



## Community & Children's Services Committee

**Date:** FRIDAY, 24 APRIL 2020  
**Time:** 11.30 am  
**Venue:** VIRTUAL PUBLIC MEETING (ACCESSIBLE REMOTELY)

**Members:**

George Abrahams	Angus Knowles-Cutler
Munsur Ali	Natasha Maria Cabrera Lloyd-Owen
Rehana Ameer	Deputy Catherine McGuinness
Randall Anderson (Chairman)	Benjamin Murphy
Matthew Bell	Deputy Joyce Nash
Peter Bennett	Barbara Newman
Mary Durcan	Dhruv Patel
Helen Fentimen	Susan Pearson
John Fletcher	William Pimlott
Marianne Fredericks	Henrika Priest
Alderman John Garbutt	Jason Pritchard
Alderman Prem Goyal	James de Sausmarez
Alderman David Graves	Ruby Sayed (Deputy Chairman)
Caroline Haines	Deputy Philip Woodhouse
Deputy the Revd Stephen Haines	
Graeme Harrower	

**Co-opted Members:** Laura Jørgensen  
Matt Piper

**Enquiries:** Julie Mayer tel. no. 020 7332 1410  
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### Accessing the virtual public meeting

Members of the public will be able to observe this virtual public meeting.  
Details of how to access the meeting will be available in due course.

**John Barradell**  
**Town Clerk and Chief Executive**

# **AGENDA**

## **Part 1 - Public Reports**

1. **APOLOGIES**

**For Decision**

2. **MEMBERS' DECLARATIONS UNDER THE CODE OF CONDUCT IN RESPECT OF ITEMS ON THE AGENDA**

3. **MINUTES**

To agree the minutes of the previous Committee meeting.

**For Decision**  
(Pages 1 - 8)

4. **COVID RESPONSE**

An oral update from the Director of Community and Children's Services.

**For Discussion**

5. **STRATEGY TO ENHANCE ENGAGEMENT WITH SUPPLIERS IN THE HOUSING CATEGORY TO YIELD MORE BIDDER RESPONSES**

Report of the Director of Community and Children's Services

**For Decision**  
(Pages 9 - 34)

6. **YORK WAY HEATING**

Report of the Director of Community and Children's Services.

**For Decision**  
(Pages 35 - 48)

7. **QUESTIONS ON MATTERS RELATING TO THE WORK OF THE COMMITTEE**

8. **ANY OTHER BUSINESS THAT THE CHAIRMAN CONSIDERS URGENT**

9. **EXCLUSION OF THE PUBLIC**

**MOTION** - That under Section 100A(4) of the Local Government Act 1972, the public be excluded from the meeting for the following items of business on the grounds that they involve the likely disclosure of exempt information as defined in Paragraph 3 of Part I of Schedule 12A of the Local Government Act.

**For Decision**

## **Part 2 - Non-Public Reports**

10. **NON-PUBLIC MINUTES**

To agree the non-public minutes of the previous Committee meeting.

**For Decision**  
(Pages 49 - 52)

11. **HOUSING DELIVERY PROGRAMME - FINANCE UPDATE**

A report of the Director of Community and Children's Services.

**For Information**

12. **PROJECT PROPOSAL - SUMNER BUILDINGS**

Report of the Director of Community & Children's Services.

**For Decision**  
(Pages 53 - 128)

13. **YORK WAY ESTATE PROVISION OF SOCIAL HOUSING**

Report of the Director of Community and Children's Services.

**For Decision**  
(Pages 129 - 186)

14. **CITY OF LONDON PRIMARY ACADEMY ISLINGTON (COLPAI) - GATEWAY 5 REPORT**

Report of the City Surveyor.

**For Decision**  
(Pages 187 - 202)

15. **HOLLOWAY ESTATE, ISLINGTON ARTS FACTORY (IAF)**

Report of the Director of Community and Children's Services.

**For Decision**  
(Pages 203 - 212)

16. **NON-PUBLIC QUESTIONS ON MATTERS RELATING TO THE WORK OF THE COMMITTEE**

17. **ANY OTHER BUSINESS THAT THE CHAIRMAN CONSIDERS URGENT AND WHICH THE COMMITTEE AGREE SHOULD BE CONSIDERED WHILST THE PUBLIC ARE EXCLUDED**

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## COMMUNITY & CHILDREN'S SERVICES COMMITTEE

Friday, 6 March 2020

Minutes of the meeting of the Community & Children's Services Committee held at Committee Rooms, West Wing, Guildhall on Friday, 6 March 2020 at 11.00 am

### Present

#### Members:

Randall Anderson (Chairman)	Alderman Prem Goyal
Ruby Sayed (Deputy Chairman)	Alderman David Graves
George Abrahams	Graeme Harrower
Munsur Ali	Natasha Maria Cabrera Lloyd-Owen
Matthew Bell	Deputy Joyce Nash
Peter Bennett	Barbara Newman
Mary Durcan	Susan Pearson
Helen Fentimen	William Pimlott
John Fletcher	Henrika Priest
Marianne Fredericks	James de Sausmarez
Alderman John Garbutt	

#### Officers:

Liam Gillespie	- Community & Children's Services
Andrew Shorten	- City Surveyor's Department
Nicholas Sommerville	- City Surveyor's Department
Dr Sandra Husbands	- Director of Public Health
Mark Jarvis	- Chamberlain's Department
Gerald Mehrtens	- Community & Children's Services
Leanne Murphy	- Town Clerk's Department
Paul Murtagh	- Community & Children's Services Department
Geraldine Pote	- Culture, Heritage and Libraries
Theresa Shortland	- Community and Children's Services
Chandni Tanna	- Media Team, Town Clerk's Department
Ian Tweedie	- Community & Children's Services
Carol Boswarthack	- Barbican and Community Libraries

#### 1. APOLOGIES

Apologies were received from Rehana Ameer, Deputy Catherine McGuinness, Benjamin Murphy, Laura Jørgensen, Dhruv Patel, Caroline Haines, Deputy the Revd Stephen Haines, Angus Knowles-Cutler and Jason Pritchard.

#### 2. MEMBERS' DECLARATIONS UNDER THE CODE OF CONDUCT IN RESPECT OF ITEMS ON THE AGENDA

The following declarations were made:

- Susan Pearson declared a pecuniary interest regarding item 24 but noted that a dispensation was approved in July 2019 allowing her to speak.

- William Pimlott and Helen Fentimen noted that they are School Governors of Prior Weston Primary School.

3. **MINUTES**

RESOLVED, that – the public minutes and non-public summary of the meeting held on 7 February 2020 be agreed subject to an amendment regarding the motion concerning trialling evening meetings.

Matters arising

1. In respect of the City Corporation's lost appeal against the decision of the First Tier Tribunal concerning Great Arthur House, a Member felt that strong reasons were needed for an appeal against this decision to be pursued. Members were advised that the Chairman and Deputy Chairman had approved the decision to pursue a second appeal and it was agreed that Members would be sent the confidential legal documents and tribunal decision for scrutiny.
2. With regards to the Homeless and Rough Sleeping Sub Committee's options appraisal bid, Members were informed that the bid was approved at the recent Court of Common Council meeting and a report would be brought to the April Committee meeting.

4. **OUTSTANDING ACTIONS**

Members received the Committee's Outstanding Actions list.

With regards to the action concerning the annual review of the terms of reference and a trial of evening meetings, Members were advised that three provisional dates had been circulated which were not on Fridays. It was agreed that following the trial, a longer-term formal process approved with HR was needed. Officers confirmed a report would follow.

5. **REPAIRS SERVICE**

Members were advised that this presentation was to be deferred to another meeting of the Committee.

