

Southend-on-Sea Borough Council

Report of Deputy Chief Executive & Executive Director
Growth & Housing
To

Cabinet
On

28th July 2020

Report prepared by:

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Agenda
Item No.

Balmoral Estate Improvement and Structural Work Project

Relevant Scrutiny Committee(s)

Cabinet Member: Councillor Ian Gilbert

Part 1 (Public Agenda Item) / Part 2 (Confidential Agenda Item)

1. Purpose of Report

- 1.1 To advise Cabinet on a programme of structural and improvements work required at the Balmoral Tower blocks (Grampian, Brecon and Blackdown) and to seek agreement to utilise HRA funds for these works.

2. Recommendations

- 2.1 To agree to progress with a programme of works to the Balmoral tower blocks to include both structural and improvement works (structural insulation and heating upgrades)
- 2.2 To agree for the Council and South Essex Homes to undertake full consultation and engagement with affected residents.
- 2.3 To agree a budget of £2.325m to be added to the HRA capital investment programme to be funded from the HRA Capital Investment Reserve.

3. Background

- 3.1 Following routine planned structural surveys of the Council's housing stock, an external consultant (Michael Dyson and Associates Ltd) advised that although the Balmoral tower blocks can be preserved for at least 30 years if usual repairs and maintenance are continued, given the construction of the blocks (Large Panel System) and recent guidance issued by DCLG in September 2017 further intrusive tests should be carried out to check whether the blocks could be modified to improve panel fixity and floor/wall resilience in the unlikely event of an explosion. It should be noted that the original structural surveys were not instigated because of any concerns in the buildings and the consultants did not advise that the blocks are unsafe and require immediate decant of the

residents. The blocks have electric heating and cooking facilities and not gas supplies, which lowers any potential risks to the properties.

- 3.2 SEH procured Curtins Consulting Ltd for the required further structural investigations. Curtins produced a report following these intrusive structural checks which advised that the buildings do not comply with Building Regulations or the current Eurocode for concrete design. The buildings can however comply with the Building Research Establishment's (BRE) LPS Criterion 2 with strengthening measures to the top 3 storeys which would limit the effects of gas explosion and therefore meet current recommendations. It should be noted that this only affects the Balmoral estate tower blocks not the other ten tower blocks in the borough and is not in any way connected to the post Grenfell Tower recommendations and is only concerned with the structure of the buildings themselves.

Overview of works



Fig 1 – Balmoral Tower blocks – (L-R) Grampian, Brecon and Blackdown

- 3.3 A pilot project was undertaken to a void property in order to better understand the potential levels of disruption and timescales to carry out any works. The structural works recommended are as follows:
- Fitting steel angle cleats to tie the base of certain walls to the floors throughout the flats and drying rooms.
 - Reinstatement of wall and floor finishes and install larger skirting boards
 - Remedial works to fitted bathrooms and kitchen units
- 3.4 In addition to the structural works there would be a need for enabling works such as asbestos removal which would be included in the overall project costs.
- 3.5 Additional works have also been identified that would be beneficial to be undertaken whilst the structural works are being carried out. This includes namely improvement to the structural insulation and also upgrades to the heating system (change from electric storage systems to oil filled panel heaters) which will improve the energy efficiency of the buildings. The blocks identified require major works so have not been identified for sprinkler inclusion at this

time. However, a separate pilot project of sprinkler installation is currently being prepared.

