

Report of the Director of Housing, Economy & Regeneration  
Portfolio of the Executive Member for Housing and Community Safety

## **Housing Asset Management – Planned Investment at Glen Lodge and Bell Farm**

### **Summary**

1. This report seeks permission to proceed to procure major repair and maintenance works on Glen Lodge and Bell farm pods to address significant health and safety issues and bring accommodation up to a decent homes standard. A full business case will be brought back to Executive with tendered contract prices. Many of the homes are not currently occupied due to their poor condition. In order to ensure remaining tenants have acceptable, suitable accommodation in the meantime, a programme of consultation and engagement is taking place to understand their individual circumstances and wishes and ensure that they can be relocated, temporarily or permanently, to a home that meets their needs. The procurements will take some time and works are likely to start on site in spring/summer 2023 so there is considerable time to ensure that tenants will be successfully relocated before works commence.
2. The Council's current Asset Management Strategy was updated in 2019 and provides a strategic approach to planned investment across our Council housing stock, however work is ongoing to review this document to ensure it provides a thorough and robust plan for long term investment decisions. The updated version will incorporate planned investment works along with plans to improve accessibility and energy efficiency through retrofit. The plan will take a whole life cost approach, ensuring investments are value for money and meet the expectations of our customers. The aim will be to improve the standards of our council housing stock through data driven investment planning and an approach which will support staff in making sound investment decisions. Once established, this plan will provide a more proactive approach to known issues, ensuring issues are addressed in advance and efficiently. Whilst we transition to this approach to managing our housing stock, there is a

need to undertake some significant investments in our housing stock in the short term to improve the living environment for our residents.

3. This report seeks support to progress three major areas of improvement. The first, relates to significant refurbishment work at Glen Lodge Independent Living Community, removing the old water systems and improving the original flats and communal areas. The second project is to refurbish and retrofit 40 properties in the Bell Farm Estate which have failing extension pods that contain asbestos. This involves demolition of previous extension 'pods' and replacing them with modern bathroom extensions alongside tackling a number of stock condition issues. There is also the opportunity to retrofit these homes such that they are more energy efficient and reduce energy bills for the residents. Both projects will require residents to move out of their homes for a period of time whilst the works take place. All residents who are required to move out will be given the opportunity to return to their former home after the works and a range of support measures will be put in place to compensate for the disruption.

### **Recommendations**

4. Executive are asked to:-

- a) Agree the procurement of a contractor to resolve water hygiene issues and improve the quality of the building at Glen Lodge and note that a business case with final costs will be brought before Executive and recommended to Full Council for consideration prior to contracts being signed
- b) Note the work being undertaken to agree with residents a move from the old wing of Glen Lodge to the newer wing with a package of support measures to minimise disruption and address individual resident's circumstances prior to the commencement of building works;
- c) To agree to commission design work and submit planning applications for the rear extensions at the identified Bell Farm properties;
- d) Agree the procurement of a contractor to rebuild the existing bathroom pods and undertake a package of retrofit improvements works at the identified Bell Farm apartments and note that a business case with final costs will be brought before Executive and recommended to Full Council for consideration prior to contracts being signed
- e) Progress an application under Wave 2 of the Social Housing Decarbonisation Fund, to seek grant funding towards the cost of retrofit works to the Bell Farm apartments

- f) Note the work being undertaken to agree with remaining residents of the Bell Farm apartments a move to a suitable alternative property with a package of support measures to minimise disruption and address individual resident's circumstances prior to the commencement of building works
- g) Note the options for delivering works at the two properties in Bell Farm (Annex 1) which currently belong to leaseholders. The full business case for the delivery of this project will include details of the preferred option following discussions with the leaseholders and following advice from Legal Services

## **Analysis**

### **Glen Lodge**

- 5. Glen Lodge is an Independent Living Community, originally built in the 1970s with an additional wing added to the building in 2017. There are a total of 57 apartments and 12 bungalows, with 25 apartments in the newer wing and 32 in the original building. No major work was carried out to the existing building during the work to build the newer wing.
- 6. The domestic hot and cold water systems in the older part of the building have repeatedly become contaminated with legionella, due to the layout of the pipework which includes a number of dead ends. This risk is currently successfully managed using chemical dosing and cleaning as required, however it has not been possible to permanently resolve the problem and until a permanent solution is delivered it presents an ongoing health and safety risk.
- 7. To further reduce the risk in the short term whilst the works to the building are procured, it is proposed that all residents in the original part of the building are offered an apartment in the newer wing of Glen Lodge over the coming months. There are currently only 9 apartments occupied in the older section.
- 8. There are 31 voids at Glen Lodge, made up of 1 bungalow and 23 apartments in the old section and 7 apartments in the newer part of the building. This is having an impact on rental income and our ability to provide much needed, age appropriate accommodation. The council has ceased carrying out planned investment work such as the installation of new kitchen and bathrooms, cyclical redecoration and window and door replacement in the original building pending the major works.
- 9. A schedule of work has been devised to resolve the water hygiene issues and carry out significant improvements to the buildings. These

works comprise of a new hot & cold pipework system, intrusive asbestos & fire survey and remedial works, replacement of kitchens and bathrooms, redecoration of apartments and communal areas, replacement of communal flooring and electrical rewiring.