6. **EXTENDED OPENING HOURS AT BARBICAN LIBRARY**

Members received a report of the Director of Community and Children's Services summarising the impact on service provision at Barbican Library following the extension of opening hours on Fridays.

Members were informed that since the update at the Committee's January meeting, the hours had been extended following the positive feedback of the public user survey. It was noted that footfall had been maintained and user numbers were now more spread out across the opening hours.

Members congratulated the Barbican Library particularly for the great work they do with children.

RECEIVED.

**7. EDUCATION PERFORMANCE FOR CITY PRIMARY PUPILS 2019**

Members received an annual report of the Director of Community and Children's Services providing information on the educational outcomes for primary aged children who live in the City of London.

Members were mindful that some of the datasets included much smaller numbers of children which made a bigger impact on the overall outcomes compared with the larger school datasets.

A Member queried if a section could be included to explain challenges and issues experienced by the schools and if Members could receive the answers to suggested questions for governors. Officers confirmed the Committee could receive this information, but a general summary of issues included funding, air quality, increased SEND student numbers and staff shortages). It was noted that schools were subject to extensive scrutiny and the minutes of governing bodies were available online.

A Member questioned the accuracy of the statement: "City of London is the 28<sup>th</sup> most deprived local authority in London out of 33 according to the 2015 Indices of Multiple Deprivation (up from 32<sup>nd</sup> IMD 2010)". Members were advised that this sentence should say affluent rather than deprived. In response to Member's concerns regarding the accuracy of the data provided, Officers confirmed that GLA figures were used but this did not always correlate with the City Corporation's residential population list. It was agreed that it would be helpful for Members to receive this list.

It was noted that Portsoken had the highest level of deprivation in the City and a Member felt that access of low-income families to facilities should be monitored. An Officer confirmed the schools were aware of which students were eligible for pupil premium and where they lived to ensure they were receiving the additional funding from their Local Authority.

In response to a Member requesting context, Officers confirmed that a funding formula was used but one school did not have a school forum to work on funding issues and required direct assistance from the City Corporation. With regards to secondary schools, Members were advised that a report would come to the Committee in May detailing these pupils and Officers agreed to include a summary for choices by students as an appendix.

A Member stated that it was important for exclusions to be reported even if there were none. It was confirmed that there had been no exclusions, and this would be reported going forward.

In response to a query concerning breakfast clubs, Members were informed that schools were providing breakfast and after school clubs and holiday schemes.

In response to a request for a Member visit to the schools, an Officer stated that there were a number of events coming up that Members could attend and agreed to follow up with the Headmistress.

RECEIVED.

**8. TERMS OF REFERENCE AND FREQUENCY OF MEETINGS OF THE COMMUNITY AND CHILDREN'S SERVICES COMMITTEE**

Members considered the deferred report of the Town Clerk in respect of the annual review of the Committee's Terms of Reference.

Members were informed that legal advice had been sought by the Town Clerk and that libraries sat under the remit of the Culture, Heritage & Libraries Committee. Whilst Members agreed that the Committee had no authority regarding the budget for libraries, their contribution should be recognised within the Committee's Terms of Reference. The inclusion of the wording: "Libraries - in so far as the library services affect our communities, the responsibility of which sits under the remit of department of community and children's services" was recommended by the Deputy Chairman.

Members agreed to grant delegated authority to the Chairman and Deputy Chairman to further investigate the inclusion of libraries to the Committee's Terms of Reference.

RESOLVED - That:-

1. Subject to Members' comments/suggestions, the Terms of Reference of the Committee be approved;
2. The Committee continues to meet on Fridays or Members consider meeting on a different day of the week, provided there are committee rooms available;
3. Officers investigate the implications on staff Terms and Conditions of Employment and the impact on local risk budgets in respect of overtime payments, ahead of a possible trial of holding Community and Children's Services Committee Meetings on two evenings in 2020/21.
4. The Town Clerk, in consultation with the Chairman and Deputy Chairman, is asked to further investigate the inclusion of libraries to the Committee's Terms of Reference.

**9. ADULT SOCIAL CARE SERVICE IMPROVEMENT PLAN (SIP)**

Members received an annual report of the Director of Community and Children's Services providing a strategic overview of the direction of Adult Social Care in the City of London and replaces the previous Adult Social Care Self-Assessment Action plan of 2018.

A Member queried if there were checks in place to follow up with people that were leaving hospital and unable to take care of themselves. An Officer confirmed that individuals that were not self-funded were entitled a free service providing up to six-week support.



A Member raised concern over the elderly population in the City, e.g. at Golden Lane, and how those acting as carers or having to visit care homes were supported. Members were informed that care home placements were acquired on spot purchase but commissioning work with Hackney and the ECG was planned to create an action plan for this service. Hospitals and GPs were also being assisted by care navigators ahead of patient discharge. It was noted that carers were entitled to carers assessments to see if additional support was needed.

Members noted the increasing pressures on services caused by people living longer and supporting the growing population. It was confirmed that a report would follow regarding the Healthcare Amendment Act.

RECEIVED.

**10. MIDDLESEX STREET SOCIAL HOUSING AND LIBRARY - GATEWAY 6 - OUTCOME REPORT**

Members considered and approved a gateway 6 outcome report of the City Surveyor regarding the Middlesex Street Social Housing and Library.

RESOLVED – That the project is closed.

**11. GOLDEN LANE ESTATE - CONSULTATION ON LOCATION OF ESTATE OFFICE**

Members considered a report of the Director of Community and Children's Services providing an update regarding the consultation on the location of the Golden Lane Estate Office.

Officers were congratulated on the excellent consultation that had been carried out.

A Member highlighted the importance of resident input into the consultation process as they were best placed to comment on an area and felt a lessons learnt section would have been useful for Officers to take on board to prevent planning embarrassment in the future. A Member noted a request for a consultation policy to ensure proper consultation was being carried out with residents and external stakeholders in all areas across the City Corporation.

RESOLVED – That Members endorse the recommendation made in paragraph 23, to proceed with the proposal to build two flats at Great Arthur House and retain a smaller estate office on the same site.

**12. QUESTIONS ON MATTERS RELATING TO THE WORK OF THE COMMITTEE**  
There were none.

**13. ANY OTHER BUSINESS THAT THE CHAIRMAN CONSIDERS URGENT**

COVID-19

Members were reassured that the City Corporation was continuing to work with PHE and follow Government guidance concerning the Coronavirus (COVID-19).

Business Contingency Plans were being updated for all departments across the Corporation and the Pandemic Influenza Plan, which was being updated for the Coronavirus pandemic, would be finalised by the end of the day.

It was confirmed that the Director of Community & Children's Services was involved in the corporate response. Guidance had been provided on Coronavirus, in respect to homeless and vulnerable people and a plan would be developed, based on this guidance.

With regards to formal meetings, the Corporation's current position is business as normal; however, Members would be advised if that situation changes at any point. In the event that formal meeting practices were to be suspended, decisions could be taken under urgency procedures in accordance with the City Corporation's Standing Orders.

**14. EXCLUSION OF THE PUBLIC**

RESOLVED, that – under Section 100A (4) of the Local Government Act 1972 the public be excluded from the meeting for the following items of business on the grounds that they involve the likely disclosure of exempt information as defined in Part 1 (Schedule 12A) of the Local Government Act.

**15. NON-PUBLIC MINUTES**

RESOLVED, that – the non-public minutes of the meeting held on 7 February 2020 be agreed.

**16. HOUSING DELIVERY PROGRAMME - PROGRESS REPORT**

Members received an annual report of the Director of Community and Children's Services providing an update on the position with the various projects contained in the DCCS' Housing Delivery Programme which was established to deliver on the City Corporation's commitment to build 700 new homes on its existing social housing estates by 2025.

