



To: Executive Councillor for Housing: Cllr Catherine Smart
Report by: Liz Bisset, Director of Community Services
Relevant scrutiny committee: Community Services Scrutiny Committee 25/06/2013
Wards affected: Petersfield

DITCHBURN PLACE REFURBISHMENT Key Decision

1. Executive summary

This report presents proposals for the refurbishment of Ditchburn Place sheltered housing scheme.

2. Recommendations

2.1 The Executive Councillor is recommended:

2.2 To approve proposals for the refurbishment and extension of Ditchburn Place including the complete refurbishment and extension of existing small flats and existing Supported Housing bedsits to create new flats. Plus internal refurbishment of flats used for sheltered housing together with the provision of new services.

2.3 To approve the budget of £3,808,982 to fund the project.

2.4 To authorise the Director of Community Services to invite tenders and award a contract for the appointment of a main contractor and project consultants to carry out the works for the refurbishment of Ditchburn Place in accordance with the requirements of the Constitution.

3. Background

3.1 The Executive Councillor for Housing approved a strategy for the long-term modernization of sheltered accommodation on 7th November 2005 (record of decision number HMB/051107/A1). Ditchburn Place is the final sheltered scheme to be refurbished under this strategy.

4. Design Brief

4.1 The project will involve:

- 1) Refurbishing and extending the current 'Extra-care' accommodation. This currently includes twenty-one small individual flats with a sitting room, bedroom and toilet together with shared bathing and dining facilities. New flats will be self-contained incorporating bathrooms / shower rooms, kitchens and bedrooms. To enable this to be carried out various flats will be joined together.
- 2) Refurbishment of Burmaside House including glazed link to main building (Burmaside House is currently occupied by four Supported Housing residents, who will be re-housed elsewhere). A further Supported Housing flat on the second floor of the main building will be extended. Underused guest rooms, will also be incorporated. Other underused ancillary accommodation will be utilised where possible.

(1) and (2) will create 22 Extra-care flats.

- 3) Provision of new mechanical and electrical services in the whole extra-care and sheltered housing complex of buildings, together with all communal accommodation and day centre. This includes new electric meters to fifty flats and a new communal heating system for the whole building.
- 4) Refurbishment of kitchens and bathrooms in thirty existing sheltered flats (fifteen of which are currently used for extra-care).
- 5) Replacement of leaking natural slate roofing on the building frontage and replacement of asbestos-containing slates and tiles to the rest of the roof.
- 6) Improvement to the entrance to the building.

4.2 Refurbishment will take place within the footprint of the existing building, apart from the extension of Burmaside House. Other external building work includes an improved entrance, mobility scooter store, bicycle store and new plant rooms to house boilers and service equipment.

4.3 Works related to the new accommodation shall include:

- Improved main entrance with automatic doors.
- A new through-floor lift from first to second floor; other lifts re-used.
- Intercom system (re-used) linked to all flats - with CCTV facility.

- Improved car parking area at the entrance.
- Landscaping work to the entrance area.
- Mobility scooter store for electric wheelchairs, and bicycle store.
- Two assisted bathrooms.
- Full re-decoration of communal areas.

4.4 Ditchburn Place will be modernized to Lifetime Homes Standards, unless this proves not to be possible within constraints of the existing building. The detailed designs for Ditchburn Place will be based on completed works at Mansel Court, Rawlyn Court, Talbot House and Brandon Court, incorporating lessons learned from these projects and feedback from residents.

The project brief contains a full description of the proposals.

5. Project Timetable

Provisional timescale of Project	
Feasibility and budget cost plan	September 2012 – February 2013
Project approval	June 2013
Procurement of project consultants	July – October 2013
Contractor procurement	October – January 2014
Detailed design	July 2013 – December 2013
On-Site	Phase 1 (April 2014 – April 2015) Phase 2 (June 2015—Feb 2016) Phase 3 (April 2016 – Jan 2017)
Residents move flats for phases	Phase 1 (March 2014 Supported Housing residents move out) Phase 2 (May 2015) Phase 3 (March 2016)
End of defect period	Phase 1 (April 2016) Phase 2 (February 2017) Phase 3 (January 2018)

6. Budget Costs

- 6.1 The budget costs include all project fees, disturbance costs for residents, main contractor's overheads and profits as well as provision for inflation to 1st quarter 2014, and a project contingency sum.
- 6.2 All costs are the best budget estimates available at this stage of the design process. It has not been possible to 'open up' the structure at this feasibility stage, and it therefore remains possible in a refurbishment project of this nature that unforeseen costs may emerge during detailed design work or construction phase.
- 6.3 The design work carried out so far comprises of a feasibility study and preliminary sketch plans, plus site investigations including a partial topographical survey. A structural survey, asbestos survey, and CCTV drainage survey will need to be carried out.
- 6.4 Due to the nature and complexity of the project two separate cost reports have been prepared; the first by the Sweett Group and the second by Davis Langdon. The costs are based upon present day pricing (May 2013).

