

Grenfell Tower and are well supported by the local community. In addition, redundant areas in the lower levels of the building offered the opportunity for new *Hidden Homes*. Consultation with residents in March 2012 produced overwhelming support for the proposals.

- 2.6 It was the original intention that KALC and Grenfell Tower projects would work closely together with the same design team, consultants and contractor to deliver continuity in design and development process. However, as negotiations progressed it became apparent that it would not be possible to agree a contract price within the agreed budget with Bouygues UK. KCTMO in consultation with the Council therefore took the decision to appoint a new contractor through a OJEU competitive tender process.
- 2.7 Resident consultation was undertaken regarding the revised proposals which, carried on throughout the process as timescales have changed and specifications have become more certain against budget.
- 2.8 A revised planning application was submitted on 29 July 2013 and approved on 10 January 2014 following the agreement of a Unilateral Undertaking for the required £72,413.30 s106 sums. Simultaneously an OJEU tender process was carried out with 16 contractors submitting PQs and five being taken forward to ITT stage. Rydon submitted the lowest tender at £9.2 million (exclusive of on costs of approximately £900,000).
- 2.9 The schedule of works to be undertaken will be:
- Replacement of heating and hot water system for all properties within the Tower.
 - Replacement of windows with double glazed units.
 - Thermal cladding of the building.
 - Re-provision of premises for the nursery.
 - Re-provision of premises for the boxing club.
 - Re-provision of office space for the Lancaster West Housing Team.
 - Smoke/fire safety and ventilation works
 - Redecoration of the communal areas of the building.
 - Demolition of specific ramps and staircases to improve access through the site.
 - Associated environmental works
 - Delivery of seven new hidden homes in the lower areas of the building comprising of; 1 x 1 bedroom, 2 x 2 bedroom, 1 x 3 bedroom (wheelchair unit) and 3 x 4 bedroom flats.
- 2.10 A newsletter was sent to all residents of Grenfell Tower in April 2014 announcing Rydon as the project's contractor and arrangements are being made for Rydon's Resident Liaison Officer and KCTMO

Resident Engagement Officers to have a site presence from the beginning of June 2014.

Grenfell Under 3's Nursery

- 2.11 Grenfell Nursery is a long established provision serving Lancaster West and Henry Dickens Estates in North Kensington. They have traditionally operated crèche, childcare, and early years' education to local families, many from lower income families. The service is part of the Lancaster West Community Childcare Network (LWCCN). The Network provides childcare at other sites, children's centre services, and early years' education for 2, 3, and 4 year olds. They are a key provider in North Kensington and are supporting the Council to meet statutory requirements for early year's education and children's centre services. The nursery has been in occupation of their current premises for a number of years with no lease and making no rent payments. This was an unfortunate error and it is necessary for a lease and rent to be implemented for both the new premises at Grenfell Tower and the decant premises in accordance with the policy on managing HRA commercial stock.
- 2.12 For the duration of the works period, the nursery will be occupying the Resource Centre located within the estate at a rent of £15,500 – per annum and the ability to offer 20 childcare places. A six month rent free period has been offered to allow the nursery time to work with Family and Children's Services (FCS) to develop a business plan. With a viable business model in place it is hoped that Grenfell Under 3's Nursery will be able to take up the lease at the new premises with a rent of £33,000 per annum. The new space will allow the provider to offer 40 childcare places and should be ready for occupation by August 2015. A lease has now been signed for the decant premises and a new lease would need to be signed prior to the occupation of the new premises.
- 2.13 It has been agreed that FCS will work with Grenfell Under 3's Nursery and by September 2014 it should be clear as to whether the nursery will be able to take up the offer of the new premises. If the current provider either cannot or choose not to take up the offer, FCS can begin the process of acquiring a new provider to make sure there is no disruption to childcare places in the local area.
- 2.14 Housing and FCS will continue to work together to ensure that there are no negative effects on childcare provision in the local area.

