

Committees:		Dates:	
Gresham Cityside		30 November 2018	
Subject: Gresham (and City of London) Almshouses), East Lodge and Communal areas – Refurbishment Works		Gateway 5 Authority to Start Work Regular	Public
Report of: Director of Community & Children's Services Report Author: Lochlan MacDonald			For Decision
Recommendations:			
<ol style="list-style-type: none"> 1. Approve the appointment of TSG Building Services to carry out internal, external and common parts refurbishment works at the Gresham Almshouses, as part of a wider contract to encompass similar works to the City of London Almshouses (which is subject to approval through a separate gateway 5 report). 2. Approve a total project sum of £150,460 3. Approve the previous Gateway 4 budget of £3,088 for staff costs to be used to for project management costs up to the completion of the works. 4. Approve a budget of £1,912 for further staff fees. 5. Approve of budget of £2,480 for Quantity Surveyor fees to take project to completion. 6. Note the attached Risk Register and a potential mitigated risk budget of £17,600. 			
<u>Summary</u>			
Dashboard			
Project Status	Green		
Projected Time Line	<i>November 2018 – Seek approval Gateway 5 December 2018 - Let Contract January 2019 – Start Works</i>		
Programme status	Pending Approval of Gateway 5 to appoint contractor		
Approved budget	£5,968 (staff costs and fees approved spend to reach Gateway 5)		
Latest estimated costs	<ul style="list-style-type: none"> • Works: £140,100 • Staff Costs: £5,000 • Previously approved QS costs - £2880 • New QS Costs: £2,480 • Total: £150,460 		
Expenditure to date	£2,880 quantity surveyor's fees.		

Progress to Date Including resources expended and any changes since previous gateway.

In February 2018, committee gave approval for expenditure of staff fees of £3,088 and Quantity Surveyor fees of £2880 (total £5968) for tenders to be sought in relation to the internal, external and common parts refurbishment works at the Gresham Almshouses. These works are to be undertaken with similar works at City of London Almshouses and East Lodge. Mooney Kelley were employed to draft the tender documents at a cost of £2880.

A full and compliant tender process has been completed in conjunction with City Procurement. Three tenders were received and were fully evaluated on the quality and cost criteria from which TSG Building Services were identified as the winning contractor.

As noted above, these works are being undertaken in tandem with similar works at the City of London Almshouses in order to achieve economies of scale, expedite all works and minimise disturbance to residents by having only one contractor on site. Approval of the final contract to cover both Gresham and City of London Almshouses is required from Gresham Cityside committee and the Director of Community and Children's Services.

Proposed way Forward

To appoint TSG Building services to undertake the works.

Total Estimated Cost

£148,100 and £10,360 staff fees and costs, for a total amount of £150,460.

Main Report

1. Design summary	<ol style="list-style-type: none">1. The contract will cover the replacement and refurbishment of internal and external facilities within Gresham Almshouses and across the whole site.2. The contract will be coordinated so that previous works undertaken (such as void improvements) are taken account of and are not replaced unnecessarily.3. The works are being carried out in tandem with similar woks at the City of London Almshouses, to achieve economies of scale and minimise disruption to residents.
2. Delivery team	<ul style="list-style-type: none">• The contractor TSG building Services has submitted the winning tender and will be contracted to undertake the work.• The contractor will undertake the duties of Principal Designer (under the Construction Design and Management (CDM) Regulations 2015).• The City's delivery team will be formed of a project manager and clerk of works from the DCCS New Developments and Major Projects team working closely with the site based Matron and sheltered housing staff.
3. Programme and key dates	<ol style="list-style-type: none">1. Contractor Appointment – December 20182. Works Commence – January 20193. Works Complete – July/August 2019

<p>4. Outstanding risks</p>	<ol style="list-style-type: none"> 1. Tenants may object to certain works being undertaken within their homes but this will be mitigated by working with estate staff to find solutions. 2. Asbestos surveys before works commence will determine any hazards which need to be addressed. 3. Unforeseen additional works which may not be evident until stripping out of existing facilities is undertaken. The contractor will report any such issues to the City so mitigating action may then be taken. These are noted on the attached risk register and the approximate cost of these for Gresham Almshouses is £17,600. If necessary, further authorisation for funds to tackle these risks will be sought. 																														
<p>5. Budget</p>	<p>An estimated budget of £256,096 was previously identified at Gateway 4, as follows:</p> <table border="1" data-bbox="360 696 1161 987"> <thead> <tr> <th colspan="2">Gresham Almshouses Refurbishment G3/4</th> </tr> <tr> <th>Item</th> <th>Cost</th> </tr> </thead> <tbody> <tr> <td>Works</td> <td>£247,040</td> </tr> <tr> <td>Staff fees and costs</td> <td>£9056</td> </tr> <tr> <td>Total</td> <td>£256,096</td> </tr> <tr> <td>Funding Strategy</td> <td>Gresham Cityside Committee</td> </tr> </tbody> </table> <p>However, following the tender exercise for these works, the revised costs are:</p> <table border="1" data-bbox="360 1059 1161 1541"> <thead> <tr> <th colspan="2">Gresham Almshouses Refurbishment G5</th> </tr> <tr> <th>Item</th> <th>Cost</th> </tr> </thead> <tbody> <tr> <td>Works</td> <td>£140,100</td> </tr> <tr> <td>Staff fees</td> <td>£5000</td> </tr> <tr> <td>QS costs already incurred</td> <td>£2880</td> </tr> <tr> <td>Extra QS Costs required</td> <td>£2480</td> </tr> <tr> <td>Fees and costs subtotal</td> <td>£10,360</td> </tr> <tr> <td>Total</td> <td>£150,460</td> </tr> <tr> <td>Funding Strategy</td> <td>Gresham Cityside Committee</td> </tr> </tbody> </table> <ul style="list-style-type: none"> • The actual tendered amount of £149,000 has been reduced as works tendered for in the contract, at 5 and Gresham Almshouses, have already been carried out, at a cost of £8900. • The tendered cost of works (£149,000) is less than the previously estimated works amount at Gateway 3/4 (£247,040) by £98,040 which represents a 39% decrease. • Staff fees and QS costs have increased, from the estimated amount (£9,056) to the revised estimate (£10,360), by £838, a percentage increase of 14%. • Funds of £51,000 were previously approved for 2018/19 which may be used towards the works. • The breakdown of expected expenditure over 2018/19 and 2019/20 is as follows: 	Gresham Almshouses Refurbishment G3/4		Item	Cost	Works	£247,040	Staff fees and costs	£9056	Total	£256,096	Funding Strategy	Gresham Cityside Committee	Gresham Almshouses Refurbishment G5		Item	Cost	Works	£140,100	Staff fees	£5000	QS costs already incurred	£2880	Extra QS Costs required	£2480	Fees and costs subtotal	£10,360	Total	£150,460	Funding Strategy	Gresham Cityside Committee
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Gresham Almshouses Refurbishment		
Expected Expenditure		
Year	Item	Amount
2018/19	Previously Incurred QS Fees	£2,880
2018/19	Works	£51,000
2018/19	QS Fees	£0
2018/19	Staff Costs	£0
2018/19 Sub Total:		£53,880
2019/20	Works	£89,100
2019/20	QS Fees	£2,480
2019/20	Staff Costs	£5,000
2019/20 Sub Total		£96,580
Overall Total Expenditure (2018/19 & 2019/20)		£150,460

