

Committees:		Dates:
Corporate Projects Board – For decision Community & Children’s Services – For decision Projects Sub-Committee – For decision		15 October 2018 02 November 2018 07 November 2018
Subject: Installation of Sprinklers in Social Housing Tower Blocks	Gateway 1-4 Project Proposal & Options Appraisals Regular	
Unique Project Identifier: <i>Confirmed after CPB paper review.</i>		
Report of: Director of Community & Children's Services Report Author: Paul Murtagh, Assistant Director, Barbican & Property Services		For Decision
<h1 style="text-align: center;">NOT FOR PUBLICATION</h1> <p>By virtue of paragraph 3 of Part I of Schedule 12A of the Local Government Act 1972, which relates to “Information relating to the financial or business affairs of any particular person or body (including the authority holding that information)”.</p>		

Recommendations

1. Approval track, Next steps and Requested decisions	Approval track: 2. Regular Next Gateway: Gateway 5 - Authority to Start Work (Regular) Next Steps: <ol style="list-style-type: none"> Approve Option 1 from the Options Appraisal Table. Undertake compliant procurement exercise. Seek approval for the appointment of a suitable contractor to carry out the works. Requested Decisions: <ol style="list-style-type: none"> That the contents of this report, including the total estimated project cost of £3,200,000 (including staff costs of £40,000) are noted. That approval is given for Option 1: <ol style="list-style-type: none"> to undertake a compliant procurement exercise for the installation of sprinklers in our five social housing high-rise tower blocks. To seek Committee approval at Gateway 5 for a contractor to be appointed to carry out the installation of sprinklers in our five social housing high-rise tower blocks.
--	--

2. Resource requirements to reach next Gateway	Item	Reason	Funds/ Source of Funding	Cost (£)
	Survey, design, planning and tender costs.	To prepare detailed documents for procurement process.	HRA (Housing Revenue Account)	£75,000
	Staff costs	Overall project management.	HRA (Housing Revenue Account)	£8,500
	Total			£83,500
3. Governance arrangements	Service Committee Responsible Community & Children's Services Senior Responsible Officer Paul Murtagh, Assistant Director Barbican & Property Services Project Board No			

Project Summary

4. Context	<ol style="list-style-type: none"> 1. Since the tragic events at Grenfell Tower in June 2017, officers in Housing have carried out a detailed review of its processes and procedures relating to fire safety in its social housing portfolio. Regular reports have been presented to the Community & Children's Services Committee, the Housing Management & Almshouses Sub-Committee and the Audit & Risk Management Committee outlining the actions taken in the immediate aftermath of the Grenfell Tower fire and setting out plans and proposals for further improvements. 2. At its meeting on 11 May 2018, the Community & Children's Services Committee agreed a proposal from its Director for the retro-fitting of automatic water fire suppression systems (sprinklers) in Great Arthur House on the Golden Lane Estate and, to the four other social housing high-rise tower blocks in the Corporation's housing portfolio.
-------------------	---

	<p>3. In view of the decision taken by the Community & Children's Services Committee at its meeting on 11 May, the installation of sprinklers is the only option to be considered. As such and, in order to progress the scheme as quickly as possible, this is a combined Gateway 1-4 report, which is outside of the standard reporting format (G1-2, then G3-4).</p> <p>4. It should be noted that Housing has sought, and received, Counsel's advice on the Corporation's ability to recover a proportion of the cost of this work from long leaseholders. The advice received makes it clear that the recovery of costs from leaseholders for 'improvement works', such as the installation of sprinklers, is not provided for within the leases. Members of the Community & Children's Services took this advice into consideration when making its decision on 11 May. It is however, intended that subsequent proportional future maintenance costs will be recovered from long leaseholders.</p>
5. Brief description of project	<p>1. This project will provide for the retro-fitting of sprinkler systems in the Corporation's five social housing high-rise tower blocks at:</p> <ul style="list-style-type: none"> • Great Arthur House, Golden Lane Estate; • Petticoat Tower, Middlesex Street Estate; • West Point, Avondale Estate; • Central Point, Avondale Estate; • East Point, Avondale Estate. <p>2. The retro-fitting of sprinkler systems in our social housing high-rise tower blocks will go some considerable way to addressing issues relating to compartmentation in the blocks as well as, providing an additional level of protection for residents in the event of a fire.</p>
6. Consequences if project not approved	<p>If the project is not approved, there are several potential consequences including:</p> <ul style="list-style-type: none"> • risk to the safety of residents in the event of a fire; • risk of damage to the buildings in the event of a fire; • potential reputational risks because of not implementing further fire safety improvement measures agreed by Committee; • resident dissatisfaction.
7. SMART Project Objectives	<p>The main objective of this project is over a period of 15 months, to install modern, effective sprinkler systems, that comply with British Standard 9251-2014, in our five social housing high-rise blocks of flats that will provide a significant additional level of protection for residents in the event of a fire.</p>

8. Key Benefits	<p>The key improvements that this project is expected to bring about are:</p> <ul style="list-style-type: none"> • Enhanced level of protection for residents in the event of a fire. • Enhanced level of protection for the building fabric and structure in the event of a fire. • Increase in levels of confidence in residents and greater customer satisfaction. • Potential reduction in insurance premiums.
9. Project category	1. Health and safety
10. Project priority	A. Essential
11. Notable exclusions	There are no notable exclusions.