**17. GREAT ARTHUR HOUSE RECLADDING PROJECT - GATEWAY 6 - OUTCOME REPORT**

Members considered and approved a gateway 6 outcome report of the City Surveyor regarding the Great Arthur House recladding project.

**18. YORK WAY ESTATE: PROVISION OF SOCIAL HOUSING - GATEWAY 3 - OPTIONS APPRAISAL**

Members were informed that this report was to be deferred to the next meeting of the Committee.

**19. HOUSING DELIVERY PROGRAMME: PROVISION OF NEW SOCIAL HOUSING ON THE SYDENHAM HILL ESTATE, LEWISHAM, SE26 - GATEWAY 4 - DETAILED DESIGN**

Members considered and approved a gateway 4 complex report of the City Surveyor regarding the Housing Delivery Programme project concerning the provision of new social housing on the Sydenham Hill Estate.

20. **NON-PUBLIC QUESTIONS ON MATTERS RELATING TO THE WORK OF THE COMMITTEE**  
There were none.
21. **ANY OTHER BUSINESS THAT THE CHAIRMAN CONSIDERS URGENT AND WHICH THE COMMITTEE AGREE SHOULD BE CONSIDERED WHILST THE PUBLIC ARE EXCLUDED**  
There was one item.
22. **CONFIDENTIAL MINUTES**  
RESOLVED, that – the confidential minutes of the meeting held on 7 February 2020 be agreed.
23. **CITY OF LONDON COMMUNITY TRIGGER CASE REVIEW**  
Members agreed to defer the decision for this item to the next meeting of the Committee.
24. **SERVICE RESTRUCTURE**  
Members considered a report of the Director of Community and Children's Services concerning Service Restructure.

**The meeting ended at 1.15 pm**

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Chairman

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<b>Committee:</b>	<b>Date:</b>
Procurement Sub Committee – For Decision	24 March 2020
Projects Sub Committee – For Information	22 April 2020
Department of Community and Children Services	24 April 2020
Committee – For Decision	
<b>Subject:</b>	<b>Public</b>
Strategy to enhance engagement with suppliers in the Housing category to yield more bidder responses.	
<b>Report of:</b>	<b>For Information</b>
Joint report of The Chamberlain and City Surveyor	
<b>Report author:</b>	
Michael Harrington, Senior Category Manager, Chamberlain's	

## Summary

Members of the DCCS Committee raised concerns in October 2018 around perceived failures in the procurement exercises undertaken for some projects where poor or no responses were received. In one instance, this resulted in the Contract being 'Set Aside' due to the winning supplier refusing to accept the terms of the contract. This led to delays to the Housing Programme. This issue illustrates general concerns around responses from the Housing Construction Marketplace to Corporation projects.

In response to a resolution from DCCS Committee on this matter, the Procurement Sub Committee approved a recommendation that a bespoke Housing Working Group be set up to review the Housing Projects, document lessons learned and make recommendations on how to improve on the quality and number of Tender returns received for future housing projects.

The aim of advertising tenders is to ensure we receive sufficient interest from potential suppliers, whilst working proactively with Departments to encourage higher quality and competitive returns from the market. Due to the pressures to maintain our housing stock, the Housing Delivery Programme was set up to manage and deliver housing projects.

For the past year, the Housing Working Group met Bi-Monthly to identify the problems and create an Action Log to improve engagement with the market and identify specific challenges whilst developing objectives to deliver the Housing Programme ensuring contracts are awarded within the terms of the Procurement Code.

## Recommendation

Members of the Committee are asked to:

1. Approve the recommended strategy proposed by the Working Group on behalf of the Procurement Sub-Committee.
2. Note the disbandment of the Housing Working Group.

## **Main Report**

1. The Housing Working Group consisting of officers across Housing, City Surveyors and City Procurement undertook a review of the procurement challenges within the City and created an Action Plan which identified the key issues, potential improvements and lessons learnt from previous tenders. Two projects were earmarked for a deep dive. The Cullum Welsh Balustrades project and the Isleden House Infill Project.
2. As part of the Deep Dive, a questionnaire was sent to the Housing Working Group covering all aspects of the exercise such as tender programme, tender sum, clarity of documentation (*A full list of areas covered can be found in Appendix 2*), this enabled the Group to review the projects under the following headings. All responses to the questionnaires were reviewed in detail at the Housing Working Group and a summary of the Group's findings as follows:

### **Cullum Welsh**

3. Cullum Welsh was a balustrade replacement project. Following the Tender exercise, the appointment of the contractor was set aside due to queries from the winning bid which exposed some inconsistencies. This led to a subsequent tender which was successful and therefore was awarded. Both tenders were an Open Below OJEU Tender using the Design and Build form of Procurement. The section below summarises the key learnings from both tender exercises.

### **First Tender Exercise (Set Aside)**

4. Only two tender responses were received. The tender was awarded to the bidder with the lowest price, £465,582.55. The highest bid was £640,450.00. This tender was set-aside as the Contractor submitted a variation to the tender sum based on the 'opening up' investigations. The Variation request was for £67,000 which would have brought the total figure to £532,582.55 plus any additional variations scheduled. Ideally the contractor's initial bid should have priced using scaffold. Once the tender was awarded, they subsequently refused to sign the contract and were asking for more money before they even really got started.
5. At the time of tender publication, it was believed a comprehensive specification had been supplied by Architect, Engineer and Corrosion Specialist. However, the construction method of how the Balustrades had been attached to the main structure was not included in the specification, which made it difficult for the contractor to price this element of the works.
6. The tender return period was only 30-days. This should have been longer due to the intricate nature of the project. The contractors were aware of this and therefore requested two extensions to the tender period, however these requests were not accepted by the project team.
7. Under a design and build contract, it is expected that the contractor takes full responsibility for the design. This is a risk most contractors will only accept if they have full details of the project and have undertaken detailed surveys. The Winning Bidder refused to accept these conditions. Making a fixed price bid for

the contract as a Design and Build suggests that they were willing to accept these conditions to win the tender.

### **Second Tender Exercise - Successful**

8. The second tender exercise was run for 44-days, over the Christmas period. As a result, a request for an extension to 77 days was made and accepted by the project team. This second exercise received six tender returns. The winning bid was for the sum of £619,911.36, the highest being £1,442,874.05, and the average £946,786.49.
9. The Specification was similar to the first tender exercise, but now included more detailed information, such as the opening up images. This helped the contractor's price more accurately, as it showed the full extent of works. Additional detailed information was also included in the subsequent successful tender.

### **Lessons Learned**

10. Risk - Where the City transfers risk to the bidder. The City needs to request bidders' assumptions to be explicit. In the Set Aside tender the Risk was pushed to the bidders. without consideration of the quantum of the risk.
11. Variation - The variation specified by the Set Aside Tenderers bid was £532,582.55 plus any additional variations scheduled, this added to their submitted price was. If the change control had been accepted the unsuccessful tendered price, would have been comparable.
12. Procurement Process - There is a danger that officers use the Procurement Process as a 'method to recover time on a project rather than utilising the procurement tools to achieve the best outcome. This can be counterproductive. Note the unsuccessful original tender has a much tighter turnabout with no extensions accepted, in comparison to the successful tender. Officers need to work more effectively to utilise the experience of the procurement team and be realistic about the tender timeframes.
13. Documentation - The Report on the condition of the Reinforced Concrete Structures included in the tender was from 2014, this should have been updated before going out to tender. The 'opening up' images and other relevant information helped mitigate the most contentious risk.

### **Isleden House Infill project**

14. The project involves the construction of an infill development at Isleden House providing social housing units. In March 2017, a multi-disciplinary design team was appointed to progress design proposals up to detailed design RIBA Stage 4 only. The commission included an architect, principal designer, structural engineer, mechanical and electrical engineer. Unfortunately, the project has suffered delays from the start. The appointed architect recommended that amendments be made to the original planning application to rationalise the design, reduce costs and enable the building process to be less complicated.

