

**30 June 2015**

**Policy, Finance and Resources Committee**

**Old House Refurbishment**

**Report of:** *Adrian J Tidbury Estates and Valuation Surveyor*

**Wards Affected:** *Brentwood North*

**This report is:** *Public*

**1. Executive Summary**

- 1.1 This report considers the progress to date for the proposed refurbishment project for the Old House.

**2. Recommendation(s)**

- 2.1 That the Head of Paid Service be granted delegated authority to dispose of the Old House at best value (on the basis that planning approval being obtained and listed building consent being granted).**

**3. Introduction and Background**

- 3.1 Members will recall the progress report to the March Asset and Enterprise Committee detailing the progress made on the refurbishment project. Since that meeting the tender process to select suitable contractors to carry out the works has now been completed with the tenders returned on 17th April 2015.
- 3.2 Interviews with the three best contractors were held on 28th April 2015 where they were asked in addition to submit their best Guaranteed Maximum Price (GMP) to cover all risks for the Council with the exception of design changes.
- 3.3 The three best returns are contained in Appendix A (exempt) which shows both the tender return as per the specification and also the best GMP. Members will see that the best GMP exceeds the budget available for the project.

- 3.4 Members will be aware that both the planning application and listed Buildings consent for the project have now been submitted and are awaiting determination. Being a Council owned property, the application is required to be reported to the Planning and Licensing Committee for determination.
- 3.5 To date, £99,000 has been spent that has enabled the planning and listed building application to be submitted, which will help achieve the best sale price.
- 3.6 This expenditure is made up of Architects, Heritage Assessment, Quantity Surveyors, Services, Structures, Ivey management CDM, Acoustics, Asbestos survey and utilities costs.
- 3.7 Professional works still to be achieved are Bat survey and Damp surveys but not necessary for the planning application.

#### **4. Issue, Options and Analysis of Options**

- 4.1 Members will be aware that the Councils approved Capital programme had included £ 1,080,000 for the Old House Redevelopment project before being revised by Ordinary Council on 10<sup>th</sup> June 2015.
- 4.2 Given the age and complexity of the building, there is a significant risk to completing the project. Whilst some of this has been reduced through investigation and design in conjunction with Planning and Natural England, the risk still remains high and cannot be fully understood until the project is underway and Old House has been physically stripped out and all possible issues exposed.
- 4.3 As part of the Contract, over estimation of repairs have been included in the specification together with a sizeable contingency sum of £100,000 to cover unforeseen design changes and any further additional works not accounted for.
- 4.4 Officers are aware of the report to Ordinary Council on 10<sup>th</sup> June 2015 with amendments to the Capital Programme including the removal the capital allocation of £1,080,000 from the Capital Programme and now seek the direction of the Committee as regards this project.
- 4.5 The GMP value indicates the 'no risk' cost to the Council and where the Contractor covers all risks to the project with the exception of any design changes.

## **5. Consultation**

- 5.1 No formal consultation has been undertaken regarding the proposed refurbishment

## **6. References to Corporate Plan**

- 6.1 Value for Money: policies that invest in key services to create opportunity for all, provide better value for Brentwood's taxpayers and enhance the Borough's infrastructure whilst modernising and transforming Brentwood Borough Council. We will re-prioritise and focus our resources and be innovative in our approach.
- 6.2 Our Borough: Policies which promote our environment, support sustainable growth, and safeguard our high quality environment including heritage and countryside. We will provide responsive, accessible and forward thinking services for vulnerable residents, supporting people back into work and providing good quality housing making Brentwood our residents' Borough of Choice.

## **7. Implications**

### **Financial Implications**

**Name & Title:** Chris Leslie, Finance Director

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- 7.1 The sale of Old House will create a capital receipt for the Council

### **Legal Implications**

**Name & Title:** Christopher Potter Monitoring Officer and Head of Support Services

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- 7.2 At this stage there are no new legal implications to register. The Planning application and Listed Building Consent application needs to be co-ordinated.
- 7.3 Whilst the tender process has now been completed, no decision on the successful tender has been taken and potential contractors await the Committees decision on the way forward.

- 8. Background Papers** (include their location and identify whether any are exempt or protected by copyright)

## **9. Appendices to this report**

Appendix A – Details of the three best returns (Exempt).

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