Options Appraisal

12. Overview of options	<p>Members of the Community & Children's Services Committee have taken the view that the retro-fitting of sprinklers in its five high-rise social housing tower blocks is essential to ensure, as far as possible, the safety of residents in those blocks in the event of a fire. As such, the only option available is to carry out the works outlined in Option 1.</p>
--------------------------------	---

Resource Implications

13.Total estimated cost	Likely cost range: Up to £3,200,000							
14.Funding strategy	Choose 1: All funding fully guaranteed	Choose 1: Internal - Funded wholly by City's own resource						
	Recommended option							
	<table><tr><td>Funds/Sources of Funding</td><td>Cost (£)</td></tr><tr><td>Housing Revenue Account (HRA)</td><td>Up to £3,200,000</td></tr><tr><td>Total</td><td>Up to £3,200,000</td></tr></table>		Funds/Sources of Funding	Cost (£)	Housing Revenue Account (HRA)	Up to £3,200,000	Total	Up to £3,200,000
	Funds/Sources of Funding	Cost (£)						
Housing Revenue Account (HRA)	Up to £3,200,000							
Total	Up to £3,200,000							

Appendices

<u>Appendix 1</u>	Project Briefing
--------------------------	------------------

Contact

<u>Report Author</u>	Paul Murtagh
<u>Email Address</u>	paul.murtagh@cityoflondon.gov.uk
<u>Telephone Number</u>	020 7332 3015

Options appraisal table.

	<i>Option 1</i>
1. Brief description	<p>This project will provide for the retro-fitting of sprinkler systems in the City Corporation's five social housing high-rise tower blocks at:</p> <ul style="list-style-type: none"> • Great Arthur House, Golden Lane Estate; • Petticoat Tower, Middlesex Street Estate; • West Point, Avondale Estate; • Central Point, Avondale Estate; • East Point, Avondale Estate.
2. Scope and exclusions	<p>Scope:</p> <p>Sprinkler systems in the City Corporation's five social housing high-rise tower blocks at:</p> <ul style="list-style-type: none"> • Great Arthur House, Golden Lane Estate; • Petticoat Tower, Middlesex Street Estate; • West Point, Avondale Estate; • Central Point, Avondale Estate; • East Point, Avondale Estate. <p>Exclusions:</p> <p>None.</p>
<i>Project Planning</i>	
3. Programme and key dates	<p>Overall project:</p> <p>15 months, completion before December 2019.</p> <p>Key dates:</p> <ul style="list-style-type: none"> • Survey, planning, design – February 2019;

	Option 1
	<ul style="list-style-type: none"> • Resident consultation – February 2019; • Work tendered – March 2019; • Contractor appointed, and contract awarded – May 2019; • Work commences – June 2019; • Work completed – December 2019; • End of Defects Liability Period – December 2020. <p>Other works dates to coordinate: None</p>
4. Risk implications	Overall project risk: Green
5. Benefits and disbenefits	<p>Benefits</p> <ul style="list-style-type: none"> • Enhanced level of protection for residents in the event of a fire. • Enhanced level of protection for the building fabric and structure in the event of a fire. • Increase in levels of confidence in residents and greater customer satisfaction. <p>Disbenefits None</p>
6. Stakeholders and consultees	<ul style="list-style-type: none"> • Residents (tenants and leaseholders); • DCCS Staff; • Members; • Planning authorities; • Building Control; • Historic England; • Chamberlains (CLPS), • City Procurement,

	<i>Option 1</i>
	<ul style="list-style-type: none"> • City Surveyor; • Town Clerks.
<i>Resource Implications</i>	
7. Total Estimated cost	£3,200,000 which includes works cost and associated staff costs. Annual maintenance cost: £75,000 (to be met from existing HRA service budgets).
8. Funding strategy	Housing Revenue Account (HRA) It is not intended to recover any of the project cost from long-leaseholders in line with the legal advice received.
9. Estimated capital value/return	Not applicable
10. Ongoing revenue implications	Annual maintenance cost: £75,000 (to be met from existing HRA service budgets). Proportional future maintenance costs will be recovered from long leaseholders.
11. Investment appraisal	The option is costed and provided for within the Department's 5-year Major Works Programme, its Asset Management Plan and the 30-year Business Plan for the HRA.
12. Affordability	The works costs have been estimated and form part of the funded 5-year Major Works Programme, its Asset Management Plan and the 30-year Business Plan for the HRA.
13. Procurement strategy/Route to Market	City Procurement is being consulted on the best option for a route to market that will ensure the timely delivery of the project as well as quality and value for money. This may be through a specialist framework or through an open competitive tendering process.

	<i>Option 1</i>
14. Legal implications	None.
15. Corporate property implications	<ul style="list-style-type: none"> • It is important that the City Corporation's assets are maintained in good order and are safe and statutorily compliant. • Action should be taken to ensure that assets remain safe, functional and compliant for their lifetime and are easy to maintain and repair when necessary.
16. Traffic implications	Any local traffic implications will be discussed and addressed prior to commencement of the works.
17. Sustainability and energy implications	Not applicable
18. IS implications	Not applicable
19. Equality Impact Assessment	An equality impact assessment will be undertaken.
20. Data Protection Impact Assessment	The risk to personal data is less than high or non-applicable and a data protection impact assessment will not be undertaken.
21. Recommendation	Recommended
22. Next Gateway	Gateway 5 - Authority to Start Work

	<i>Option 1</i>
23. Resource requirements to reach next Gateway	

Item	Reason	Funds/ Source of Funding	Cost (£)
Survey, design, planning and tender costs.	To prepare detailed documents for procurement process.	HRA (Housing Revenue Account)	£75,000
Staff costs	Overall project management.	HRA (Housing Revenue Account)	£8,500
Total			£83,500