The variation to the planning application took some time to resolve and, the London Borough of Islington (LBI) would not consider the planning amendments until the variation had been completed. This took the London Borough of Islington almost one year to approve the planning amendments and enable the design team progress to RIBA Stage 3.

15. The Housing Working Group undertook a workshop to review the procurement issues of this project. Summary from the workshop is as follows;
16. Procurement - The procurement exercise was undertaken during August/September 2019 for the main contract works using the new City Housing Lot 1 framework. Unfortunately, only one tender was received from a potential framework of six contractors. This was possibly attributed to unfortunate timing of the tender exercise which took place over the summer months. The construction industry slows down during August and although there is a return to capacity in September, the ability to coordinate subcontractors and the supply stream to provide accurate pricing can be challenging.
17. Design team - The Design team had only been appointed to deliver design services up to RIBA Stage 4. In early 2019 a new tender exercise was undertaken to appoint a design team to deliver the project through to completion. This change in design team at a critical stage could lead to gaps in the project information as the level of engagement and responsibility may have diminished.
18. The project is yet to commence on site, and a Gateway 5 Report is being prepared for committee consideration in April. A value engineering (VE) exercise is being undertaken with the contractor to reduce the tender costs from £1.5m to £1.4m. It is possible that if cost reductions are not achieved, the project may be retendered, but this could put in jeopardy the GLA grant secured for this project of £180,000.

## **Overall Findings**

19. On completion of the review of both projects, the Working Group embarked on identifying common procurement issues. A full breakdown can be found in Appendix 1, but the main elements are highlighted below:
  - a) Route to market – The selected route to market may limit the level of interest from suppliers, for example, on one of the Housing projects, the Architect for a Windows replacement project, was selected from an existing framework. The City selected the Homes and Communities Agency (HCA) framework to procure the Architect. The HCA framework is set up specifically to support delivery of the design intensive projects. Later feedback from the suppliers on this Framework would confirm that the niche requirements of the window replacement project, made the project unattractive to Architects on that framework. The City should be mindful of selecting appropriate frameworks depending on the type of project.
  - b) Approach to Market – Programme - Cullum House Balustrade Project was advertised over the Christmas period, a time in which the Construction



industry shuts down. A tender advertised during this period and given additional time to cover the shutdown will allow suppliers a better opportunity to plan their resources. During the Second tender exercise the project team worked hard to communicate with the market and engage with potential suppliers, this input provided by the Project Team we had a valuable impact on receiving 6 compliant returns instead of 2.

- c) Quality of Tender Documentation – Our Tender documentation instructs the tenderers on process, clarifications methods, and response procedures. Some of this detail can sometimes be overlooked by Suppliers. In addition, some of this tender pack may not include the clarity they require. If the documents do not have the level of clarity the contractors require, they may not be able to properly price the tender and in some instances decline or simply price in risk.
- d) Procurement Timelines - This report notes the constrained time allowed for the procurement process by respective projects. In the case of Cullum Welsh Balustrade project, 3 separate requests for an extension of time were submitted. Realistic Procurement timelines should be agreed before going out to tender. The markets capacity and willingness to respond will be subject to other demands and opportunities that the supplier may be bidding for, and therefore a short timeframe may discourage them for submitting a tender. A common approach to meeting programme is to squeeze tender timeframes but this does not always ensure positive outcomes.
- e) Procurement method/Contract strategy – In respect of the consultant appointments for the Architect to deliver the Windows programme it appears that the contract strategy to combine packages was not effective in generating interest through the selected external framework. The feedback received referred to the multitude of materials, general differences and listed type of building to not submit a tender. On reflection a better approach would be to combine similar packages and tender on that basis.
- f) Form of contract – Construction market consultation carried out by the City in 2017 and 2018 suggested that were happy with our contractual approach. For the smaller projects, the bespoke City contract terms, with ease of execution and drafting approach suited SME's. However, it is noted that making local amendments to industry standard forms of contract may affect a contractor's willingness to tender for a project. It is also noted that the City's schedule of amendments is not onerous and larger suppliers are willing to accept in most circumstances.

## **Recommendations**

- 20. Procurement Methodology – This should be heavily influenced by the type of project and should be approved by the Construction Category Board.
- 21. Approach to Market – The timing of the tender should be reviewed. Usually the summer and Christmas break should be avoided, likewise when major sports activities are on, for example the World Cup.
- 22. Quality of Tender Documentation – Tender packs must include as much information as possible, where the information does not exist, surveys must be undertaken. In addition, coordination exercises should be undertaken to ensure all drawings and specifications are detailed. If necessary, a peer

review could be undertaken. This will enable the contractor to provide a robust price.

23. Supplier engagement - Where possible contractors should be given an opportunity to seek clarification on the tender pack before submission, this could be by way of a Mid Bid Site Visit or an open session with the design team to table a clarifications document.
24. Procurement Timelines – Tender timeframes should be realistic as squeezing the tender timeframes can result in poor quality submissions in which tender responses can lack important details.
25. Procurement method/Contract strategy and Form of contract – The form of contract and procurement method proposed should be appropriate for the project and determined by the project team. However, this decision needs to be in line with the City's policies.
26. Project Team Consistency- The project team should be maintained for the duration of the project where at all possible. Changing the project team mid-way through will alter the quality of service and increase the programme loss of knowledge.

## **Conclusion**

27. The Major Works and Intermediate works frameworks are now available and include provision for housing related project in the value range £250k to £15m and should help resolve some of these issues. These frameworks give the City the ability to continue to have dialogue with a select group of suppliers, who can advise on industry best practice. This will be achieved with regular supplier forums to improve communication and quality of documentation.
28. The Working Group has considered the projects in question, the lessons learned and reasons for the challenges. The proposals put forward should deliver better outcomes for our projects. The Housing Working Group, Action log and this report provides a clear way forward and therefore it is proposed that the Housing Working Group be closed, and the Actions monitored regularly at the Construction Category Board.

**Related Papers:** Community and Children's Services Committee, 8 February 2019, approval to proceed with the establishment of the Housing Working Group.

**Michael Harrington,**

Category Manager Construction and Property services, Chamberlains Department  
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## Appendix 1

Action Log from the Working Group

## Appendix 2

Questionnaire used to analyse the Callum Welsh Project and typical response

### Appendix 1 – Action Plan identifying items covered by the Housing Working Group

No	ITEM	DETAIL	ACTION PLAN
1	Tender Submission	Create less arduous requirements for contractors to submit a tender for example awareness that some information need not be repeated, as it had been submitted prior	Provide/create guidance notes to aid SME when tendering for work and account for additional information.
2	Terms and Conditions	Elements within Terms and Conditions, may not be suitable for some suppliers	Request Legal review the terms and identify the possibilities of making the terms clearer to SME's
3	Insurances	How can we better identify insurance levels on a project by project basis?	Draft initial proposal for discussion and agreement with CoL Insurance team
4	Terms and Conditions	Suppliers reviewing T&C's before submitting tenders.	Draft communications with supplier's mid tender to request any amendments to the T&Cs and provide any help/support they require.
5	Tender pricing calculations	To clarify what options are available for calculating the tender price and what steps do we take to review on a project by project basis.	Review the price/quality matrix to ensure the scoring is based on the average cost and not the lowest cost
6	Template form for example projects	To create a template to distribute, that answers the questions that we want to know from the supplier. Also, to include relevant accreditations.	Draft Template and Issue to the working group for review
7	Tailor Scoring - Reviewing Scoring descriptions	Review current scoring methodology and redraft to represent housing projects, to give the evaluators clearer guidance.	Issue draft proposal for the revised scoring matrix to the working group
8	Soft Market Testing	Look at feedback on tender exercises and how we are perceived in the market.	Issue draft questionnaire for the soft market testing to the Working Group for approval
9	Sharing Pipelines	To redact and distribute current housing works programme with suppliers.	Issue version to Working Group before publishing final list at the supplier's day

