

Proposed refurbishment of the Council owned Stilebridge Lane and Water Lane G&T Sites

Final Decision-Maker	Policy & Resources Committee
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Lead Officer and Report Author	William Cornall, Director of Regeneration & Place
Classification	Public with one private appendix. The information contained within this report is considered exempt under the following paragraph of Part 1 of Schedule 12A to the Local Government Act 1972:- Paragraph 3 – Information relating to the financial or business affairs of any particular person.
Wards affected	Water Lane – Headcorn Ward Stilebridge - Marden & Yalding

Executive Summary

The two mobile home sites owned by Maidstone Borough Council and managed by Kent County Council (KCC), Water Lane and Stilebridge require significant investment. The budget in the capital programme for this project is £1m but this needs to be increased to allow for an increased project scope and the construction cost impacts brought about by the pandemic and Brexit.

The matter was discussed by this Committee on 15th September 2021, and it was agreed to refer the decision, in principle, to the Communities Housing & Environment Committee (CHE), which duly happened on 5th October 2021, and CHE confirmed that it wanted the project to go ahead with the revised costings. Accordingly, the purpose of this report is to request that this Committee makes the requisite funds available.

Purpose of Report

Decision

This report makes the following recommendations to this Committee:

1. To increase the budget for this project within the capital programme from £1m to £1.9m as per the request from the Communities Housing & Environment Committee, with the balance coming from the affordable housing capital expenditure budget.

Timetable	
<i>Meeting</i>	<i>Date</i>
Community, Housing & Environment Committee	5 October 2021
Policy and Resources Committee	20 October 2021

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1. CROSS-CUTTING ISSUES AND IMPLICATIONS

Issue	Implications	Sign-off
Impact on Corporate Priorities	<p>The proposals support the Homes and Community priority and the outcome "Existing housing is safe, desirable and promotes good health and well-being"</p> <p>Accepting the recommendations will materially improve the Council's ability to achieve the above outcome. The reasons other choices will be less effective is set out in Section 2.</p>	Director of Regeneration & Place
Cross Cutting Objectives	<p>The four cross-cutting objectives are:</p> <ul style="list-style-type: none"> • Heritage is Respected • Health Inequalities are Addressed and Reduced • Deprivation and Social Mobility is Improved • Biodiversity and Environmental Sustainability is respected <p>The report supports the achievements of the cross-cutting objectives by providing much needed improvements to the Council owned G&T sites.</p>	Director of Regeneration & Place
Risk Management	Already covered in the risk section.	Director of Regeneration & Place
Financial	The increased scope of the project requires that the sum allowed for in the capital programme be increased from £1m to £1.9m, with the excess being funded from slippage within the affordable housing allocation for 2021/22.	Section 151 Officer & Finance Team
Staffing	We will need access to external expertise to deliver the works.	Director of Regeneration & Place
Legal	The Council has a general power of competence pursuant to Section 1 of the Localism Act 2011 which enables it to do	Team Leader, Contentious, and

	<p>anything that individuals generally may do.</p> <p>The Local Government Act 1972 (LGA 1972) section 111(1) empowers a local authority to do anything (whether or not involving the expenditure, borrowing or lending of money or the acquisition or disposal of any property or rights) which is calculated to facilitate, or is conducive or incidental to the discharge of any of their functions. Acting on the recommendations is within the Council's powers as set out in the above statutory provisions.</p> <p>The procurement processes referred to in this report should be in accordance with the Council's Contract Procedure Rules and the Public Contract Regulations 2015. All necessary legal documentation arising from the recommendations in this report should be approved by Legal Services before completion.</p>	Commissioning, Legal Team
Privacy and Data Protection	There is no direct impact resulting from the recommendations in the report.	Policy and Information Team
Equalities	An equalities impact assessment will be completed to consider the impact of the programme on protected characteristics and will outline any mitigating measures taken.	Equalities & Communities Officer
Public Health	Poor housing and amenity facilities have detrimental impacts on health and wellbeing. The refurbishment programme will address the current poor conditions on both sites.	Public Health Officer
Crime and Disorder	The recommendation will have no negative impact on Crime and Disorder.	Director of Regeneration & Place
Procurement	All procurement activities necessary to deliver the project have already been undertaken.	Director of Regeneration & Place & Section 151 Officer
Biodiversity and Climate Change	There are no implications on biodiversity and climate change.	Biodiversity and Climate Change Officer

