

CRAVEN STREET/PATERSON STREET NEIGHBOURHOOD FACELIFT SCHEME, BIRKENHEAD

1.0 EXECUTIVE SUMMARY

1.1 The purpose of this report is to advise Cabinet of the progress made to date with the Neighbourhood Facelift scheme involving properties situated in Craven Street, Paterson Street and parts of Claughton Road (nos. 228 to 282a) Birkenhead, and to seek Cabinet approval of a tender for the implementation of Phase 2 of the scheme.

2.0 BACKGROUND

2.1 Since 2004 Wirral has received almost £55million via the NewHeartlands Housing Market Renewal Pathfinder programme to re-structure local housing markets and deal with problems associated with low demand, abandonment, poor condition and declining property values. One of the ways in which these issues can be addressed is by the use of Group Repair Schemes.

2.2 The Group Repair Scheme was originally introduced in the Local Government and Housing Act 1989 as a means of securing the external fabric of a group of properties, so that on completion of works the properties would be in good external repair and structurally stable. Group Repair can also help create confidence in an area, improving the quality of the living environment to assist in making residents feel more positive about the future of their neighbourhood.

2.3 The scope of Group Repair Schemes was widened in the Housing Grants, Construction and Regeneration Act 1996. With the deregulation of the Housing Renewal Financial Assistance system in July 2003, (which included Group Repair) Wirral decided to maintain the provision of Group Repair Assistance, on a targeted basis to support other HMRI interventions. This provision has been retained in the Private Sector Housing and Regeneration Assistance Policy and renamed as a Neighbourhood Facelift Scheme (referred to as 'Facelift Scheme') to reflect its linkages with internal improvements and investment in the street scene.

3.0 IMPROVING CRAVEN AND PATERSON STREETS

3.1 The 'Strategy for Inner Wirral 2004-2014' identified an area of approximately 300 privately owned houses in Central Birkenhead namely Craven Street, Paterson Street and No.s 228 to 282a Claughton Road requiring investment to secure its long term sustainability. (See the Plan at Appendix A of this report) These properties had high vacancy levels, were in only a fair state of repair and in need of external renovation. On 1st November 2007, Cabinet approved the commencement of preparation for a Facelift Scheme involving the properties shown on the plan attached in Appendix A.

3.2 In order that the Facelift Scheme could be managed and funded it was necessary to programme the works on a phased basis. The entire programme will be completed in 2

phases. Phase 1 has now been completed and involved the external renovation of 117 properties situated in Craven Street and Claughton Road.

- 3.3 In accordance with the Council's Contract Procedure Rules, tenders were sought under a single stage selective competitive tendering process. Tenderers were selected from the Council's approved list. Tenders were issued on 20th May 2010 and received by the Council on 25th June 2010 and opened on 28th June 2010 in accordance with the Council's Contract Procedure Rule 11.2. Tenders were invited from six contractors and the following tenders were submitted

Bramall Construction Ltd	£1,600,966
Company A	£1,655,704
Company B	£1,743,592
Company C	£1,966,323
Company D	£1,899,389
Company E	£2,170,177

- 3.4 Detailed breakdowns were requested from the two contractors who submitted the lowest tenders, Bramall Construction Ltd and Company A.
- 3.5 The tender from Bramall Construction Ltd was scrutinised and concluded to be accurate. It was also concluded that the tender price achieved the desired quality of scheme required.
- 3.6 Tenders were evaluated on price because the schedule and specification of works was included in the tender documentation and the scheme success relies on property owner contributions of up to 25%. Therefore, the lower the tender price, the lower the amount property owners will be asked to contribute. The proposed form of contract is the JCT Intermediate Building Contract (2005 Edition). The tendering process has been evaluated by the scheme Project Manager, Regenda who recommended the acceptance of the tender submitted by Bramall Construction Ltd after detailed assessment of costs submitted and quality criteria.