Works Timescales and Management

- 3.6 The works will directly affect 18 properties in each of the three tower blocks and will be undertaken on a block by block basis with the decanting of one floor at a time. This means a maximum of six flats will need to be decanted at any one time and will be vacant. It is estimated that a flat will take approximately four weeks to complete, and a contractor employing two full teams will work simultaneously on two flats. Therefore a complete floor will take three months to complete and the first tower block will take nine months to complete
- 3.7 In order to facilitate these works, an external consultant will be procured to undertake the Pre-contract duties (Design, procurement of works and Principal Designer). However post contract works (Contract Admin, Clerk of Works etc.) will be undertaken jointly by a Quantity Surveyor and by a South Essex Homes Project Manager. It has been considered and accepted that due to the repetitive nature of the works the contractor will achieve some time efficiencies in undertaking the works to the remaining two blocks. Therefore it is considered that the last two tower blocks will have a programmed duration of seven and a half months each. The total anticipated programme for the works is twenty four months. Pre-site process timescales are detailed below:
- Appointment of consultants - July 2020
 - Specification and tender preparation – 12 weeks
 - Tender period – 4 weeks
 - Tender Evaluation – 4 weeks
 - Approval period – 4 weeks
 - Mobilisation – 4 weeks
 - Commencement on site February 2021
- 3.8 Given the disruptive and sensitive nature of these works, a significant part of the project will relate to the communications and resident liaison/engagement work which will be carried out by SEH in partnership with the Council. A cross partnership Project board has been set up to act as project oversight and provide monitoring of key outcomes of the scheme. This will also look to include tenant representation as the scheme progresses.

Decant Overview

- 3.9 On each of the three tower blocks, the following flats are affected:

Floor 11	5 flats and 1 x drying room
Floor 12	6 flats
Floor 13	6 flats
Floor 14	1 flat

- 3.10 The decant process will be designed in order to offer assurance and support to residents, and will be accompanied by clear, regular communication throughout the life of the project, including via dedicated resident liaison officers. The proposed approach to the temporary decant is to refurbish void properties in the

blocks to a high standard. These can then be utilised for decant purposes, either on a temporary basis or where the resident expresses a wish for permanent relocation. A survey of resident needs will be carried out as part of the project and should this identify a need to move to more appropriate housing, for example due to household size, then support will be provided to identify a move to other homes within the Council's stock. All associated costs of the decant process will be covered by the project and have been included within the budget.

Financial Implications.

- 3.11 SEH have commissioned external professional Quantity Surveyors to produce the costs and budget requirements associated with this project. The overall Structural Strengthening Works with Insulation and Heating Upgrade works for the three tower blocks has been calculated at £2,324,906.79. Detail of the costs are below:

Project Phase	Amount
Cost of the Structural and enabling works Total for 3 Blocks	£1,564,907.79
Decanting and Refurbishment Total for 3 Blocks	£558,120.00
Structural Engineer's Fees Total for 3 Blocks	£22,200.00
Full Design, Procurement, Post Contract and Project Management Fees Total for 3 Blocks*	£179,679.00
TOTAL PROJECT COST for 3 blocks	£2,324,906.79

*Fees include costs for the Contract Administration and Building Surveyor services which now will be undertaken in-house by SEH with a new role which will concentrate on major projects.

- 3.12 It should be noted that based on Counsel advice and to avoid challenge, the Council should waive the costs associated with re-charging the minority of leaseholders that may be liable for a contribution to the works.

4. Other Options

- 4.1 A number of other options have been considered in regards to this project:
- Do Nothing – This would not be appropriate as it would not meet the needs of tenants and leaseholders and would not be in line with achieving our 2050 outcomes nor the aims of the Housing, Homelessness & Rough Sleeping Strategy
 - Only undertake structural works – This would not be appropriate as it would not meet the needs of our tenants and leaseholders and would not be in line with our 2050 Green City outcomes.

5. Reasons for Recommendations

- 5.1 The recommendations have been made in order to improve the structural integrity and energy efficiency of three of the Council's tower blocks and also ensure that residents are fully engaged throughout this project.
- 5.2 In terms of the funding of this project, SEH have commissioned external professional Quantity Surveyors to produce the costs and associated budget requirements and the Council's Finance team has confirmed the HRA Capital Reserves as the most appropriate method of funding these works.

6. Corporate Implications

6.1 Contribution to the Southend 2050 Road Map

Improving the structural integrity of Southend Council stock contributes to Southend 2050 Safe and Well outcome of **"We are well on our way to ensuring that everyone has a home that meets their needs."**

Improving the energy efficiency of Southend Council stock contributes to Southend 2050 Safe and Well outcome of **"Green City with outstanding examples of energy efficient and carbon neutral buildings, streets, transport and recycling."**

Southend's *Housing, Homelessness & Rough Sleeping Strategy* aims to provide "decent high quality, affordable and secure homes for the people of Southend" as well as "encouraging good quality housing design, management and maintenance". Improving the quality of our existing housing stock is key to meeting these aims.