2. INTRODUCTION AND BACKGROUND

2.1 The Council owns two public mobile homes sites:

- Water Lane (in the Headcorn Ward) consisting of 14 plots (plus 7 semi-detached amenity blocks).
- Stilebridge (in the Marden & Yalding Ward) consisting of 18 plots (plus 8 semi-detached amenity blocks).

2.2 Both of the sites are managed by KCC and there is an aspiration that the ownership of the sites will eventually transfer to KCC once the sites have been refurbished. This matter was considered by the Corporate Leadership Team in June 2019, resulting in a decision to this effect. Only limited investment has been made on these sites for many years, meaning that significant expenditure is now required to bring the sites up to a modern standard.

2.3 During late 2019, a firm of Building Surveyors were appointed to establish the scope, nature and cost of the works required to address the situation. This building survey, finalised in Jan 2020, identified a number of areas where considerable investment in the sites was required.

2.4 The Corporate Leadership Team considered a report from the Head of Housing & Community Services on 5th February 2020, that included reference to these surveys and gave an in-principle investment decision (£0.9m of works). This figure was increased to £1m to allow for contractor's prelims, overheads, profit and client professional fees and this sum was then included in the 20/21 capital programme that was approved by the Policy & Resources Committee.

2.5 At this time, any improvements to the foul drainage of the sites were out of scope of the project. This is because this area of work was being investigated by the Council's Housing team. It was known that there was investment required in the foul drainage of both sites, but these investigations and requisite works were understood to be in train.

2.6 Following the CLT decision, a surveying firm, FFT, were procured and appointed (March 2020) to deliver the reinvestment project, through the following disciplines: building surveying, design, project management, quantity surveying and contract administration. The client brief at this stage was to bring about the following improvements at the sites:

- To provide a separate metered electricity supply to each plot and amenity unit, to enable the resident to choose their utility provider and for the Council to achieve full recovery.
- To provide a separate metered water supply to each plot and amenity unit, to enable the resident to choose their utility provider and for the Council to achieve full recovery.
- To fully replace or refurbish each amenity block.
- To make improvements to the road surfaces, surface water drainage and signage of the sites.

- 2.7 Following their appointment, FFT commissioned detailed site surveys, to include topographical and Mechanical & Engineering surveys and developed the investment options and potential specifications. It then became apparent that the scope of FFT should be increased to include the design and delivery of improved foul drainage solutions to both sites too as these two areas of works could not be delivered independently. Consequently, the Housing Team were stood down. In mid-2020, the scheme budget was recast accordingly and the detailed designs and specifications developed.
- 2.8 The foul drainage works needed at Stilebridge have proved not to be quite so onerous, but at Water Lane, there is a need to replace the rising main sewer and all the associated connections, to include a run of circa 50m. The scope of the works was also increased to include improvements to the roads and hard landscaping too. By this time, the surveys indicated that more extensive works would be required against most cost lines and that there would also be cost pressures brought about by the impacts of Brexit and the pandemic, which are now being felt across the construction sector.
- 2.9 The budgets allowed for the replacement of the amenity blocks at Water Lane and refurbishment at Stilebridge. In terms, of Water Lane, FFT initially advised that these could be renewed with factory-built pod units at an advantageous cost, but subsequent soft market testing showed that would not be possible, and that this solution would be no more cost efficient than traditional construction, so it was decided to proceed with the latter.
- 2.10 The next stage was to secure Planning consent for the proposed works, and this was secured for both sites in January and March 2021 respectively.
- 2.11 In terms of procurement the possibility of using a sector-wide framework was considered but dismissed. It was decided to pursue an unrestricted single stage tender process, via the Kent Business Portal, which is simply an eTendering platform and is the vehicle by which all the Council's opportunities are advertised. This project was also advertised on the Contracts Finder website, which is managed by central Government and gives us UK wide exposure to ensure that we can attract as much interest and competition as possible. Our first tender in early Spring 2021 resulted in the following:
- 38 Expressions of Interest
 - 28 Failed to respond
 - 9 Opted out of the process
 - 1 submission was received, well in excess of the recast budget
- 2.12 It was decided that this did not provide value for the Council, as the quoted figure was in excess of the 2020 budget estimate. The Council therefore undertook a second tender process in late Spring 2021, with the following results:
- 23 Expressions of Interest
 - 12 Failed to respond