10. A period of design work will be required to co-ordinate the new hot & cold water system and refurbishment prior to procuring a contractor to carry out the work. It is anticipated that construction will commence in Spring 2023. The estimated programme for the construction work is approximately 9 months, subject to further contractor input. This work is major and intrusive and therefore residents will need to be rehoused during this work.
11. It is recognised that a move can be stressful for residents and their families and therefore these discussions have already commenced with residents and their families to ensure residents are well supported and alternative appropriate accommodation can be found. In preparation for these works, vacant apartments have been held in the newer wing of Glen Lodge so that residents in the original building can be offered either a permanent or temporary move to the newer wing of the building. This will provide a relatively straightforward solution and allow for continuity of care throughout the move. It is acknowledged that every resident will have their own circumstances and support plans for each affected resident will be developed in consultation with families to ensure they receive clear communication throughout the move. Residents will be entitled to financial compensation in accordance with the Council's Home Loss and Disturbance policy. Each tenant will also be entitled to a payment to cover reasonable expenses. The affected residents and their families have been advised of these plans.
12. The current estimated budget for these works is summarised below:

Description	Approximate cost £'000
Total construction works cost	2,200
Home Loss and Disturbance costs	44
<b>Total costs</b>	<b>2,244</b>

13. Carrying out this work will resolve the water hygiene issue as well as improving the general standard of accommodation throughout the building and ensure the quality of the homes are similar to the extension built in 2017. It will provide 32 high quality apartments alongside the existing 25 apartments in the new wing.

14. There is also an opportunity to make better use of the communal dining and lounge area. As part of the programme it is planned to engage with local organisations and neighbouring businesses to find opportunities to bring these spaces into greater use once the work is complete. There is an opportunity to provide a better connection between this lounge and the garden to support more residents in being able to enjoy the outside space provided at Glen Lodge.

### **Bell Farm Avenue, Huntington Road and Middleham Avenue**

15. 40 properties within the Bell Farm Estate are in need of significant improvement works. The 40 apartments primarily sit along Bellfarm Avenue and Middleham Avenue. These properties were originally houses which were converted to 1 bedroom apartments approximately 40 years ago. At this point bathroom pod extensions were added to the existing buildings. These are constructed from asbestos containing materials which was common at the time. The pod structures are starting to degrade, creating a health and safety risk if not tackled. The maintenance team have been repairing these extensions over recent years but it is clear that they are reaching the end of their usable life. Currently 17 homes are void and those which are occupied are checked to ensure any health and safety risks are suitably managed. A number of options have been explored for retaining the existing structures and making safe, however it is clear that they need to be removed and a new modern extension built in their place.
16. Whilst plans to remedy the asbestos pods have been ongoing, planned repairs such as bathrooms and kitchen replacement, window and door replacement and works to address standing water issues which exist under some of the buildings have been deferred in order to ensure there is no significant investment in abortive works. As a result the homes are in varying states of disrepair and will require significant work to bring them to a good condition.
17. A thorough refurbishment will be required to bring these homes up to a good standard for occupation. As a minimum the homes require the demolition of the bathroom pods and rebuilding, breaking out the ground floors and replacing with a concrete block and beam solution, removing plaster up to 1m above the ground floor level, injecting a chemical DPC and replastering, rewiring, new floor finishes, wall and ceiling plaster skim and painting throughout. This work is major and intrusive and therefore residents will need to be rehoused during this work. There will need to be a significant amount of

design work prior to construction and therefore it is anticipated that construction work will commence in Spring/Summer 2023.

18. It is recognised that a move can be stressful for tenants and therefore discussions have already commenced with remaining tenants to understand their individual circumstances and wishes, ensure they are well supported. Starting this preparation well in advance of construction work will give residents sufficient time to consider the housing options available to them and for suitable alternative appropriate accommodation to be found. Residents will be entitled to financial compensation in accordance with the Council’s Home Loss and Disturbance policy. Each tenant will also be entitled to a payment to cover reasonable expenses. The affected residents have been advised of these plans.

