

# Harborough District Council



## Report to the Cabinet Meeting of 7<sup>th</sup> May 2024 (Appendix 1 Exempt)

<b>Title:</b>	<b>Refurbishment of three flats at 1-3 Plowman's Yard, Market Harborough</b>
<b>Status:</b>	Public with exempt appendix not for publication by virtue of paragraph 3 of Part 1 of Schedule 12a of the Local Government Act 1972.
<b>Key Decision:</b>	Yes
<b>Report Author:</b>	Caroline Averill, Head of Property Services
<b>Portfolio Holder:</b>	Finance, Councillor Graves
<b>Appendices:</b>	Appendix 1: Business Case for Refurbishment of 1-3 Plowmans Yard (exempt)

### Summary

Description of project	The award of a building contract to renovate an HDC owned property bringing it up to modern standards for use as temporary accommodation for homeless.
Project objectives	To provide a high quality, local solution to meet the Council's duties whilst also making a revenue saving by offering an alternative to bed and breakfast or hotel accommodation.
Project benefits	In addition to revenue savings, to provide updated residential accommodation with good insulation and low heating costs.
Key project outputs	To provide three flats to accommodate homeless individuals and families.

### Recommendations

1. That Cabinet notes the content of the Housing Services Manager's business case (Appendix 1) in respect of the refurbishment of Flats 1-3 Plowman's Yard, Market Harborough.
2. That Cabinet delegates authority to the Director of Resources (& s.151), in consultation with the Portfolio Holder, Finance, together with the Head of Legal Services to award and finalise the building contract, including any minor variations.

## Reasons for Recommendations

- i. To ensure that the Council appoints a suitable contractor to undertake the building works as described.
- ii. A direct contract award, based on the tender documentation, is the best way forward and will provide the best value for money for the project.

### 1. Purpose of Report

To inform Cabinet and seek approval to delegate the award of a building contract to a preferred contractor in connection with the renovation of an HDC owned property to bring it up to modern standards for use as temporary accommodation for homeless.

### 2. Background

- 2.1 HDC owns four flats in Plowman's Yard, off Coventry Road, Market Harborough, to provide temporary accommodation for homeless families.
- 2.2 Part of the property was a lock-up garage which has recently been converted to residential use by creating a single bedroomed flat. It is presently occupied by a formerly homeless individual who will shortly be moving into permanent accommodation.
- 2.3 Our building consultant, Rhomco, have produced a report detailing works required to remedy significant defects, including damp, heating and insulation issues within the remaining three flats and bring the accommodation up to a reasonable standard.
- 2.4 This work includes installing external wall insulation, replacing existing windows and doors, providing an internal ventilation system and replacement space heating, and reroofing the property with adequate insulation and ventilation.

### 3. Details

#### Issues Affecting Flats 1-3 Plowman's Yard

- 3.1 Flats 1-3 Plowman's Yard are showing evidence of mould thought to be caused by condensation on cold surfaces and insufficient ventilation and, as a result, the property is currently vacant and uninhabitable. Our building consultants Rhomco, were asked to undertake a visual building surveying inspection of the accessible parts of each residential flat for the purposes of recording the visible presence of any mould / damp and identify the causes, recommend mitigating works to overcome the issues identified and produce budget costs for recommended works.
- 3.2 Numerous defects and issues were identified during the investigations. Rhomco recommended removal of the roof system and replacement with a breathable roof underlay, suitable roof space ventilation, re-used slates and ceiling vapour barrier, replacement of the external wall rendering with an insulated render system and replacement of existing windows and doors. The works would need to obtain relevant Planning, Conservation, Building Regulations and Party Wall consents as required.

3.3 Following the results of the surveys, it was decided to implement a scheme of general building works to overcome the disrepair, including external roof, gutter, render and window replacement, internal injection DPC installation, stack ventilation system, upgrading heating, fire alarms and associated repairs and redecorations and Rhomco have been commissioned to provide Building Surveyor services.