Dale Boxing Club

- 2.15 The Dale Boxing Club currently occupy a space on the ground floor of Grenfell Tower. They have a 25 year peppercorn lease agreed by KDR on 8 March 1999 which the Royal Borough are obligated to

honour. Therefore, a 25 year lease for the new premises is being offered with a peppercorn rent until 2024 and, a market rent to be charged for the remainder of the term. The new lease will be signed prior to the occupation of the new premises. In addition, KCTMO will only be providing the boxing club with a shell as funding from Sports England will allow the club to fit out the area to their own specification.

- 2.16 In order to assist the club during the works period, a part of the disused car park at Lowerwood Court has been offered at a peppercorn rent. FCS have undertaken to pay the costs to make the space fit for occupation up to a maximum amount of £10,000 and Rydon expect to have the work completed by the end of May 2014. All of the required information for the legal paperwork has been collated and the necessary paperwork should be ready for signature by the end of May 2014. The boxing club will then be able to move during the early part of June 2014 and remain at Lowerwood Court until the Grenfell Tower works are completed.
- 2.17 Dale Boxing Club is an important part of the local community and FCS hope to work with them going forward to provide further opportunities for those in the area. Links have now been made with the FCS team and they intend to work with Dale Boxing Club over the coming month to develop an offer for the local community.

Leaseholders

- 2.18 There are 12 leaseholders in the 120 flats at Grenfell Tower. During November 2012, a letter was sent from KCTMO to all leaseholders of Grenfell Tower stating that no recharges would be levied for the proposed work. This decision had been taken by the Royal Borough in August 2012 following consultation with Legal services. It was concluded that the majority of the work would be classed as 'improvements' rather than repairs and therefore outside of the scope of recharge according to the terms of the lease. There was the potential to recharge for a small number of items such as redecorating the communal areas, but the Council decided against this.

3. PROGRAMME

- 3.1 As part of the quarterly monitoring process, Cabinet agreed at its meeting in July 2013 to allocate a further £3.7m to the scheme from HRA balances. The total approved budget provision for the scheme then increased to £9.7m.

On 27th March 2014, KCTMO Board agreed to the appointment of Rydon Property Services Ltd as preferred contractor for the

refurbishment of Grenfell Tower with a contract sum of £9.7m (inclusive of fees).

There are a number of items in the tender, relating to the scope of works and the planning conditions that need to be finalised before a contract sum can be finalised. A pre-contract agreement in the sum of £350,000 has been put in place with Rydon to resolve a number of matters, which include:

- The scope of environmental works: the tender included a wider scope of environmental works than is likely to be required. This was done to ensure that there was a clear cost base that could be applied when the exact scope of works is defined in negotiation with Bouygues, the contractor for the KALC project. Discussions are underway between all parties to agree the boundary between the two projects and to agree how to manage the interface. When this is resolved, there will be cost savings in the Rydon tender.
- There are planning conditions to be discharged in relation to the detailed design and materials of a number of items, including the new windows and the cladding material and fixing method. Subject to agreement with planning, it is anticipated that some cost savings can be achieved in this area.
- A requirement of the tender is for Rydon to secure "ECO" grant funding from energy suppliers to support the project. It is assumed that a minimum of £140,000 of funding will be achieved, and any additional funding would help reduce the overall cost of the scheme.

3.2 The current anticipated total estimated cost of the scheme is £9,691,190 (inclusive of fees). This sum includes prudent assumptions for the items detailed above and there is potential for these costs to be reduced as part of the ongoing detailed agreement of the scope and design details. However, there is no contingency in this programme at the present time, and there is significant risk in a refurbishment project of this nature. It is therefore recommended that the budget provision for the scheme is increased to £10.1m enabling a contingency of just over £400,000 to be established.

