dwelling units – 8 bedrooms

The approach to the refurbishment:

The last of the four original blocks is now being refurbished so we are in a position to progress the refurbishment of Goscote House.

It is proposed to do this in two separate stages; this report will focus on the first stage, the pre-construction phase.

Pre-construction phase:

This is the work that we need to do to ensure that we appoint a competent contractor to physically do the building work.

1. Agree and carry out any necessary capital works to the block to ensure ongoing compliance.
2. Prepare the design brief to be used for the appointment of a consultant who will prepare the tender documentation.
3. Agree the timescales for the de commissioning of the block
4. Agree the budget
5. Agree the pre-construction phase project team.

Capital works.

Goscote House is of interest to the Fire Service because there have been localised fires in the recent past and several false activations of the communal fire alarm. Work to rectify these issues have been carried out and funded from the existing capital budget for fire safety works. There is a current fire risk assessment which supports the works that are being carried out.

A sprinkler system will be installed as part of the refurbishment/reconfiguration works.

Prepare the design brief:

The design brief is important because it will set out what we want to happen to Goscote House and tell the contractor what to do. This will be carried out by our in house Technical Services Team.

Timescale for the de commissioning of the block.

This is very important, we need to make sure the block is empty so that we can carry out the refurbishment but we don't want to have it empty for too long because we will be losing out on income. We also need to use some of the flats as temporary homes for those tenants whose flats are being refurbished at Maxfield House. The tenants that currently live in the bedsit will lose their homes as part of the reconfiguration works so we need to make permanent provision for them elsewhere.

What we know so far:

There are:

94 permanent tenants
5 vacant flats

34 flats being used as temporary accommodation.
(1 flat has been decommissioned due to fire safety concerns)

What will happen as a result of the reconfiguration:

Type	Existing	Proposed
Bedsit	73	0
1 bedroomed flat	38	39
2 bedroomed flat	19	57
3 bedroomed flat	0	5
4 bedroomed flat	4	0
Total	134	101

Any existing tenants that are unable to move back after the reconfiguration of the block will receive a home loss payment of £5,500.

It is proposed to reduce the financial impact to relet the vacant flats on a short term basis (explore temporary lets) and to use the decant flats as temporary homes for the residents of Maxfield House and then decommission them from October 2018 (approximate date we will start to empty the block)

It is anticipated that refurbishment/reconfiguration works are expected to cost £5.9m

Potential loss of rent will be £200k, based on decants being decommissioned in October 2018 and tenanted flats being decommissioned in January 2019. (A decision will be made on the financial viability of each let when a flat becomes void). The rent loss figure does not include the lost rent during the construction phase.

The appointing of consultants to produce the tender documents is estimated to be £100k

The next steps involve appointing a consultant to prepare the full detailed specification (it will include the fitting of a sprinkler system) and work on the detail of the project plan including agreeing the process for decommissioning the block.

4. Details of Scrutiny

This report will be presented to the HSC on the 10th July 2017

5. Financial, legal and other implications

5.1 Financial implications

The total cost of refurbishing and reconfiguring Goscote House is estimated to be £5.9m (as detailed within the report). Rent loss during the refurbishment stage will be offset by other dwellings in the tower block re-development programme coming back into use. Rent loss will also occur for the period of time prior to decommissioning the building when properties become void, and has been estimated at £200k. As noted within the report, efforts can be made to minimise these cost by letting properties on a

temporary basis when they become available.

In relation to funding, £1.2m can be made available from within the capital programme by reprofiling work on kitchens, bathrooms and rewires. The remaining £4.7m can be funded from the Major Repairs Fund (within HRA reserves) which exists to fund spikes in capital expenditure that cannot be met from in-year rents. The HRA earns interest on reserve balances so would lose approximately £24k per year by using them to fund the refurbishment. Using reserves also has an opportunity cost since they are not then available for any other purpose.

Following refurbishment and reconfiguration it has been estimated that annual rental income will be £60k-£70k lower than currently, due to the reduction in the number of dwellings. However, void levels will be reduced by having properties that meet current demands.

Stuart McAvoy – Principal Accountant (Housing) 37 4004

5.2 Legal implications

Any proposed refurbishment works and the appointment of the consultant identified in this report may be subject to the Public Contracts Regulations 2015- (“Regulations”) and the Council’s Contract Procedure Rules and as such the Council’s Procurement team and Legal services will need to be engaged to provide advice and ensure such works are procured in accordance with the Regulations.

Seema Patel- Solicitor, 37 1406

The Council is under a statutory duty to ensure the health and safety both of their tenants and other users/workers and occupiers of their premises under the Health and Safety at Work Act 1974 (as amended). In addition the Council is required to ensure its homes meet the Government’s Decent Homes Standard in respect of their dwelling being free of those defined as Category 1 hazards. Any works to the property in respect of refurbishment should be to a standard to ensure the future health and safety of the tenants and residents and other users of the property.

In respect of potential home loss payments, these will be payable to qualifying tenants on termination of their tenancies pursuant to s.29 of the Land Compensation Act 1973 (as amended) and at the amounts prescribed by the Home Loss Payments (Prescribed Amounts) (England) Regulations 2016. The Council may rely on the appropriate grounds for possession as contained in Schedule 2 to the Housing Act 1985 (as amended) subject to suitable alternative accommodation being available. Legal Services will continue to provide advice during the course of this project.

John McIvor. Principal Lawyer (Commercial, Property & Planning Team)

5.3 Climate Change and Carbon Reduction implications

None sought

5.4 Equalities Implications

None sought

6. Background information and other papers:

n/a

7. Summary of appendices:

n/a

8. Is this a private report (If so, please indicated the reasons and state why it is not in the public interest to be dealt with publicly)?

No