10	Supplier Engagement	To arrange open days for each tender.	Ongoing
11	Deep Dive into a Housing Project	To distribute the Cullum Welsh concrete tender to the team. Arrange a lesson learnt to compare the differences between the Set Aside tender and the successful tender, to help mitigate possible risk and delays to projects.	distribute the Cullum Welsh concrete tender to the team
12	Deep Dive into a Housing Project	To distribute the Cullum Welsh concrete tender to the team. Arrange a lessons learnt to compare the differences between the Set Aside tender and the successful tender, to help mitigate possible risk and delays to projects.	Arrange the lessons learnt workshop
13	Deep Dive into a Housing Project	To distribute the Cullum Welsh concrete tender to the team. Arrange a lesson learnt to compare the differences between the Set Aside tender and the successful tender, to help mitigate possible risk and delays to projects.	Issue project synopsis report from the lessons learnt session
14	Communication Strategy	To better engage with specialist contractors, Tenders should be advertised in the trade press with directions to the portal Once confirmed, look at producing a strategy in doing so.	To confirm if we can advertise in trade press/Journals & Magazine
15	Improving our Approach	Produce a Committee report on results, this will identify how we tendered for work previously compared to now.	Collate results from the action log for the committee report - submission
16	Price vs Quality	Be clear in our message that the City is not price only and more quality driven,	promote during the supplier engagement open days.

## Appendix 2 - Questionnaire used to analyse the Callum Welsh Project

### Cullum Welsh Concrete Tender Questions

#### Technical CPG Team

#### **1. Tender Sum**

*Successful:*

Potential issues when requesting single price of repair type on priced schedule. E.g. that the Contractor will price most likely repair types the highest and larger, less likely repairs the lowest. This will help them win the tender but also to charge a higher rate for repairs on site.

*Failed:*

#### **2. Clarity of Specification**

*Successful:*

*Failed:*

#### **3. Clarity of Employers Requirements**

*Successful:*

Few areas of doubled up information e.g. the prelims as V3 in the prelims section but as V2 in the appendices.

*Failed:*

#### **4. Supporting Documents**

*Successful:*

High resolution survey photos very helpful to enable Contractor idea of the full extent of works required without needing specialist access.  
Noted that Martech report was dated 2014.

*Failed:*

#### **5. Programme**

*Successful:*

Page 4 of Broomfields specification outlines detailed programming requirements of the contractor. P1,4,3 of the Watermans spec also calls for specific approvals process that would need to be programmed too.  
Unlikely that all contractors will have picked up on this potentially onerous requirement

*Failed:*

#### **6. Insurance Levels**

*Successful:*

*Failed:*

## **7. Form of Contract**

*Successful:*

Looks to have been successful though it is noted that most of the design (barring the balustrades) had been mostly completed by others pre-tender. Suggested that perhaps a JCT IC with Contractors design could have been used.

*Failed:*

Noted that failed tender didn't have quality question that specifically referred to the D&B contract

## **8. Site Inspections / Visit / Survey**

*Successful:*

List of drawings/documents was helpful when reviewing.

*Failed:*

## **9. Procurement Route**

*Successful:*

*Failed:*

## **10. Tender Process – Time frame**

*Successful:*

Noted that this was extended over the Christmas shutdown to enable contractors more time to seek sub-contractors quotes etc

*Failed:*

Tender issued at the end of the summer – often a busy time for contractors etc. Also not extended.

## **11. Allocation of Risk between parties**

*Successful:*

*Failed:*

## **12. Contract Partnering**

*Successful:*

Noted that employer's agent was referenced but not used.

*Failed:*



Legal Team

**1. Tender Sum**

*Successful:*

*Failed:*

**2. Clarity of Specification**

*Successful:*

*Failed:*

**3. Clarity of Employers Requirements**

*Successful:*

*Failed:*

#### **4. Supporting Documents**

*Successful:*

--

*Failed:*

--

#### **5. Programme**

*Successful:*

--

*Failed:*

--

#### **6. Insurance Levels**

*Successful:*

--

*Failed:*

--

## 7. Form of Contract

*Successful:*

The Form of Contract (modified JCT DB 2016) was the same for both tenders, which might lead to the conclusion that the Conditions of Contract had no bearing on the outcome. However, it is worth noting that the City's modifications to the JCT terms are onerous from the Contractor's perspective in that the Contractor bears the risk of:

- the entire design, including any errors and deficiencies in the designs provided by the Employer (clauses 2.14 & 2.17); and
- physical conditions (clause 2.1.7)

It may be difficult for a tenderer to price these risks within the time scale allowed within a single stage tender. In my opinion, this form of contract is more suitable for use with a two-stage tender process – allowing for pre-construction site investigations and design development by the Contractor before it is committed to offer a final price.

*Failed:*

See above

## 8. Site Inspections / Visit / Survey

*Successful:*

*Failed:*

Refer to comments section 7 above regarding single stage tender

## **9. Procurement Route**

*Successful:*

*Failed:*

Refer to comments section 7 above regarding single stage tender

## **10. Tender Process – Time frame**

*Successful:*

*Failed:*

Refer to comments section 7 above regarding single stage tender

## **11. Allocation of Risk between parties**

*Successful:*

*Failed:*

Refer to comments section 7 above regarding single stage tender

## 12. Contract Partnering

*Successful:*

*Failed:*

### Cullum Welch Concrete Tender Questions

#### Technical Housing Team

##### 1. Tender Sum

*Successful:*

*Failed:*

Contractor realised they had not allowed enough to cover the cost upon further investigation, but it should be noted that this was to recreate existing specification rather than review and change accordingly. Costs were lower but this could have been through alternative access. Contractor should have priced using scaffold (so to compare apples with apples) and then worked with Client to save costs, post contract award.

##### 2. Clarity of Specification

*Successful:*

A higher level of detail was provided as a D&B contract to help contractors price more accurately. The same specification was provided for the second tender which has resulted in a successful appointment and six responses.

*Failed:*

### 3. Clarity of Employers Requirements

*Successful:*

*Failed:*

### 4. Supporting Documents

*Successful:*

Large quantity of supporting documents provided by architects (appointed directly by CoL) including existing and proposed elevations & sections, 3D visualisation of proposed replacement balustrade panels, existing balustrade panel plans and sections, engineers concrete specification and 40+ images detailing the opening up works completed to ascertain how the balustrades are attached to the building.

*Failed:*

We could have further stressed through supporting documents that we were not aware of how the balustrade were structurally installed, and the contractor was responsible for this.

### 5. Programme

*Successful:*

*Failed:*

## **6. Insurance Levels**

*Successful:*

*Failed:*

## **7. Form of Contract**

*Successful:*

It was made clear that this project was a design and build and the responsibility for removing and installing the new balustrades was entirely down to the contractor.

*Failed:*

With hindsight we could have stressed with more emphasis that the contractor was responsible for the design of the balustrades in their entirety.

## **8. Site Inspections / Visit / Survey**

*Successful:*

*Failed:*

Mandatory site visits and inspections could have been stipulated.

## 9. Procurement Route

*Successful:*

*Failed:*

## 10. Tender Process – Time frame

*Successful:*

*Failed:*

## 11. Allocation of Risk between parties

*Successful:*

It was stipulated in the contract documents that the design (and therefore design risk) was the contractor's responsibility. They refused to accept this and hence the tender failed.