- 7 Opted out of the process
- 4 submissions were received, with the preferred bid being reflective of the revised costs proposed to the Policy & Resources Committee.

- 2.13 FFT have also commented that they have noted a significant increase in material costs as supply chains have been severely affected since Brexit and the pandemic, and contractors are now including added costs for risk in relation to time as many projects are overrunning. However, these adverse cost impacts were correctly foreseen and allowed for within the 2020 budget.
- 2.14 In conclusion, around 30% of the cost increase from the sum allocated in the capital programme budget relates to broadening the scope of the works to include remedying the longstanding foul drainage issues to the sites, most notably Water Lane, and the balance is because of rising cost pressures being experienced in the contracting / tendering market, which are undoubtedly sector wide issues. More generally the specification became more comprehensive once the need for this was evidenced by the findings of the detailed surveys.
- 2.15 The table provided in **Exempt Appendix 1** shows the starting budget approved in 2019, the revised budget prepared mid-2020, and the preferred bid pricing. The preferred bid figure is inclusive of all value engineering opportunities that have been explored by the professional team.
- 2.16 The Communities Housing & Environment Committee considered a similar report to this on 5th October, and endorsed the project, inclusive of the increased costings, to this Committee.

3. AVAILABLE OPTIONS

- 3.1 **Option 1.** The Council could decide to do nothing, but this is not recommended as the Council would then not meet its landlord obligations in respect of maintaining the sites to an appropriate standard.
- 3.2 **Option 2.** The Council could decide to choose to undertake some of the work as outlined. However, taking this approach will only delay inevitable work, and the Council would again still fall short of its landlord obligations in the intervening period.
- 3.3 **Option 3.** The Council could decide to undertake all the work as outlined in this report for a total cost of £1.9m inclusive of professional fees and request that the Policy & Resources transfer £0.9m of monies allocated from the affordable homes capital budget, to this project, to bridge the shortfall.

4. PREFERRED OPTION AND REASONS FOR RECOMMENDATIONS

- 4.1 **Option 3** is recommended. This will address the condition shortfalls identified and provide residents with the facilities that a modern public-

owned, mobile homes site should provide. This is also the preferred option of the Communities Housing & Environment Committee.

5. RISK

5.1 The following risks and mitigations have been identified:

Risk	Mitigation
Performance of contractors	Officers and Employers Agent will pro-actively manage suppliers and update the project team on status of supply chain procurement and performance. The risk of cost overruns has also been managed by procuring detailed condition surveys at the pre contract stage.

6. CONSULTATION RESULTS AND PREVIOUS COMMITTEE FEEDBACK

6.1 The Policy & Resources Committee requested that CHE consider the project and revised costs in more detail, which they did on the 5th October 2021.

7. NEXT STEPS: COMMUNICATION AND IMPLEMENTATION OF THE DECISION

7.1 The agreed programme of works will be communicated to the KCC Team managing both sites and to the residents. Due to the scale of the works required, there will inevitably be some disruption to residents.

7.2 A site visit with the selected contractor will take place before any works onsite commence. This will be discussed with KCC prior to the visit.

8. REPORT APPENDICES

The following documents are to be published with this report and form part of the report:

- Exempt Appendix 1: Cost comparison table.
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9. BACKGROUND PAPERS

None.