7. Procurement of Main Contractor

- 7.1 The main contractor will be appointed in accordance with the procedures set out in the Council's constitution. Invitations to tender will be sent to a shortlist selected from contractors responding to a contract notice. Tenders will be evaluated taking into account cost and quality. There will be an EU-compliant two-stage tender process.
- 7.2 At the first stage, contractors will tender overheads and profits based on outline designs. Contractors will also price sample packages of work and tender rates against a schedule of provisional quantities.
- 7.3 The main contractor will be appointed before the design stage is completed so that they can contribute to the design process.
- 7.4 When design work is completed the contractor will price a bill of quantities and submit a "second stage" tender.

8. Phasing of Works and Consultation with Residents

- 8.1 There have been a number of meetings at Ditchburn Place to inform residents of the proposals.
- 8.2 At these meetings relatives have indicated desire for residents to remain at Ditchburn Place during the works. To be able to do the work with residents on site the scheme has had to be phased, with unoccupied flats used to move residents into. Ditchburn Place staff will carefully manage moves.
- 8.3 Residents staying at Ditchburn Place will also maintain a rental income as well as assist in retention of the Care Contract. A more recent meeting has taken place to update residents and relatives of all proposals enclosed in this report.
- 8.4 The building works are planned, at this stage, to be carried out in three phases (please see the phasing plan attached).

Phase 1 - (12 month duration)

Extension and refurbishment works to Burmaside House and the top floor wing of the main building. Both will be unoccupied. This will provide six new Extra Care flats for residents to move into from Phase 2.

Simultaneous with works to Burmaside House and the top floor wing, phase 1 will include kitchen, shower room, heating and electric works to the 'sheltered housing' side of the complex. Residents in these flats will move out to nearby vacant flats, for approximately six weeks, because of the disruptive nature of the works.

Phase 2 - (9 month duration)

Extra Care residents will move to completed works as above, and to other vacant flats, during the works to this phase.

Phase 3 - (9 month duration)

Extra Care residents will move to available vacant flats, during the works to this phase.

- 8.5 There are risks associated with residents remaining on site during the works, especially relating to health and safety, and resident's security. All works will be carefully managed and phases of the refurbishment clearly segregated from the rest of the building. Access for contractors to these areas will be separate.

- 8.6 The contractor's site accommodation will be separated from the residents and the public and shall be located within parts of Ditchburn Place front garden and the Mill Road public garden. Vehicular access will be via Burmaside House off Mill Road.
- 8.7 Independent Living Facilitators will carry out one-to-one interviews with residents and their families to ensure the programme for moving to a different flat is managed sensitively and ensure residents' needs are met.

9. Project Management

- 9.1 The Council's Estates and Facilities team will manage the project. A dedicated Project Manager will be appointed to oversee the procurement and construction phase of the project. The Council's in-house architects will lead on the design process.
- 9.2 Cost consultants will be retained to validate project costs, agree monthly valuations and issue certificates for payment.
- 9.3 The project will comply with the Council's Project Management Guidelines.
- 9.4 Monthly project team meetings will record issues and progress and manage a project risk register. Project progress and high-risk items shall be reported to the Sheltered Housing Project Group.
- 9.5 The project brief sets out the scope and objectives of the project, team members, stakeholders and communication channels.

10. Financial Implications

Capital Costs

The estimated capital costs of the proposed refurbishment including fees and contingencies are included in appendix 1.

10.1 There is currently £3.8m included in the HRA capital investment plan in 2013/14 for sheltered housing investment to cover refurbishment works at Ditchburn Place. This budget includes £149k specifically approved to deliver thermal efficiency, energy efficiency and voltage optimisation works.