Consultation and Potential Take Up of the Scheme

- 3.7 Consultation has been undertaken by Council officers on a door-to-door basis in Phase 2 and a questionnaire has been completed by most residents. Newsletters have been circulated within the Facelift area and there are indications of promising support to participate from residents and landlords. Phase 2 involves properties situated in the streets as shown in the plan in Appendix A and Appendix B contains details of the proposed works.
- 3.8 Owners of the properties in Phase 2 will have the opportunity to make an application for Facelift assistance to participate in the Scheme. Landlords will be asked to pay 25% of the cost of the works. Owner occupiers will also be asked to contribute 25% of the works cost but where there are cases of financial hardship, the owner may elect to be subject to a test of financial resources and this may reduce the amount they are asked to pay. Registered Social Landlords will contribute the full amount of the works cost. This type of housing investment is sound value for money generating a substantial capital receipt from contributions for recycling into future housing investment projects.
- 3.9 The Facelift assistance has a three year condition of future occupation for each applicant. Should this condition be breached the assistance has be repaid to the Local Authority. This amount reduces by one third after the first year and by one third for each subsequent year until the end of the third year.

- 3.10 The results of the questionnaires completed to date for Phase 2 have been tabulated below and show the interest level of the various residents/landlords and Registered Social Landlords in participating in the Scheme:

	Owner/Occ Interest	Landlord Interest	RSL Interest	No Response
Paterson Street	39	64	47	5

- 3.11 Out of 155 property owners in the Phase 2 area, 151 have so far indicated their initial interest in participating in the scheme. This is an excellent response at this stage and officers are still making enquiries to establish the ownership of the remaining properties in Phase 2 of the Scheme.
- 3.12 A Facelift Scheme aims to involve 100% of the properties to have the desired impact on the local housing market. In reality, this is often not possible for a variety of reasons. If owners express interest in joining the Scheme but indicate that they cannot afford their assessed financial contribution there is a provision in the Council's Private Sector Housing and Regeneration Assistance Policy to include these properties in the Scheme carrying out minimal 'keying in' works at the expense of the Local Authority. Any such 'keying in works' are restricted to a maximum amount equal to 5% of the total cost of the Scheme. The undertaking of specific 'keying in' work, particularly to the front elevations, ensures continuity of the renovation work and visual impact.

4.0 **THE APPOINTMENT OF SCHEME PARTNERS**

- 4.1 The employment of both Regenda as Project Manager and Ainsley Gommon to act as Architects to work on Phase 1 was confirmed by Cabinet on 1st November 2007. This arrangement has been successful and Cabinet is asked to retain the services of both Regenda and Ainsley Gommon for Phase 2 in line with the Council's procurement rules. Details of the proposed division of responsibility between the Local Authority, Regenda and the appointed Architect (Ainsley Gommon) are shown in Appendix C.
- 4.2 The appointment of the Project Manager and the Architect will involve fees for the services provided. Regenda and Ainsley Gommon Architects have agreed to hold their fees at levels charged by the Project Manager and Architect for Phases 1, 2 and 3 of the Triangles Group Repair Scheme, namely 4% and 2.73% respectively. The level of fees charged by RSL project Managers and architects for Group Repair in Wirral has remained the same since 2005. The fees are also well below the threshold requiring application of EU procurement rules. The fee levels reflect the complex nature of Group Repair Schemes, including liaison between the agencies involved and the programming of works to privately owned houses, the majority of which will remain occupied throughout. The appointment of Regenda as agent will be subject to a 'Project Management Agreement' designed to clarify the responsibilities of both the Council and the agent, and also protect the interests of the Council.
- 4.3 To retain overall control of the proposed scheme and to deal effectively with any litigation issues, Wirral will directly appoint, and have contracts with, both the Architect and the main contractor. The selection of both the Architect and main contractor were by means of a competitive tendering process undertaken in conjunction with Regenda within the Framework of the Council's Contract Procedure Rules.
- 4.4 Cabinet should be aware that during the implementation of a Facelift Scheme unforeseen works may be encountered which could result in the original cost estimate increasing. Where a private property owner's contribution has been set at a maximum of 25%, any increased costs could result in the contribution level rising. It is suggested

that in order to provide financial stability, participants have a maximum contribution, and the Council agree to underwrite any increase in scheme cost over and above the original estimate and quotation. This arrangement was used successfully for Phases 1, 2 and 3 of the Triangles Group Repair Scheme and Phase 1 in Craven Street..