*Failed:*



## 12. Contract Partnering

*Successful:*

*Failed:*

### Cullum Welsh Concrete Tender Questions

#### Procurement Team

##### 1. Tender Sum

*Successful:*

6 Responses received  
Winning Bidder (Also Lowest) = £619,911.36  
Highest Cost = £1,442,874.05  
Average = £946,786.49

*Failed:*

2 Responses.  
Winning bidder (Also lowest) = £465,582.55  
Highest Bidder = £640,450.00  
Average = £553,016.28

##### 2. Clarity of Specification

*Successful:*

10 Clarifications received.  
Specification similar to before but included opening up images from the failed tender.

*Failed:*

14 Clarifications received.  
Comprehensive specification supplied by Architect, Engineer and Corrosion Specialist.

### **3. Clarity of Employers Requirements**

*Successful:*

ER's similar to before but included a detailed overview of the Appendices to the ER's.

*Failed:*

Detailed ER's provided, unable to locate the Appendices located in the Failed tender.

### **4. Supporting Documents**

*Successful:*

Included Opening Up images and Appendices to ER's compared to the failed tender

*Failed:*

Mainly contained in the ER's.

### **5. Programme**

*Successful:*

Programme is dependent on the tender returns.

*Failed:*

Programme is dependent on the tender returns.

## **6. Insurance Levels**

*Successful:*

Standard Insurance Levels - No issues

*Failed:*

Standard Insurance Levels – No Issues

## **7. Form of Contract**

*Successful:*

JCT D&B provided no issues raised by the tenderers.

*Failed:*

JCT D&B provided no issues raised by the tenderers.

## **8. Site Inspections / Visit / Survey**

*Successful:*

Site Visits – Not offered or requested via the portal.

*Failed:*

Site Visits – Not offered or requested via the portal.

## **9. Procurement Route**

*Successful:*

Open below OJEU tender exercise, opened up to Capital eSourcing

*Failed:*

Open below OJEU tender exercise, opened up to Capital eSourcing

## **10. Tender Process – Time frame**

*Successful:*

44-day tender over the Christmas period. A request for extension was accepted due to Sub-Contractor costing delays. To 77 days.

*Failed:*

30-day tender process 2 extension requests received.

## **11. Allocation of Risk between parties**

*Successful:*

Unknown

*Failed:*

Unknown

## 12. Contract Partnering

*Successful:*

Unknown
---------

*Failed:*

Unknown
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# Agenda Item 6

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<b>Committees:</b> Corporate Projects Board <i>[for information]</i> Projects Sub <i>[for decision]</i> Community and Children Services Committee <i>[for decision]</i>	<b>Dates:</b> 01 April 2020 22 April 2020 24 April 2020
<b>Subject:</b> York Way Estate, London N7, Communal Heating Replacement  <b>Unique Project Identifier:</b> 11535	<b>Complex Gateway 5 Issue Report</b>
<b>Report of:</b> Director of Community & Children's Services  <b>Report Author:</b> Lochlan MacDonald	<b>For Decision</b>
<b>PUBLIC</b>	

<b>1. Status update</b>	<p><b>Project Description:</b> To renew the current communal heating system serving three blocks at York Way Estate.</p> <p><b>RAG Status:</b> Amber (Amber at last report to Committee, Gateway 5)</p> <p><b>Risk Status:</b> Medium (Medium at last report to committee, gateway 5)</p> <p><b>Total Estimated Cost of Project (excluding risk):</b> £3,150,490</p> <p><b>Change in Total Estimated Cost of Project (excluding risk):</b> Increase of £62,500 (2%) since last report to Committee</p> <p><b>Spend to Date:</b> £23,550 (no change from Gateway 5).</p> <p><b>Costed Risk Provision Utilised:</b> £0 (No CRP was requested at Gateway 5);</p> <p><b>Slippage:</b> There are eight flats at Kinefold House, previously converted from an infill space, which are not on the current communal system. It was intended that these would continue to use their own individual gas boilers for heating their homes. However, Cadent, who manages the gas supply networks, has</p>
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	<p>since confirmed that the gas supply to these flats is now to be discontinued. Therefore, provision will have to be made to heat these flats and, this can be best achieved by including them in the new communal heating system installation. We have been advised by Cadent that the gas supply to the eight individual flats will be turned off in April 2020. As the new communal heating system will not be available until late 2020 at the earliest, further budgetary provision is needed for a temporary solution to heat the eight flats until they can be fully connected to the new system. To ensure that residents are not left without heating at any point, the temporary heating works will be funded from previously approved funding for this project, which will then be repaid from the requested additional funding. The additional works are not expected to delay the project completion date.</p>										
<b>2. Requested decisions</b>	<p><b>Next Gateway: Gateway 6, Outcome report</b></p> <p><b>Requested Decisions:</b></p> <ol style="list-style-type: none"> <li>1. That the contents of this report are noted;</li> <li>2. That an additional budget of <b>£40,000</b> is approved from the Housing Revenue Account for connecting eight flats to the new communal heating system at the York Way Estate.</li> <li>3. That a further budget of <b>£22,500</b> is approved from the Housing Revenue Account for temporary heating to be provided at the eight flats due to the existing gas supply being disconnected</li> <li>4. That approval is given for TSG to undertake the works outlined at 2 and 3 above;</li> <li>5. Note the revised project budget of <b>£3,150,490</b> (excluding risk);</li> <li>6. Note the total estimated cost of the project at <b>£3,150,490</b> (excluding risk).</li> <li>7. That Option 1, to supply temporary electric boilers and then connect the new communal heating system to the eight previously converted flats at Kinefold House, is approved</li> </ol>										
<b>3. Budget</b>	<p><b>Revised total cost</b> This is an increase of £62,500 (2%) due to necessary, unforeseen works.</p> <table border="1"> <thead> <tr> <th>Item</th><th>Reason</th><th>Funds/ Source of Funding</th><th>Cost (£)</th></tr> </thead> <tbody> <tr> <td>Temporary heating to flats</td><td>To supply temporary heating via</td><td>Housing Revenue Account</td><td>£22,500</td></tr> </tbody> </table>			Item	Reason	Funds/ Source of Funding	Cost (£)	Temporary heating to flats	To supply temporary heating via	Housing Revenue Account	£22,500
Item	Reason	Funds/ Source of Funding	Cost (£)								
Temporary heating to flats	To supply temporary heating via	Housing Revenue Account	£22,500								



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		electric boilers in 8 no. flats		
	Extend new communal heating system	To connect 8 no. flats to communal heating system	Housing Revenue Account	£40,000
	<b>Total</b>			£62,500
<b>Costed Risk Provision requested for this Gateway: £0</b> (No costed risk provision requested).				
<b>4. Issue description</b>	<ol style="list-style-type: none"> <li>1. The current communal system is being replaced as it has reached the end of its life expectancy.</li> <li>2. 8 converted flats at Kinefold House, which were previously built as an infill project, have their own individual gas boilers that supply the heating to their homes (hot water is provided separately). The new flats were not connected to the existing communal system at the time. Whilst the exact reasons for this decision cannot be confirmed, it is possible that the costs of providing the eight properties with individual heating was more cost effective than connecting them to the communal system.</li> <li>3. Cadent, who is responsible for the gas supply to individual properties, has advised that the gas supply to three York Way blocks, which supplies individual flats, is to be disconnected.</li> <li>4. The gas supply for the communal heating and hot water system is not affected by Cadent's plans.</li> <li>5. Cadent has advised that the reason why they are disconnecting individual flats' gas supplies is that the gas supply pipe network is embedded within the fabric of the building and is difficult to service, maintain and repair.</li> <li>6. Whilst Cadent considered a new, externally run gas supply network, this was decided against due to costs, aesthetics and the fact that most flats were on the communal system for heating and hot water.</li> <li>7. Cadent have made payments of £2,000 per dwelling to those affected by the gas disconnection, in lieu of buying electric cookers to replace existing gas ones. The tenants in the eight dwellings at Kinefold House mentioned above have received this payment.</li> <li>8. The City has a duty to ensure that heating is provided to the dwellings affected by the gas disconnection. This can be achieved by connecting the flats to the</li> </ol>			