6.2 Financial Implications

The budget for the project has been calculated at £2.325m. The Council's Capital Finance team have been consulted on this project and it has been confirmed that it can be funded from HRA Capital Reserves.

6.3 Legal Implications

Initial consultation will be undertaken with the Council's Legal Team in regards to the project. Legal considerations relating to leaseholders will be dealt with as the project progresses to the pre-site stage.

6.4 People Implications

As per budget breakdown, the fees include costs for the Contract Administration and Building Surveyor, a role which now will be undertaken in-house by SEH who will employ a Project Manager to resource this project along with other major projects affecting Council stock.

Full consultation and engagement will be undertaken with affected residents of the Balmoral tower blocks and the necessary decant process will be supportive

to resident and communicated clearly and regularly throughout the life of the project.

6.5 Property Implications

The main purpose of these Major Project works is to improve the standards of the Council's housing stock including structural, insulation and heating works. This also links to the Council's Housing and Development Pipeline project and will ensure the long term structural integrity of Council assets included within the process.

6.6 Consultation

Necessary consultation between South Essex Homes and the Council's Housing, Finance and Corporate Property and Asset Management colleagues has been undertaken. A cross partnership Project Board has been set up to monitor the progress of the project and will look to include tenant representation as the project progresses.

Full consultation and engagement with affected tenants and leaseholders will be required and will be a core function of the Project Board that will be overseeing this project. Both SEH's and the Council's Communications teams will be integral to this process.

6.7 Equalities and Diversity Implications

Equality and diversity will be monitored by the Project Board throughout the project from consultation stage through to on site works.

6.8 Risk Assessment

The necessary risk assessment work will be undertaken in regards to these major project works and this risk will be mitigated by cross partnership working between a number of Council teams and SEH. A risk register will be updated and monitored throughout the project.

6.9 Value for Money

All spend in relation to this project will be subject to the relevant procurement rules to ensure procurement compliance and value for money

6.10 Community Safety Implications

Community Safety will be considered throughout the on-site works and will be a key area of monitoring with the chosen contractor.

6.11 Environmental Impact

The proposed works to the Balmoral estate will improve energy use and environmental standards and also will look to improve economic sustainability where possible.

7. Background Papers

N/A

8. Appendix 1

South Essex Homes - Balmoral Structural Works

Overall Project Summary

Critical Path Milestones – Based on Full Project Plan dated 19th June 2020

Project	Key Task	Deadline
Balmoral House	Initial commencement meeting	10 th July 2020
	Draft Specification Completed	18 th September 2020
	Submit Building Control Application if required	21 st September 2020
	Final Specification and Tender Documents issued	2 nd October 2020
	Publish Contract Notice	5 th October 2020
	Tender Return Date	10 th November 2020
	Tender Evaluation Concluded	2 nd December 2020
	Issue Tender Report	4 th December 2020
	Client Approval	14 th December 2020
	Sign Contracts / Pre Contract Meeting	11 th January 2021
	Mobilisation period	12 th January – 8 th February 2021
	Commence site set-up	9 th February – 2 nd March 2021
	Works to Floor 1, block 1, including decant period	10 th February – 1 st June 2021
	Works to Floor 2, block 1, including decant period	12 th May – 31 st August 2021
	Works to Floor 3, block 1, including decant period	11 th August - 30 th November 2021
	Works to Floor 1, block 2, including decant period	10 th November 2021 – 20 th January 2022
	Works to Floor 2, block 2, including decant period	31 st December 2021 – 31 st March 2022
	Works to Floor 3, block 2, including decant period	11 th March – 9 th June 2022
	Works to Floor 1, block 3, including decant period	20 th May 2022 – 18 th August 2022
	Works to Floor 2 block 3, including decant period	29 th July 2022 – 27 th October 2022
	Works to Floor 3, block 3, including decant period	7 th October 2022 – 5 th January 2023
	Practical Completion for completion of 9 th floor.	20 th January 2023
Defects liability period – block 1	8 th December 2022	
Defects liability period – block 2	19 th June 2023	
Defects liability period – block 3	22 nd January 2024	
Final Completion	29 th January 2024	