5.0 FINANCIAL IMPLICATIONS

5.1 With the tender received the cost of undertaking external renovation works to all the properties in Phase 2 will be in the region of £1.6 million plus fees. A proportion of this cost will be met by Scheme participants, based upon a test of their financial resources determining a contribution has to be paid. Preliminary calculations indicate that this could total approximately £300,000.

5.2 The scheme is within the Housing Capital Programme for 2010/12. Whilst the £650,000 from HMRI and £250,000 of Regional Housing Pot funding is available this financial year grant support of £600,000 for 2011/12 is subject to further consideration by the Government. Should the Council be unsuccessful in securing future HMRI funding or Housing Pot funding then capital receipts from previous HMRI projects will be used to enable completion of this scheme.

6.0 STAFFING IMPLICATIONS

6.1 Due to Regenda's appointment as agent/project manager, there are no additional staffing implications for the Council arising from this report. The project would continue to be overseen by the Private Sector Housing Home Improvement Team in the Housing Strategy Division.

7.0 EQUAL OPPORTUNITIES/EQUALITY IMPACT

7.1 The Scheme will involve properties occupied by vulnerable people, especially older people and the Home Improvement Team will ensure that the needs of these residents are met during the course of the scheme.

7.2 The existing HMRI Clearance & Improvement Programmes Equality Impact Assessment has been reviewed in light of the proposed scheme and no changes are considered necessary.

7.3 Service delivery of the facelift scheme will be routinely monitored in relation to equality and diversity.

8.0 COMMUNITY SAFETY IMPLICATIONS

8.1 The scheme includes measures which will enhance safety and security in the area.

9.0 LOCAL AGENDA 21 IMPLICATIONS

9.1 Works undertaken in connection with the Scheme will include double glazing to windows, roof insulation, installation of solar panels for domestic hot water heating, where appropriate, door and window draught-proofing all aimed at reducing heat loss and ultimately lower CO₂ emissions. In addition, low maintenance recycled materials will be used where possible. This action will support the principles of Agenda 21 and sustainable development.

10.0 **PLANNING IMPLICATIONS**

10.1 The Private Sector Housing/HMRI Group supports the Urban Regeneration Strategy outlined in the Unitary Development Plan which is designed to aid the Council to sustain its commitment to retaining the Green Belt.

11.0 **ANTI-POVERTY IMPLICATIONS**

11.1 Property owners in receipt of benefits will not be required to make any contribution to the cost of the works. The maximum contribution from any property owner will be 25% of the costs of the works.

12.0 **SOCIAL INCLUSION IMPLICATIONS**

12.1 Alongside the renovation of properties, officers will work closely with residents through the project and where possible will seek to improve inclusion where barriers exist such as employment, health or education.

