

THE ROYAL BOROUGH OF KENSINGTON AND CHELSEA  
TENANT MANAGEMENT ORGANISATION LIMITED

TMO BOARD — 29 MARCH 2012

**CONFIDENTIAL - GRENFELL TOWER**

**1 PURPOSE**

- 1.1 To recommend to the Board the submission of an HRA Regeneration Bid to RBKC for the external over-cladding, open area enclosure, hidden homes provision and communal and office area rationalisation to Grenfell Tower.
- 1.2 To recommend to the Board the appointment of the Kensington Academy & Leisure Centre (KALC) consultant project team.

**FOR APPROVAL**

**2 INTRODUCTION**

- 2.1 The report will provide information on the following:

- The HRA Regeneration bid
- The work undertaken to date and the proposed action going forward

**3 CONTEXT**

- 3.1 RBKC has generated capital receipts from the sale of redundant HRA assets (in the main from the sale of void basement areas at Elm Park Gardens). These receipts are ring-fenced for use by RBKC for the purpose of housing regeneration.
- 3.2 RBKC has sought to ensure that the receipts are used for the purposes of:
  - Regenerating HRA Assets
  - Long term legacy projects
  - Complimenting other regeneration initiatives
  - Reducing future burden upon the HRA
  - Supporting wider RBKC policies
- 3.3 RBKC sought guidance from the TMO over the investment needs of the HRA assets by estate and through this process the investment needs of the Lancaster West Estate were assessed as being most suited to the HRA Regeneration Bid criteria.
- 3.4 The top investment priorities being Grenfell Tower and the estate central heating / hot water plant and system.

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### **4 LANCASTER WEST ESTATE**

- 4.1 Lancaster West Estate is located in the North West of the Royal Borough close to Latimer Road Underground Station and the A40.
- 4.2 The estate is divided in to two; Lancaster West 1 and Lancaster West 3.
- 4.3 This report focuses on Lancaster West 1 which comprises c. 650 properties located within Grenfell Tower (120 properties) and Grenfell Walk and the finger blocks; Barandon Walk, Clarendon Walk and Hurstway Walk.
- 4.4 RBKC has initiated and secured funding for the Kensington Academy and Leisure Centre (KALC) Project to be constructed to the North and East of Grenfell Tower.
- 4.5 A summary of the KALC Project and an indicative layout plan appear at Appendices A and B to this report respectively.
- 4.6 RBKC recognises that the KALC Project will have a significant effect upon the residents of Grenfell Tower (Appendix C) and to a lesser extent other parts of the estate and is minded (subject to approvals) to fund an HRA Regeneration project on the estate.
- 4.7 The KALC Project funding is ring-fenced and may not be used for purposes beyond that of the KALC Project.
- 4.8 The KALC Project timetable is determined by the Government grant and the next key milestone is the submission of a Planning Application in May 2012.
- 4.9 RBKC is desirous that the project be reflective of the design proposals for KALC, benefits residents of the estate and is delivered efficiently.

### **4 BACKGROUND**

- 4.1 In October and November the TMO undertook a feasibility study under the Hidden Homes initiative of the redundant offices, deck areas and 'open' corner at the lower levels of Grenfell Tower on the Lancaster West Estate.
- 4.2 Following the submission of proposals to RBKC the TMO was asked to identify the major investment needs of the estate.
- 4.3 In December 2011 the TMO was asked to provide indicative costings. The proposal incorporates; external insulated over-cladding, new windows, enclosure of the 'open' lower level corner, reconfiguration of the communal stairwell, provision of additional residential units and rationalisation of the TMO / EMB office requirements.
- 4.4 The estimated costs for the proposals excluding VAT is circa **£6m**.

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- 4.5 The TMO has confirmed that Grenfell Tower is a priority investment within the estate and that over-cladding and new windows would address identified investment needs.
- 4.6 The proposals have previously been considered by Operations Committee at its meeting in January 2012 with a verbal update at its meeting early in March 2012.
- 4.7 RBKC has requested that the TMO develop a detailed proposal for the overcladding of Grenfell Tower and the provision of additional residential properties to the lower levels of the tower as an HRA Regeneration Bid to be procured in tandem with the KALC Project.
- 4.8 This bid will be subject to scrutiny by RBKC and will require an RBKC Cabinet decision.

### **5 PROPOSED ACTION**

- 5.1 The TMO is to submit a bid to RBKC for the proposals at Grenfell Tower to deliver a 'Legacy' project through regeneration funding to be provided by RBKC as approved by the Board.
  - 5.2 RBKC, through an OJEU compliant and competitive process has appointed a design team comprising; Studio E, Churchman, Curtins, Max Fordham for the KALC Project and it is proposed that the TMO, subject to due diligence and legal compliance, appoint the individual members of this team to undertake detailed design proposals, initially, through to the planning stage and then subsequently to the tender stage.
  - 5.3 The proposed approach, whilst demonstrating value for money and the ability to withstand scrutiny requires a dispensation from the full TMO Contract Regulations.
  - 5.4 Detailed discussions are to be held with RBKC to mitigate risk during this design stage and to ensure that the proposals are being developed and co-ordinated with those for the KALC Project.
  - 5.5 Separate discussions, co-hosted by RBKC and the TMO, are to be held with the EMB, Residents Association and residents.
  - 5.6 A separate Planning Application is to be developed in tandem with that for the KALC Project for submission in May 2012 by the TMO.
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- 5.7 The procurement of the KALC Project and the Grenfell Tower project will be procured jointly.
  - 5.8 The Board and Operations Committee are to receive regular updates on progress and project development.

## **6 SUMMARY AND RECOMMENDATION**

- 6.1 RBKC has invited the TMO to submit an HRA Regeneration Bid for project works to Grenfell Tower.
- 6.2 The bid is subject to TMO Board approval and an RBKC Cabinet Decision.
- 6.3 The TMO has been presented with a significant regeneration opportunity that will benefit residents, enhance the TMO's profile and promote growth.
- 6.4 The opportunity compliments and supports the TMO's growth aspirations.
- 6.5 The Board is recommended to approve:
  - 6.5.1 The submission of an HRA Regeneration Bid to Grenfell Tower in the sum of **£6m** excluding VAT.
  - 6.5.2 The appointment, through a dispensation of the TMO Contract Regulations, of the KALC Design Team members to undertake the detailed development of the project.

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**Director of Assets, Investment & Engineering**