

Nottingham City Council Delegated Decision



Nottingham
City Council

Reference Number:

2964

Author:

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Department:

Commercial and Operations

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Subject:

RemoUrban project - amendments to project

Total Value:

£583k, but net increase of only £44k (Type: Capital)

Decision Being Taken:

To amend the REMOURBAN budget in line with the attached detailed budget
To delegate authority to approve the establishment of a contingency as detailed in the exempt appendix, and delegate the spend of that to the Director for Energy, Waste and Highways
To approve the appointment of NCH to deliver the Silver Standard properties.
To give written consent for Nottingham City Homes to sub-contract Sustainable Building Services Ltd, to carry out energy efficiency capital investment and improvement works to the Silver Standard Homes (Byron, Morley, Keswick and Haywood Court), under the Nottingham City Homes Partnership Agreement.
To permit NCH to use other budgets already within their delegation to ensure the scheme is completed fully whilst on site

Reasons for the Decision(s) The executive board approval was agreed in February when some of the schemes were at outline stage. There has been substantial progress since then, which has resulted in some changes being required to reflect detail on the ground. In summary, there is a total additional cost of £44k after increased cost and budgetary adjustments are taken into account. Details of changes are included in the exempt appendix, but in summary include the following:

- Additional works required which were unexpected at the time of the Executive Board decision (electrical mains installation and design cost for master plan)
- Additional costs for some elements of the work due to changes in specification required as design has progressed (Silver Standard)
- Changes to numbers of leaseholders
- Increase in grant income
- Reduction in costs for elements of the contract (Bronze standard)
- Changes to procurement routes (Silver Standard)
- Changes to number of properties (Gold standard)

Other Options Considered: Electrical mains could have been avoided if we had not insulated the concrete pillars. However this would have resulted in cold bridging, leading to mould and damp after the work was completed. Similarly, reducing the specification for the Courts (Silver Standard) could potentially result in ongoing issues of damp and mould in cold spots.

We have been in touch with the Project Co-ordinator, Cartif, to see whether we could drop the Courts (Silver Standard) project from the REMOURBAN project. They have said the grant would all need to be recalculated. This could be done, but we would expect to lose grant funding on a pro rata basis at the least. This could also leave disappointed tenants.

We could have done 9 properties for the 2050 homes (Gold Standard), but for reasons stated, these would have been more difficult to complete.

We could decide not appoint an architect to do a master plan, but if we do not do this, the scheme will not leave the lasting legacy which it has potential to, and we may find that the area works less well for tenants and leaseholders once completed.

Background Papers: attached paper provides full briefing

Published Works: Executive Board Paper "REMOURBAN and Domestic Energy Efficiency Programme", 21st February 2017

Affected Wards: St Ann's

Colleague / Councillor Interests: None.

Any Information Exempt from publication:

Yes

Exempt Information:

Description of what is exempt:

Finance comments

An appendix (or appendices) to this decision is exempt from publication under the following paragraph(s) of Schedule 12A of the Local Government Act 1972

3 - Information relating to the financial or business affairs of any particular person (including the authority holding that information).

The public interest in maintaining the exemption outweighs the public interest in disclosing the information because there is commercially sensitive information which could jeopardise Nottingham City Council's future contract negotiations and commercial position.

Documents exempt from publication:

Exempt Appendix Changes.docx, Exempt Appendix 2 - Remourban - amendments to Scheme Sept 20 17 - finance comments.docx, Exempt Appendix 3 - Remourban amendment finance summary - September 2017 .xlsx, PHD Final Sept 17 briefing.docx

Consultations:

Those not consulted are not directly affected by the decision.

Crime and Disorder Implications:

crime and disorder implications of energy related building retrofits are not anticipated to be significant, though there will be a positive regeneration benefit to the area.

Equality:

EIA not required. Reasons: EIA provided with Exec Board report in February 2017, which as this is within the past 2 years, a new EIA is not required.

Relates to Council Property Assets:

Yes

Decision Type:

Portfolio Holder

Subject to Call In:

Yes

Call In Expiry date:

12/10/2017

Advice Sought:

Legal, Finance, Procurement, Property, Other: Graham DeMax(Graham.demax@nottinghamcity.gov.uk)

Legal Advice:

The City Council has delegated to NCH responsibility to deliver works to its housing stock under the partnership agreement between the City Council and NCH. NCH will be entering into a contract using the Fusion 21 framework to deliver the 'Remourban' works described in this report under that existing delegation. The works will be paid for through the council housing revenue programme, managed by NCH. In accordance with the terms of the Partnership agreement the City Council must give its consent to NCH entering into the contract. Advice provided by Andrew James (Team Leader Contracts and Commercial) on 22/09/2017.

Finance Advice:

This advice is exempt from publication and is contained within an exempt appendices 2 & 3.

Advice provided by Julie Dorrington (Senior Accountant (Housing Revenue Account)) on 18/09/2017.

Procurement Advice:

Appointing Nottingham City Homes directly to deliver the works is compliant with the Council's Contract Procedure Rules and Public Contracts Regulations. Where NCH are subcontracting out the works, they must ensure they do so in line with their own procedures. Advice provided by Jonathan Whitmarsh (Lead Procurement Officer) on 29/09/2017.

Other Advice:

The Housing Strategy service has overall responsibility for the stewardship of the Housing Revenue Account and the client function in respect of Nottingham City Homes. It was closely consulted on the development of the RemoUrban programme and therefore fully supports the significant enhancements to Council homes the measures will bring, as well as meeting strategic domestic energy objectives. The need for adjustments to the programme is acknowledged. Advice provided by Graham de Max (Housing Strategy and Partnership Manager) on 21/09/2017.

Property Advice:

The decisions of this paper do not impact on the advice provided by Property Services, in the Executive Board paper, Feb 2017.

The proposals will not necessarily increase the value of each property by the cost of the work to that property. If any of the properties to which works have been carried out are subsequently sold under Right to Buy, the investment in the property will be protected by Cost Floor provisions, for 10 years. Where possible it is proposed to recharge leaseholders the costs of works. Advice provided by Emma Wilcock (Senior Estates Surveyor) on 13/09/2017.

Signatures

Jane Urquhart (PH for Planning, Housing and Heritage)

SIGNED and Dated: 05/10/2017

Andrew Vaughan (Corporate Director Commercial and Operations)

SIGNED and Dated: 02/10/2017