13.0 **LOCAL MEMBER SUPPORT IMPLICATIONS**

13.1 The Scheme is located in the Birkenhead and Tranmere Ward.

14.0 **BACKGROUND PAPERS**

14.1 Cabinet 9th October 2003 – A Strategy for Inner Wirral
Cabinet 1st November 2008 – Proposed HMRI Improvement Scheme

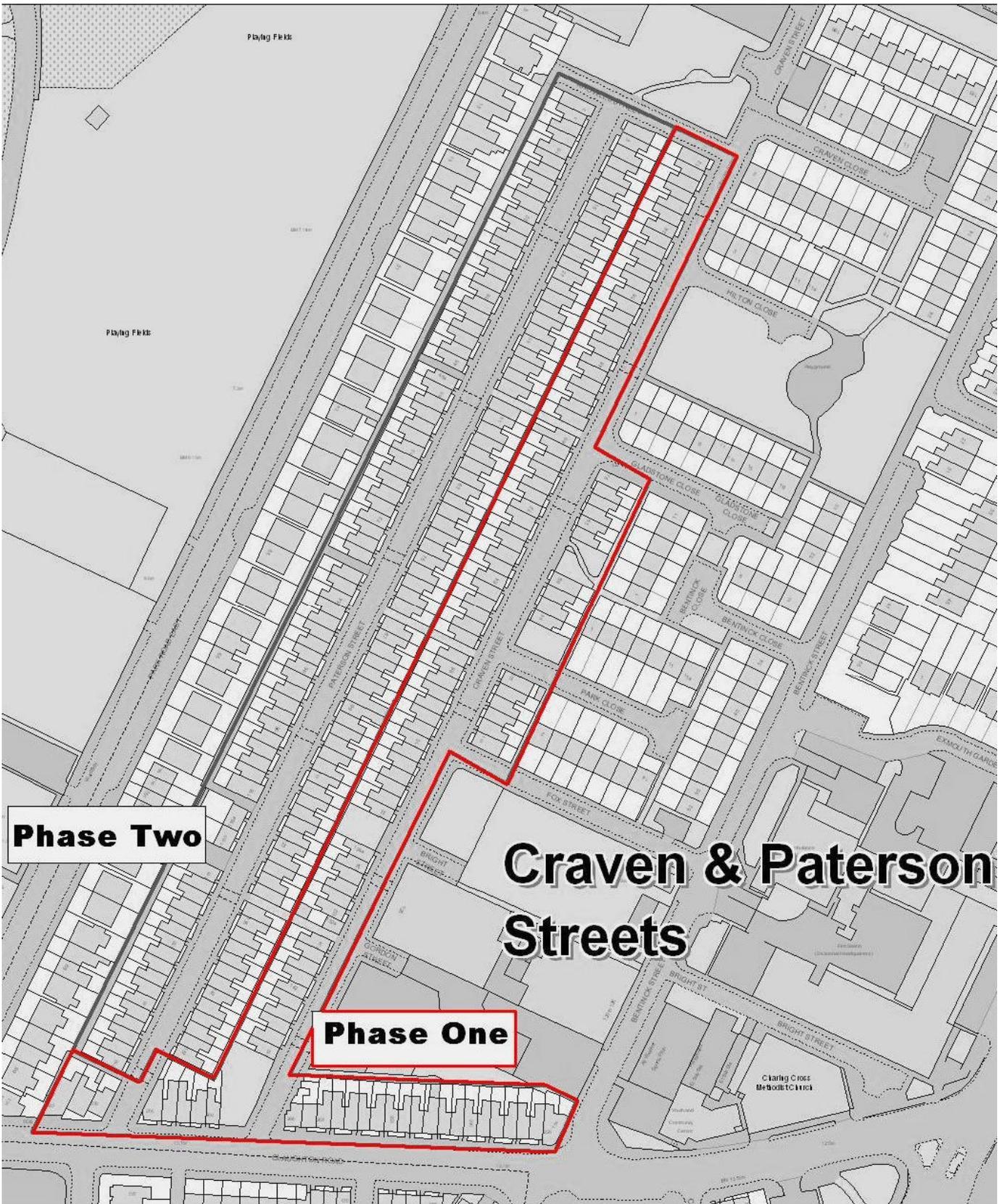
15.0 **RECOMMENDATION**

15.1 That the progress of the Facelift Scheme Phase 1 involving properties located in Craven Street and Claughton Road be noted and the implementation of Phase 2 of the Scheme set out in this report and Appendices A and B be approved; including the retention of the services of Regenda and Ainsley Gommon Architects in accordance with the Councils Contract Procedure rules.

15.2 That the tender submitted by Bramall Construction Ltd for the sum of £1,600,966 be accepted for the works in Phase 2 following the tender process carried out in accordance with the Council's Contract Procedure Rules. This is in line with the decision of the Cabinet of the 1st November 2007 to use competitive tendering.

Jim Wilkie
Deputy Chief Executive/Director of Corporate Services

This report was prepared by Jim Ashley who can be contacted on 691 8136.



THE CRAVEN STREET/PATERSON STREET NEIGHBOURHOOD FACELIFT SCHEME

AIM

To secure the external fabric of a group of residential properties situated in Central Birkenhead, so that they are in reasonable repair and structurally stable on completion of the works. Any such works to be to the 30 year life standard.