### **The Business Case for Refurbishment**

3.4 The Housing Services Manager, HDC Housing Services, has provided at Appendix 1 a detailed commentary on the Business Case in support of refurbishing 1 to 3 Plowman's Yard. In summary this commentary shows that:

- Total cost of refurbishment: £220,000 (best estimate)
- Total cost of private sector provision: £62,433 per annum  
*(the three to be refurbished units only)*
- Pay-back:
  - worst case scenario: 3.5 years
  - likely case scenario: 3.2 years

*See Appendix 1, Table 1*

### **Procurement**

- 3.5 Rhomco recommended that the works be procured under a JCT Intermediate Form of Building Contract, with Contractors Design, based on a full open market tender. Additionally, a Mechanical & Electrical design consultancy, McCann & Partners Ltd, have been appointed for preparation of documents for inclusion in the tender pack.
- 3.6 The proposed scheme involves the Party Wall Act 1996 requiring notification to adjoining building owners under the act. Additionally, as access is required to neighbouring land, this will involve the Access to Neighbouring Land Act 1992 and a Scaffold Licence.
- 3.7 Following production of full tender documentation, Welland Procurement were commissioned to manage the building contractor procurement process on behalf of HDC. Tender documentation was issued via the ProContract portal with a closing date of 7<sup>th</sup> March 2024.
- 3.8 No compliant tenders were received for the refurbishment work to the property.
- 3.9 Following discussions with Welland Procurement and Legal Services, it has been agreed that the procurement can progress to direct award. Considering this, a procurement exemption form has been completed. Discussions are currently ongoing with our building consultants, Rhomco, to agree terms with a local builder to deliver the required refurbishment.
- 3.10 As the property is divided into four flats, we have been advised by HDC Development Control that there are no permitted development rights applicable and, as such, planning permission is required. A planning application has been submitted to HDC Planning detailing the works described above.

### **Corporate Plan**

4.1 **PRIORITY 1: CO1:** There will be an adequate supply of housing to meet local needs across all tenures and price ranges and reducing the potential for homelessness.

**PRIORITY 2: CO6:** Our residents will be able to live more independent lives, with the right support and guidance in place to allow this.

**CO10:** Physical and mental health needs will be addressed to prevent crisis and support those that are the most vulnerable in our communities, including those that face loneliness, food, and fuel poverty and those that need support to remain in their own homes.

**KA.02.01:** Provide support for the most vulnerable in our communities, ensuring that they have suitable accommodation to safeguard them from harm and we provide high quality help and advice on housing options. • Minimise homelessness through early intervention. • Resolve applicants' housing problems through enhanced housing advice, rent deposit and similar schemes to enhance access to private tenancies, family mediation, domestic violence victim support, and tenancy sustainment. • Number of repeat homelessness acceptances.

## Consultation

4.2 Throughout the tender process, members of the following teams have been consulted; Finance, Assets, Procurement, Planning, Legal.

## Financial

4.3 The present budget allocation for this work is £200,000. Current estimates are that the refurbishment will cost £220,000 – an increase of 10%. If this is required, the allowances within the constitution will be followed to ensure delivery of the project (as per Rule E5), or delegation to use an element of the Special Projects allocation within the 2024/25 capital programme if the actual cost exceeds £220,000.

4.4 The recommendation offers the best means of achieving value for money and financial sustainability.

4.5 The opportunity saving from this refurbishment for all flats at Ploughman's Yard could be circa £87k pa:

- Cost of Night Spot Provision: £79,594
- Income from Internal Provision: £7,978

## Legal

4.6 Award of the contract is subject to Cabinet approval; the option of deciding not to proceed is available.

4.7 Having completed a procurement exemption form, the Council can make a direct award to a suitable contractor.

4.8 The proposed form of contract is the JCT Minor Works Building Contract with contractors' design 2016 Edition.

## **Environmental Implications**

4.9 Implementation of the recommendations will support the Council's commitment to become a net zero carbon Council by 2030 as far as is possible within financial constraints.

## **Risk Management**

4.10 It is proposed Rhomco, an experienced building surveyor, will manage the contract on behalf of HDC.

## **Equalities Impact**

4.11 None

## **Data Protection**

4.12 Not applicable

## **5 Alternative Options Considered**

5.1 An option to carrying out this work is to do nothing and sell the property in existing condition on the open market. This would mean that Flat 4 would not be available for homeless accommodation occupation.

## **6 Background papers**

- Surveys of required refurbishment works.
- Contract drafts and final version.