10.2 The HRA Business Plan's 30-year capital investment plan includes provision for the following works:

50 kitchen replacements by 2013	£110,000
50 bathroom replacements by 2015	£50,000
50 electrical upgrades by 2019	£50,000
50 central heating replacements (pipework and radiators) in 2033	£115,000
50 additional boiler replacements by 2013 and by 2021	£200,000
Re-roofing including replacement of asbestos cement tiles by 2040	£300,000
Works to communal areas including lighting, floor covering, communal plant	To be confirmed
TOTAL	£825,000 + communal areas

10.3 The cost estimates for the replacement of the entire communal heating plant at Ditchburn Place is greater than the sum of the cost allowances made for heating systems in individual flats in the investment plan. This is because the cost of the communal plant also covers communal areas and the cost of four boiler houses (to accommodate the required phasing of the works with residents in occupation).

The HRA capital investment plan contains allowances for works in communal area that were not surveyed or identified at the time the business plan was written. This is referred to as "communal area uplift."

10.4 It is proposed that as part of the refurbishment works that (subject to structural restraints) bathrooms are replaced with level access

showers. The cost of this is not allowed for in the HRA capital investment plan. It is possible that the disabled adaptation budget could be used over a 3-year period to make up the cost difference between a replacement bathroom and a level access shower. It is estimated that the cost difference is £2,000 per flat.

- 10.5 If the additional funding required to complete the works at Ditchburn Place is taken from the existing roofing, heating, kitchen, bathroom, electrical, communal areas and decent homes backlog budgets over three financial years (2014/5, 2015/16, 2016/17) then this will result in reduced programmes of work to the general housing stock.

11. Revenue Implications

11.1 One-off Costs

The estimated one-off revenue implications of the refurbishment are a loss of income of approximately £216,000 for the period of the refurbishment. This comprises the anticipated loss of rent and service charge income during the phased approach to refurbishing the scheme. This assumes that units not affected by the works at any one time remain let, although whether this will always be possible will be clear until further through the process. The expectation is that the refurbishment will result in the scheme being void in parts for approximately three years. If the scheme is approved, the impact of the loss of revenue will need to be built into future financial planning for the Housing Revenue Account.

11.2 Ongoing Costs

The refurbishment will result in the net loss of 5 units of accommodation at Ditchburn Place. Assuming existing properties were at target rent levels, the ongoing revenue implications as a direct result of the reduction in units is an estimated loss to the Housing Revenue Account of approximately £5,580 per annum. This comprises a net loss of rent (once at target levels), partially offset by reductions in marginal management expenditure, maintenance and major repairs costs. Service charges are assumed to have a nil net effect, as estimated actual costs are recovered from the total number of dwellings in existence.

11.3 Impact of Inflation

The costs in this report include an allowance for inflation to 1st quarter of 2014. Recent figures from BCIS (Building Cost Information Services) forecast inflation from 2nd quarter 2013 to 1st quarter 2014 at 2.3%. However in this volatile economic environment the exact impact of inflation is difficult to predict.

12. Environmental Implications

12.1 The refurbishment of Ditchburn Place will be designed in accordance with the Council's Environmental Principles for Housing. The work will improve the energy efficiency of the building and increase the SAP rating. Any landscape works that are carried out will aim to improve the biodiversity of the site.

13. Staffing Implications

- 13.1 City Architects have carried out all design work for the feasibility and will continue up to completion of the design and Planning Permission submission. City Architects have a very small team, and they will be unable to progress the detail design stage, which will be outsourced.
- 13.2 The Project Manager will lead the pre-contract works on the scheme, (including procurement of consultants and contractor) and at the contract stage the will oversee the contract works. The Principal Architect will act as the 'expert client' for the design during the production information stage and contract works.
- 13.3 The Independent Living Team will oversee the moving process and support for residents.

14. Community Safety Implications

- 14.1 There are opportunities to improve the security of the building by installing a door entry system linked to CCTV, improving communal and external lighting and fitting new external doors.

15. Background Papers

The following background papers were used in the preparation of this report:

- a) Feasibility drawings prepared by Cambridge City Architects.
- b) Design brief for Ditchburn Place.

16. Appendices

Appendix 1 - Budget construction cost plan.

Appendix 2- Scheme phasing diagram.

17. Inspection of Papers

To inspect the background papers or if you have a query on the report please contact:

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Appendix 1

Ditchburn Place Refurbishment

estimated costs of refurbishment, including options.

Building works	£2,619,807
Main contractor prelims @ 12%	£314,377
Main contractor overhead and profit @ 10%	£293,418
Allowance for Inflation Q2 2014 – Q2 2017	NIL
Contingency @ 5%	£161,380
Total estimated construction cost	£3,388,982
Professional Fees and other costs	£320,000
Disturbance allowances including costs for moving residents within the existing building)	£100,000
Total estimated project cost	£3,808,982

The above costs exclude VAT