19. The current estimated budget for these works is summarised below:

Description	Approximate cost £'000
Construction works cost	1,850
Home Loss and Disturbance costs	70
<b>Total costs</b>	<b>1,920</b>

20. As this work will be intrusive and require extended void times it presents an opportunity to try and improve the thermal performance of the homes, making them healthier for future residents and reducing fuel bills. The homes are typically considered to have an Energy Performance Certificate D rating. Central Government consider an EPC Rating of C and above to be good.

21. The project team have explored solutions to improve the performance of the homes. The heating systems are generally modern and well maintained and therefore it is not proposed to change these. However there are opportunities to increase the insulation levels of the homes, making them more comfortable now and supporting a low carbon energy system transition in the future when the existing heating systems are in need of replacement.

22. The table below sets out a package of potential works and the corresponding impact on EPC rating and estimated energy bills

	<b>EPC rating</b>	<b>Approx. Resident Fuel bill (per annum)</b>	<b>Estimated Retrofit Cost per property</b>

<b>Current Property</b>	EPC D	£1,128	
<b>Retrofit Package 1:</b> -External Wall Insulation -Porch roof insulation -Enhanced underfloor insulation -Enhanced external door -Enhanced Glazing -Enhanced insulation within the extension	EPC C	£678	£11,267
<b>Retrofit package 2 (in addition to Package 1):</b> Solar PV	EPC B	£438	£15,767

23. Good practice states that a fabric first approach to retrofit should be taken where possible given the need to reduce energy demand and not simply transition to lower carbon energy supplies. A fabric first approach also provides greater levels of thermal comfort, improving the health of the home for the resident. It is considered that Package 1, in the table above, provides an excellent long term solution for the customer, ensuring that the homes are thermally comfortable and fit for the present day. Package 1 also future proofs the home by supporting a cost effective transition away from gas central heating when the existing system reaches the end of its natural life. Given the total cost of Package 1 and 2 works, it is considered that the addition of solar PV should be an optional extra should grant funding be available to support this work. The homes have an appropriate roof orientation for effective electricity generation by any solar panels installed on the homes. The retrofit element of the works would be funded from unallocated monies within the £2m HRA retrofit investment budget.

24. The total estimated retrofit cost of works for these 40 properties is set out below:

<b>Works</b>	<b>Total Costs £,000s</b>
Retrofit Package 1	450
Retrofit Package 2	180

25. Wave 2 of the Social Housing Decarbonisation fund is to be launched this summer. This fund provides financial support to retrofit council homes. An application will be prepared which will include the homes in Bell Farm. Once a decision is known on the grant application, a

business case will be brought before Executive for consideration setting out the required HRA investment to support the works.

26. There are currently 2 leaseholders within the 40 identified properties at Bell Farm. Both leases contain a covenant requiring the leaseholder to pay a proportionate amount of any costs the Council as landlord reasonably incurs in keeping, repairing and improving the property, the structure of the building or any common parts. For work costs, related to improvements rather than repairs, the landlord must be able to demonstrate that they have considered two key factors before the costs can be recharged to the leaseholder. The first is that consideration has been given to alternative and less expensive remedies. Secondly, we need to have consulted the leaseholders and considered their views and financial circumstances. Further information is set out in Annex 1 outlining how the leaseholder process will be undertaken.

## **Council Plan**

29. The 2019-23 Council Plan focuses on eight key outcomes. The recommendations in this report are considered to meet a number of these outcomes in the following ways:

- Good health and wellbeing – The improvement works will provide homes which are safer and more thermally efficient, providing healthier living environments for the residents.
- A greener and cleaner city – The homes at Bell Farm will be retrofitted to higher thermal standards. This will reduce both resident's energy bills and carbon emissions. The potential additional installation of solar PV would provide renewable energy to the residents.

## **Consultation**

All residents have been informed of the proposed works and the need to move from their homes prior to the works commencing. Residents have received written communication along with in person events with Council staff from Housing Management, Housing Delivery and where care plans are in place, Adult Social Care. For Glen Lodge, families have also been informed and invited to the information event. The key focus of communication at this stage has been to provide assurance that this is a collaborative process and council officers will work with each individual household to support them through their move. Significant time has been built into the programme to ensure that residents and families have time to consider their housing options.



## Implications

### a) Financial

The works outlined in the report are not part of the Housing Capital Programme. The HRA is suffering significant lost income at Glen Lodge of c£268k projected in 2022/23, as the properties remain void and therefore it is necessary to undertake the repairs. Structural Maintenance of Housing Stock is funded from the depreciation charge that is made to the account each year. The charge is c £8.6m per annum and funds proactive maintenance schemes such as Tenants Choice and Modernisation of the stock. The schemes at Bell Farm and Glen Lodge at an estimated cost of £4.61m cannot be funded from the repairs budget without having a significant impact on the rest of the programme so it is recommended that other housing capital resources are utilised.