	<p>replacement communal heating, and TSG has quoted a cost of £40,000 to include these flats.</p> <p><b>9.</b> However, as the gas supply disconnection will occur in April 2020, and the new communal heating system will not go live until late 2020 at the earliest, the City must provide temporary heating in the interim period.</p> <p><b>10.</b> Cadent was asked to contribute to the cost of temporary heating and connecting the flats to the new system when this is installed. However, Cadent refused as, they are already paying £2,000 per dwelling to residents, and believe that it is the City's responsibility to ensure heating provision within their own housing stock given the way the buildings were built (with gas supply pipes generally inaccessible as they were built into the fabric of the building). As Cadent is ultimately responsible for the timing of the disconnection, and the urgent need to ensure no residents are left without heating, there is no time to pursue this matter further with Cadent.</p> <p><b>11.</b> The options for the temporary heating for the 8 flats are:</p> <ul style="list-style-type: none"> <li>• To provide each flat with electric boilers connected to the existing radiators and controls within all 8 flats at a cost of £22,500</li> <li>• Provide standalone electric heaters (3 per property) at a total cost of £2,400</li> </ul> <p><b>12.</b> The costs of running electric heaters will be compensated for by the fact that residents will no longer have to pay for gas and also the £2,000 payment from Cadent.</p>
<b>5. Options</b>	<ol style="list-style-type: none"> <li><b>Option One</b> – Connect 8 no. flats to the new communal system, and provide interim temporary heating in the meantime by installing electric boilers in all 8 flats, at a cost of £62,500</li> <li><b>Option Two</b> – Connect 8 no. flats to the new communal system, and provide interim temporary heating in the meantime by providing plug in electric heaters (3 per flat) to residents of all 8 flats, at an estimated cost of £42,400.</li> <li><b>Option Three</b> – Install permanent individual electric boilers within 8 no. flats, to replace redundant gas boilers at a cost of £22,500. <ul style="list-style-type: none"> <li>• Option one will discharge the City's duty in providing temporary and permanent heating. The provision of electric boilers as a short-term measure is more expensive and intrusive in terms of installation works compared to stand alone heaters. However, the heating provided will ensure total heating within each property, the boilers can be connected to existing pipework and</li> </ul> </li> </ol>

	<p>radiators and will be fully compliant. Once the flats are connected to the new communal system, the electric boilers will be removed, and the possibility of storing these for future re-use will be considered. This makes sense in the longer term due to lower running costs for residents, for consistency and for future maintenance. Furthermore, the option reflects the thinking that communal systems are regarded as a better solution in environmental terms. The new system will be less likely to fail completely or need extensive repairs. However, in the event that the system goes wrong, this will be covered by defects liability and then the existing maintenance contract. For these reasons, this option is <b>RECOMMENDED</b>.</p> <ul style="list-style-type: none"><li>• Option Two will discharge the City's duty in providing temporary and permanent heating. This is less expensive than providing temporary electric boilers. The heating provided by these heaters will be for specific rooms rather than throughout the whole flat. As they will not be able to heat the entire flat, and given the amount of time they could be used until the full system is connected, they will have to be on for longer so running costs of these heaters is expected to be higher. The heaters are not as efficient as a dedicated system and the running costs are generally higher. The heaters will be freestanding and portable to a degree, but this will mean their power cables from sockets will form potential trip hazards. These heaters also represent an increased fire risk, especially if residents cover them or dry clothes on them. Once the flats are connected to the new communal system, the electric heaters will be reclaimed by the City and require storage. As per option one, connecting the flats to the new communal system makes sense in the longer term due to lower running costs for residents and for consistency and future maintenance, and reflects the thinking that communal systems are regarded as a better solution in environmental terms. However, due to the issues outlined above with regard to free standing electric heaters, this option is <b>NOT RECOMMENDED</b>.</li><li>• Option Three will discharge the City's duty in providing immediate and permanent heating. However, this would mean that the running costs for these flats will be higher than for other properties served by the communal system, and will require separate maintenance arrangements. For these reasons, this option is <b>NOT RECOMMENDED</b>.</li></ul>
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### **Appendices**

<b>Appendix 1</b>	Project Coversheet
<b>Appendix 2</b>	Risk Register
<b>Appendix 3</b>	

### **Contact**

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<b>Telephone Number</b>	020 7332 3939

# Project Coversheet

## [1] Ownership & Status

**UPI:11535**

**Core Project Name:** York Way Estate Communal Heating Replacement

**Programme Affiliation** (if applicable): N/A

**Project Manager:** Lochlan MacDonald

**Definition of need:** The current heating and hot water system has exceeded its life expectancy and requires replacement.

**Key measures of success:**

1. That a new compliant heating and hot water system is installed.
2. That residents have more control over their own usage of heating and hot water.
3. The costs of repairs and maintenance are reduced
4. That fuel costs for heating and hot water are reduced due to more efficient plant, better use of services by residents and effective metering of fuel used.

**Expected timeframe for the project delivery:**

Gateway 5 - September 2019 – September 2021

**Key Milestones:**

- Gateway 5 Approval – September 2019
- Contractor Appointment – October 2019
- Practical Completion – September 2021

**Are we on track for completing the project against the expected timeframe for project delivery?** No, this has slipped since gateway 1 due to complexity of the work and resource planning. Since additional resource has been available, the work has progressed as expected.

There were further delays between gateway 3 /4 and gateway 5 due to the original consultant's report being insufficient and further advice on options had to be sought.

**Has this project generated public or media impact and response which the City of London has needed to manage or is managing?**

No, not applicable.

## [2] Finance and Costed Risk

**Headline Financial, Scope and Design Changes:**

- This was originally included with Middlesex Street Estate as one project but was subsequently split into two projects due to complexities of projects.
- Actual Project cost has increased since G1 by £337,990.
- Scope has changed from specified replacement to design and build.

**'Project Briefing' G1 report (as approved by Corporate Projects Board February 2015):**

- Total Estimated Cost (excluding risk): Between £2.5m - £2.75M
- Costed Risk Against the Project: £0
- Estimated Programme Dates: No estimated dates given for works as the timetable only outlined to options appraisal.

*Scope/Design Change and Impact: No change*

**'Project Proposal' G2 report (as approved by PSC, February 2015)**

- Total Estimated Cost (excluding risk): Between £2.5m - £2.75M.

- Resources to reach next Gateway (excluding risk): £17,500
- Spend to date: £0
- Costed Risk Against the Project: £0
- CRP Requested: £0
- CRP Drawn Down: £0
- Estimated Programme Dates: No estimated dates given for works to start or finish.

*Scope/Design Change and Impact: No change*

**‘Options Appraisal and Design’ G3-4 report (as approved by PSC 18 July 2018, as advised, the project was split so Court of Common Council, which conferred 4b and 4c approval):**

- Total Estimated Cost (excluding risk): £2,925.000
- Resources to reach next Gateway (excluding risk): £21,500 (staff costs and fees)
- Spend to date: £14,550 (not accounted for in project total at this stage).
- Costed Risk Against the Project: £0
- CRP Requested: £0
- CRP Drawn Down: £0
- Estimated Programme Dates: July 2018 – September 2020

*Scope/Design Change and Impact:*

Originally, this project was combined with Middlesex Street communal heating replacement, however the Court of Common Council agreed that these should be separated into two separate projects. This was due to the expected scope of the works at both estates (both have over 200 residential units run from their respective communal systems) and their non-proximity to each other.