The total number of properties in the whole of the proposed area is 273. In order to properly manage the Scheme it will be necessary to programme the works in phases.

Phase 2 will consist of 155 properties situated in Paterson Street, Birkenhead.

OBJECTIVES

- a) To negotiate the inclusion (through full scheme consent and/or keying in works) of as many owners as possible in the proposed Facelift Scheme, by agreement.
- b) To both agree a suitable scheme of external renovation works with all participants and arrange to undertake these works with residents in occupation (if applicable).
- c) To secure payment of applicants financial contributions, on satisfactory completion of the works (where applicable).

OUTLINE OF THE WORKS TO BE UNDERTAKEN

Roof covering renewal where required, checking condition and adequacy of timbers. Full installation of insulation to loft space to current Building Regulations standards, including roof void ventilation. Works to include renewal/overhaul of fascia and soffit boards, and renewal of bay roof covering.

Overhaul of chimney stacks, re-pointing and re-flaunching pots. Renew flashing to roof.

Re-point all the main house walls, where necessary.

Replace defective lintels above openings, where necessary.

Replace all windows in PVCu double glazing, unless already satisfactory installed.

Replace front and rear door and frames in PVCu where necessary.

Renew wastewater goods in PVCu, where appropriate, to include soil vent stack.

Renew/overhaul front and rear boundary walls, where applicable.

To supply and fit energy efficient solar panels for domestic hot water heating where appropriate.

THE CRAVEN STREET/PATERSON STREET NEIGHBOURHOOD FACELIFT SCHEME

PROPOSED DIVISION OF RESPONSIBILITIES

1. Duties of Wirral Borough Council

- a) Preparation of a Brief describing the objectives and essential characteristics of the proposed Group Repair Scheme
- b) The determination of rates of contribution to the cost of the Scheme by participants in accordance with Wirral Council Financial Assistance Policy.
- c) The appointment of an architect and payment of his fees.
- d) Entering into a contract with the building contractor and the payment of sums due to the contractor.
- e) Receiving regular reports from Maritime Housing Association on all matters relating to the progress of the scheme and the issuing of instructions to Maritime Housing Association and the architect and any other agents acting on behalf of the Council in relation to any aspect of the Scheme.

2. Duties of Regenda

- a) Obtaining competitive quotations from architects for the performance of architectural services agreed by the Council in relation to the Scheme.
- b) The appointment of a planning supervisor under the CDM regulations.
- c) Collecting information from residents to enable the Council to determine rates of contribution to the Scheme.
- d) Liaison with residents and reporting on their views to the Council on matters relating to the Scheme.
- e) Liaison with the architect in drawing up tender documents (to be approved by the Council) for the building contract including the invitations to tender.
- f) The appointment of a Clerk of Works.
- g) Appointment of a person to act as Regenda's representative, with authority to act on all matters relating to the Scheme.
- h) Managing the architect, checking the architect's fee claims, decisions and certificates and being the usual channel of communication between the Council and the architect.
- i) Monitoring the progress of the works and making regular reports to the Council, on all material matters affecting the Scheme, which should reasonably come to its notice.

3. Duties of the Architect

- a) The preparation of applications for planning consent and building regulations approval.
- b) The preparation of a specification of the works to be carried out under the Facelift Scheme in liaison with Maritime Housing Association for submission to the Council for its approval.
- c) The preparation of an estimate of the costs of the Scheme.
- d) Preparation of the tender documents for a building contract in liaison with Regenda inviting tenders for submissions to the Council for acceptance.
- e) Appraising tenders received in liaison with Regenda
- f) The preparation of the building contract documentation for execution by the Council.
- g) The administration of the building contract including (without limitation) issuing of certificates, the granting of extensions of time, the issue of variations to the works (with the prior approval of the Council after liaison with Regenda) the calculation of any liquidated damages and the issuing of scheduled defects.
- h) Any other duties laid down in the standard form of agreement for the appointment of an architect issued by the Royal Institute of British Architects which are defined by the Council after consultation with Maritime Housing Association.