



Hinckley & Bosworth
Borough Council

FORWARD TIMETABLE OF CONSULTATION AND DECISION MAKING

SCRUTINY 20 AUGUST 2020
FULL COUNCIL 15 September 2020

WARDS AFFECTED: Cadeby, Carlton & Market Bosworth with Shackerstone

AMBION COURT REDEVELOPMENT

Report of Director of Community Services

1 PURPOSE OF REPORT

- 1.1 This report provides an update on the Ambion Court sheltered Scheme Redevelopment.

2. RECOMMENDATION

Council

- 2.1 Notes the progress with the project.
- 2.2 Notes the estimated tender sum of £3,068,200.00 for a 54 week programme and approve a revised budget of £3,769,668.00 for delivery of the scheme.
- 2.2 Notes the ongoing discussions with Homes England regarding their funding allocation.

3. BACKGROUND TO THE REPORT

- 3.1 The Ambion Court redevelopment includes the demolition of the existing sheltered scheme and the development of a 24 unit one bedroomed self-contained apartment development providing a fit for purpose modern sheltered accommodation for the over 60s.

- 3.2 Homes England funding for the Ambion Court redevelopment project was secured in March 2019, providing a capital sum of £1.2m phased over the delivery of the project.
- 3.3 Planning approval was awarded in October 2019 for the demolition of the existing sheltered housing scheme and the development of the 24 bed scheme, including communal lounge/dining/library area, kitchen, hair dressing, laundry, offices and storage spaces. Permission was also granted for the development of 3 one bedroom bungalows within the footprint of the previous sheltered scheme. The option to develop out the bungalows will be considered at a later date once the redevelopment project is completed.
- 3.4 Cawarden were appointed as the preferred demolition contractor through the EEM procurement framework through the direct award route. Following consultation with residents surrounding the site, work commenced on site with the removal of asbestos on 16th March 2020.
- 3.5 On Friday 27th March 2020 Cawarden advised that following recent government updates and advice from the Demolition Industry Body the Ambion Court site would be required to close due to the Covid19 pandemic. The site was then closed for a period of 8 weeks before remobilisation could take place on the 11th May 2020.
- 3.6 The demolition contract is now completed with the site being made available to hand over on the 31st July. It should be noted that the Council have received no financial claims from Cawarden during the closure of the site and no complaints from residents during the demolition programme.
- 3.7 It was considered that the appointment of a main contractor to commence work immediately following the demolition of Ambion Court was essential both in order to comply with the requirements of the Homes England funding (March 2021 completion date) whilst also achieving a project programme which delivered the project as quickly as possible minimising any negative impact on local residents.
- 3.8 On this basis, during the demolition period, Officers, supported by Pelham Architects, have been in direct negotiation with Geda (development contractor) who were selected off the Blue Skies Framework to provide a tender for negotiation and if acceptable to enter into contract to procure the new build works
- 3.9 The resulting detailed negotiations with Geda have now reached a point where a cost plan and programme have been provided to officers. Geda have confirmed that they are able to take on responsibility of the site from 31st July 2020 and mobilise a workforce within 4 weeks of reaching a contractual agreement with a contract period of 54 weeks for an estimated construction value of £ 3,068,200.00.

- 3.10 The cost plan when compared to an independent cost estimate falls within 6 %, reassuring the Council the project deliver values for money for a development of this type.
- 3.11 An overall cost summary based on expenditure incurred and remaining costs is summarised in the table below.

Table 2

Expenditure at 24.06.2020	£ 198,302
Remaining Costs	
Remaining Demolition Works	£ 65,166
Other anticipated costs (Fees Contingency etc	£ 438,000
Geda Contractors estimated tender	£ 3,068,200
Cost remaining	£ 3,571,366
Estimated total cost	£ 3,769,668

4 HOMES ENGLAND FUNDING

- 4.1 The Homes England funding secured is through a Department of Health programme for health and social care developments. The funding requires a completion date by March 2021. Due to the delays associated with the demolition works being on hold for a period and issues with resolving bats on the site, expected completion is now July 2021.
- 4.2 Discussions have taken place with Homes England to request flexibility on the completion date. They are currently unable to advise that there will be this flexibility, but have advised that all projects being funded under this programme have experienced the same issues and that an announcement should be made during shortly regarding a change to the required completion date.
- 4.3 Homes England have encouraged the council to use the terms of the funding agreement to draw down 75% of the funding on start on site with the build contractor and this claim has been approved by Homes England. This leaves 25% of the funding at risk if flexibility on the completion date is not granted. Homes England have indicated that should that happen the council would be able to apply through one of their other funding programmes which have longer delivery dates and whilst they can't guarantee it would be successful they have said it is very unlikely they wouldn't support a development that was near completion and had been caught by the issues linked to COVID 19.

5 EXEMPTIONS IN ACCORDANCE IN ACCORDANCE WITH THE ACCESS TO INFORMATION PROCEDURE RULES.

None

6. FINANCIAL IMPLICATIONS [AW]

- 6.1 The revised budget position for approval is given in the Table below, and demonstrates a shortfall of £258,038. This can be covered by the regeneration reserve.

Ambion	Budget
Total current Budget	3,631,630
Assumed funding	-1,320,000
Net cost to Council	2,311,630
Remaining costs (Revised)	3,571,366
Costs already incurred	198,302
Total revised budget to approve	3,769,668
Funding (Homes England)	-1,200,000
Net cost to Council	2,569,668
Shortfall	-258,038

- 6.2 There remains a potential risk that 25% of the £1.2m of homes England funding will not be provided, although this seems unlikely based on current assurances from Homes England. If the funding was not made available then the additional amount can be covered by the regeneration reserve.
- 6.3 Any additional capital receipts from the sale of land for the development of bungalows on the Ambion Court site would reduce the need to take out any loans and contribute towards capital funding costs.

7. LEGAL IMPLICATIONS (FA)

- 7.1 All contracts entered into should be in accordance with the financial procedural rules as set out in the constitution

8. CORPORATE PLAN IMPLICATIONS

- 8.1 Be driven by efficiency - We will do everything we can to make sure that we provide quality services for everyone that represent good value for money and make the best use of our assets.

9. CONSULTATION

- 9.1 Consultation with residents in the surrounding area has taken place and regular communication with them continues.

10. RISK IMPLICATIONS

- 10.1 Risk to the 25% Homes England funding is being mitigated through the continued dialogue with Homes England.

11. KNOWING YOUR COMMUNITY – EQUALITY AND RURAL IMPLICATIONS

- 11.1 The scheme will provide affordable housing in a rural area for people over the age of 60.

12. CLIMATE IMPLICATIONS

Within the available budget environmental measures have been included in the specification.

10. CORPORATE IMPLICATIONS

- 10.1 By submitting this report, the report author has taken the following into account:

- Community Safety implications
- Human Resources implications
- Environmental implications
- ICT implications
- Asset Management implications
- Procurement implications Planning implications
- Data Protection implications
- Voluntary Sector

Background papers:None

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