**‘Authority to start Work’ G5 report (Approved by PSC 20 September 2019):**

- Total Estimated Cost (excluding risk): £3,087,990
- Resources to reach next Gateway (excluding risk): £3,087,990
- Spend to date: £23,550
- Costed Risk Against the Project: £0
- CRP Requested: £0
- CRP Drawn Down: £0
- Estimated Programme Dates: September 2019 – September 2021

*Scope/Design Change and Impact: No change*

**Issues Report - April 2020**

- Total Estimated Cost (excluding risk): £3,150,490
- Resources to reach next Gateway (excluding risk): £3,150,490
- Spend to date: £23,550 (no change from G5)
- Costed Risk Against the Project: £0
- CRP Requested: £0
- CRP Drawn Down: £0
- Estimated Programme Dates: September 2019 – September 2021 (no change from G5)

*Scope/Design Change and Impact:*

Flats at Kinefold house that have heating provided by individual gas boilers now need to be added to the communal system, as the supply company are

disconnecting these supplies. Extra funding required for temporary heating and connection to communal system. Unforeseen works were noted on risk register , but no CRP was requested.

**Total anticipated on-going commitment post-delivery:** Unquantifiable  
maintenance and repairs

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City of London: Projects Procedure Corporate Risks Register

Project name:

York Way Esatate Heating Replacement

Unique project identifier:

PV11535

Total est cost (exc risk)

£3150490

<b>PM's overall risk rating</b>	<b>Low</b>	<i>Corporate Risk Matrix score table</i>				
	<b>5.0</b>	<b>Minor impact</b>	<b>Serious impact</b>	<b>Major impact</b>	<b>Extreme impact</b>	
	<b>3.5</b>	<b>Likely</b>	<b>4</b>	<b>8</b>	<b>16</b>	<b>32</b>
	<b>0</b>	<b>Possible</b>	<b>3</b>	<b>6</b>	<b>12</b>	<b>24</b>
	<b>1</b>	<b>Unlikely</b>	<b>2</b>	<b>4</b>	<b>8</b>	<b>16</b>
	<b>1</b>	<b>Rare</b>	<b>1</b>	<b>2</b>	<b>4</b>	<b>8</b>

Costed risks identified (All)	£0.00	0%	Costed risk as % of total estimated cost of project
Costed risk pre-mitigation (open)	£0.00	0%	" "
Costed risk post-mitigation (open)	£0.00	0%	" "
Costed Risk Provision requested	£0.00	0%	CRP as % of total estimated cost of project

	Number of Open Risks	Avg Score	Costed impact	Red	Amber	Green
(1) Compliance/Regulatory	1	4.0	£0.00	0	0	1
(2) Financial	1	6.0	£0.00	0	1	0
(3) Reputation	0	0.0	£0.00	0	0	0
(4) Contractual/Partnership	0	0.0	£0.00	0	0	0
(5) H&S/Wellbeing	0	0.0	£0.00	0	0	0
(6) Safeguarding	0	0.0	£0.00	0	0	0
(7) Innovation	0	0.0	£0.00	0	0	0
(8) Technology	0	0.0	£0.00	0	0	0
(9) Environmental	0	0.0	£0.00	0	0	0
(10) Physical	0	0.0	£0.00	0	0	0

Issues (open)		0	Open Issues		0	0	0	0
All Issues		0	All Issues		0	0	0	0
Cost to resolve all issues (on completion)		£0.00		Total CRP used to date		£0.00		

City of London: Projects Procedure Corporate Risks Register

Project Name:			York Way Esatate Heating Replacement					PM's overall risk rating:			Low		CRP requested this gateway		£		-		Average unmitigated risk		5.0			Open Risks		2			
Unique project identifier:			PV11535					Total estimated cost (exc risk):			£		3,150,490		Total CRP used to date		£		-		Average mitigated		3.5			Closed Risks		0	
General risk classification																													
Risk ID	Gateway	Category	Description of the Risk	Risk Impact Description	Likelihood Classification pre-mitigation	Impact Classification pre-mitigation	Risk score	Costed impact pre-mitigation (£)	Costed Risk Provision requested Y/N	Confidence in the estimation	Mitigating actions	Mitigation cost (£)	Likelihood Classification post-mitigation	Impact Classification post-mitigation	Costed impact post-mitigation (£)	Post-Mitigation risk score	CRP used to date	Use of CRP	Date raised	Ownership & Action	Named Departmental Risk Manager/Coordinator	Risk owner (Named Officer or External Party)	Date Closed OR/Realised & moved to issues	Comment(s)					
R1	5	(1) Compliance/Regulatory	That designs and installation do not meet compliance	Delay project whilst compliance is checked	Rare	Major	4	£0.00	N	B – Fairly Confident	Appoint Expert Consultant to oversee the installation to ensure compliance	£0.00	Rare	Minor	£0.00	1	£0.00	N/a	Aug-19	Lochlan MacDonald	Lochlan MacDonald								
R2	5	(2) Financial	That unforeseen works will be required once work starts on installation	Delay project whilst extra funding sought, extra funding may be needed	Possible	Serious	6	£0.00	N	B – Fairly Confident	If further funding required, this will be addressed via issues reports	£0.00	Possible	Serious	£0.00	6	£0.00	N/a	Sep-19	Lochlan MacDonald	Lochlan MacDonald								

City of London: Projects Procedure Corporate Issues Log

Project Name:

York Way Esatate Heating Replacement

Unique project identifier:

PV11535

General issue classification							Ownership & Action							
Issue ID	Risk ID (where previously identified)	Category	Description of the Issue	Issue Impact Description	Impact Classification	Control actions	Date raised	Named Departmental Issue Manager/ Coordinator	Issue owner (Named Officer or External Party)	Dependencies	Status	Cost to resolve [£] on completion	Date Closed	Comment(s)
I.01		(9) Environmental	(9) Environmental	(9) Environmental	(9) Environmental									
I.02		(9) Environmental	(9) Environmental	(9) Environmental	(9) Environmental									
I.03		(9) Environmental	(9) Environmental	(9) Environmental	(9) Environmental									
I.04		(9) Environmental	(9) Environmental	(9) Environmental	(9) Environmental									
I.05		(9) Environmental	(9) Environmental	(9) Environmental	(9) Environmental									
I.06		(9) Environmental	(9) Environmental	(9) Environmental	(9) Environmental									
I.07		(9) Environmental	(9) Environmental	(9) Environmental	(9) Environmental									
I.08		(9) Environmental	(9) Environmental	(9) Environmental	(9) Environmental									
I.09		(9) Environmental	(9) Environmental	(9) Environmental	(9) Environmental									
I.10		(9) Environmental	(9) Environmental	(9) Environmental	(9) Environmental									
I.11		(9) Environmental	(9) Environmental	(9) Environmental	(9) Environmental									
I.12		(9) Environmental	(9) Environmental	(9) Environmental	(9) Environmental									
I.13		(9) Environmental	(9) Environmental	(9) Environmental	(9) Environmental									
I.14		(9) Environmental	(9) Environmental	(9) Environmental	(9) Environmental									
I.15		(9) Environmental	(9) Environmental	(9) Environmental	(9) Environmental									
I.16		(9) Environmental	(9) Environmental	(9) Environmental	(9) Environmental									
I.17		(9) Environmental	(9) Environmental	(9) Environmental	(9) Environmental									
I.18		(9) Environmental	(9) Environmental	(9) Environmental	(9) Environmental									
I.19		(9) Environmental	(9) Environmental	(9) Environmental	(9) Environmental									
I.20		(9) Environmental	(9) Environmental	(9) Environmental	(9) Environmental									

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