As part of the process for Council House Sales the council is able to retain a proportion of the receipt to reflect the debt that the council had outstanding on that property, this is in addition to the proportion that is retained that must be utilised to replace the stock known as Right to Buy receipts. The council also receives capital receipts for non-Right To Buy receipts which can be used for capital investment or debt repayment. As at 31st March 2022 the value of uncommitted capital receipts is estimated at £7m. This is sufficient to fund the cost of these repairs and is the recommended source of funding for these works. This would reduce the unallocated capital receipts to £2.39m.

### b) Human Resources (HR) - none

c) Equalities – The moves outlined in this report will have an impact upon vulnerable tenants. Housing will work with tenants, their advocates if appropriate and partner agencies to take a person centred approach to moving tenants. Officers will meet tenants on a one to one basis to understand their individual needs and ambitions and ensure communication is ongoing as work progresses. Tenants will have the choice to return to their original property or move to an alternative property elsewhere in the city and will be supported throughout the whole process by Housing alongside appropriate agencies. We will move tenants when they are fully prepared and to an agreed timescale.

d) The work will make huge improvements to tenant's living conditions in the long term, making each property healthier to live in and cheaper to heat.

### e) Legal

Both Bell Farm & Glen Lodge involve building works and although the amounts to be spent are under the construction thresholds for the public contract regulations, contractors will nevertheless be procured using processes which are compliant with our contract procedure rules within the Constitution.

Legal Services' comments on the options set out in Annex 1 regarding the 2 leaseholder properties are incorporated within that Annex.

f) Procurement

Any proposed works will need to be commissioned via a compliant Procurement route under the CPR's and PCR's. The value of the works stated does not exceed the current works threshold of £5,336,937 and would not be subject to an above threshold tender exercise as per the regulations, but will be subject to a compliant procurement exercise. The route of said procurement is still to be determined, however a Procurement Strategy will be developed which will outline the most suitable and most appropriate route to market. Once the tender has been completed, and firm costs received, further approvals from Executive will be required before any contract can be entered in to.

g) Information Technology (IT)

h) Property - covered in the report

## **Risk Management**

30. Cost Increases – there has been and continues to be high levels of inflation across the construction industry. The approximate cost plans have been provided by an external cost consultant with predicted inflation accounted for. The full Business Case will be presented to Executive following the contractor tender for both projects once actual costs are known. We will seek to procure a fixed cost for the works and transfer further inflation risk during the construction period.

31. Delays – It will be key to ensure that client delays are minimised. Invasive surveys and up-front design work will be undertaken so that the scope of works can include for abnormal costs. A small contingency has been allowed for in the cost estimates to allow for unavoidable change.

32. Voids – choosing to start the process of moving customers from their homes early in the project will likely increase the number of void properties in Bell Farm prior to construction work commencing, resulting

in increased loss of rent. Voids are already very high across both Glen Lodge and Bell Farm and this rent loss has been accounted for in 22/23 & 23/24 budgets. There are significant benefits for the wellbeing of residents in starting this collaborative process of re-housing early. This will also minimise delays further down the line as homes will be vacant in advance of construction.

33. External Grants – Social Housing Decarbonisation fund will be sought to support the Bell Farm retrofit work. There is a risk that some of the properties may not meet the eligibility criteria or we may be unsuccessful in attracting grant as it is likely to be a highly competitive process. More detail on the fund will be released in late 2022.
34. Impact of the moves on tenants – This may be disturbing for vulnerable tenants and particular care will be taken to engage them early to understand their circumstances and wishes as we find alternative accommodation. If there are any situations where there is an immitigable risk to a resident this will be outlined in the business case report.
35. Moving tenants from their homes to carry out this work will require substantial resource to ensure that the residents feel well supported during this time. Allowance has been made for Home Loss and disturbance payments in accordance with CYC policy and a cross-department working group and communication strategy has been established to ensure that there are clear and frequent communications.

## Contact Details

### Author

Sophie Round  
Housing Delivery  
Programme Manager

Kate Grandfield  
Housing Management  
Service Manager

Michael Jones  
Head of Housing Delivery  
and Asset Management

### Chief Officer Responsible for the report

Tracey Carter  
Director of Housing, Economy and  
Regeneration

Report  
Approved

Date 20/7/22

### Specialist Implications Officer(s)

**Wards Affected:** List wards or tick box to indicate all

**All**

Heworth  
Micklegate  
Westfield  
Clifton  
Fulford  
Dringhouses & Woodthorpe  
Osbalwick and Derwent

**For further information please contact the author of the report**

**Annexes**

Annex 1 – Leaseholder Approach  
Annex 2 – Glen Lodge red line plan  
Annex 3 – Bell farm red line plan  
Annex 4 – Equalities Impact Assessment