3.3 A further review of the scheme design is currently being considered relating to the office provision within Grenfell Tower. The existing housing office in the block is being relocated to the former EMB office. The local community need for community space is also being reviewed and the existing Estate Services office may be upgraded to provide a space for use by local community groups. An option is being considered to provide a further two 2-bed flats instead of the proposed office in the tower. Design options have been produced and discussions are underway with planners. This change could be accommodated within the budget detailed above. Members are asked to note this change, subject to planning agreement.

- 3.4 Both Rydon and KCTMO are currently working to confirm the programme of work which will endeavour to cause minimal disruption to the KALC programme. Early indications are that work to demolish the ramp at the west side of the site near the old nursery premises would commence in late June 2014 with the internal work to the boiler starting in early July 2014. The scaffolding and mast climbers for the cladding and windows are likely to be installed in late July 2014.
- 3.5 Rydon intend to have a Resident Liaison presence for several weeks prior to the start of the demolition programme in late June 2014. They will try and make contact with all residents and both KCTMO and Rydon Resident Liaison Teams intend to make contact with the Lancaster West Tenant's Association to try and promote involvement. Rydon have undertaken to work with RBKC to provide construction apprenticeship places. A meeting with the Council's Housing and Worklessness Coordinator has been arranged for early June 2014.
- 3.6 Unfortunately, much of the internal work is likely to be loud and disruptive for the residents. Furthermore, the installation of the heating system and windows will require access to the individual flats for approximately five days. The Lancaster West Housing Team are aware of this and Rydon Resident Liaison Officers will do all they can to ease the process. In light of this, a respite flat is being arranged, as well as a daytime respite area, and all residents will be informed and be invited to use the space.

4. CONSULTATION

- 4.1 Consultation for this scheme has been extensive involving open meetings, newsletters, drop in sessions and door knocking. Residents have been consulted extensively during the planning applications and subsequent procurement processes and were given a number of opportunities to comment on the proposed work and materials.
- 4.2 In addition, residents were given the opportunity to be involved with the contractor procurement process. Two residents were involved with the Prequalification Questionnaire review, and Fay Edwards, Chair of Lancaster West Tenants Association agreed to sit in on the interviews of the short listed contractors.
- 4.3 Regular newsletters are now being produced and Rydon intend to set up a series of drop in sessions and coffee mornings once they are on site. Housing Management have been asked to identify any potentially vulnerable households who may require additional support and KCTMO will make the necessary arrangements.

- 4.4 In the event that the additional two Hidden Homes units are viable, further consultation will take place with all residents and any other effected parties.

5. LEGAL IMPLICATIONS

- 5.1 Comment from Legal required.

6. FINANCIAL AND RESOURCES IMPLICATIONS

- 6.1 KCTMO has confirmed that it has the staffing resources within their establishment to carry out this work.
- 6.2 It is recommended that the capital budget for this project is increased from £9.7 million to £10.1 million. This increase in provision can be met from a draw down from the HRA working balance.

7. EQUALITY IMPLICATIONS

- 7.1 Advice has been taken from the Council's Equality and Diversity Team as regards any possible equality implications. They have advised that there do not appear to be any issues.

8. CONCLUSIONS

- 8.1 This report has sought to update Members on a significant capital programme and Hidden Homes project being managed by KCTMO and over seen by Council officers.
- 8.2 The Grenfell Tower project has been subject to several delays but Rydon have now been confirmed as contractor with a start on site date set for 2 June 2014.
- 8.3 Agreement is sought from Cabinet to increase the capital provision for the scheme to £10.1 million, enabling a contingency of approximately £400,000 to be established. Funding will be found from within the HRA.
- 8.4 The Grenfell Tower project is mindful of the KALC scheme and the need for both the academy and leisure centre to be delivered on time. The boundary issues are being explored and satisfactory solution will be reached following the scheduled meetings between Rydon, BYUK and RBKC. Any risk will be mitigated as far as possible and the completion of the Grenfell Tower work will greatly enhance the local area and compliment the KALC project.

9. RECOMMENDATION

- 9.1 Cabinet is recommended to increase the capital budget for this scheme to £10.1 million.

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