6. Scope of Works

In 2016, your committee approved a three year budget for potential necessary refurbishment works at Gresham, as follows:

Works	Estimated Costs
Kitchen Replacements	£28,000.00
External Decorations	£20,000.00
Roof Works	£20,000.00
Brickwork Repairs	£16,000.00
Bathroom Replacements	£12,000.00
Masonry Repairs	£12,000.00
Chimney Works	£10,000.00
Window Repairs	£10,000.00

These items were designated as the major items that a refurbishment project would seek to address.

In September 2017, the City appointed Mooney Kelley to survey as many properties as possible at Gresham and the City of London Almshouses to ascertain a more precise picture of what was required and the likely costs of this. Accordingly, Mooney Kelley highlighted the following areas pertinent in the context of the above list. The 2018 price given is taken from the tender documents received.

Gresham Almshouses Refurbishment			
Item Comparison			
	2016		2018
	Item	Cost	Tendered Cost
1	Kitchen Works	£28,000	£7,200
2	External Decs	£20,000	£0
3	Roof Works	£20,000.00	£36,700.00
4	Brickwork	£16,000.00	£4,200.00
5	Bathroom Works	£12,000	£5,100.00

Included in brickwork item 3

6	Masonry Repairs	£12,000.00	£0.00	Included in brickwork item 3
7	Chimney Repairs	£10,000.00	£0.00	
8	Windows	£10,000.00	£34,200.00	
	Totals	£128,000	£87,400	

With regard to the above:

- Some kitchens and bathrooms have been replaced under the voids process.
- External decorations are relatively minor and included in brickwork costs for 2018.
- Roof Works - Mooney Keely recommend that the front part of the roofs, which were not previously renewed due to cost limitations when the rear roofs were replaced, should now be brought to standard.
- Brickwork - Less are required and encompass decoration and masonry repairs.
- Chimney Repairs – These were not possible to be quantified by Mooney Kelley, and any necessary repairs will be funded from provisional sums, if agreed to by the project manager
- Windows - what may be needed to bring these up to current building regulations (secondary or double glazing, as the previously installed secondary glazing was no longer fit for purpose).

A further part of this brief was to expand the scope of required works beyond the original list to ensure that the properties were brought to as high and as safe a standard as possible and the following items are included in the tender price.

Gresham Almshouses Refurb Additional Works	
Item	Cost
Heating, TRVs, Reflectors	£1,920.00
Electrics	£1,489.00
Co2 Detectors	£1,729.12
Overhaul Front and Rear doors	£540.00
Internal decorations	£1,177.00
Provisional sum	£6,000.00
Loft Insulation	£4,196.50
fire breaks	2184.00
East Lodge	£3,157.60
Communal Works	£8,979.20
other works	£4,592.00
Provisional Quantities	£9,146.12
Window Double Glazing	£34,196.64
Prelims	£8,947.36
Sub Total	£88,254.54
To be removed:	
Provisional Sum 5 Gresham	£2,000.00
Kitchen Bathroom works 7 Gresham	£6,841.00
Revised Total	£79,413.54

The figures in the table above have been rounded up in the project amount for ease of accounting.

	<p>With regard to the above, please note the following:</p> <ul style="list-style-type: none"> • Heating works – no provision was made for required heating works in 2016. However, Mooney Kelley have recommended radiator replacement and other works to make the heating systems more effective and efficient (so potentially reducing fuel bills). • Electrics – these are sundry items in individual flats where required such as new consumer units, ventilation etc. • Mooney Kelley also identified additional loft insulation as required • CO2 Detectors – Required to ensure resident safety. • Overhaul Front and rear doors – Carpentry items not identified in 2016. • Internal Decorations – as required in individual flats. • Provisional sums – where flats could not be accessed for survey so a notional amount is applied • Loft Insulation – Required to bring up the required depth. • Fire breaks – To prevent fire spreading from one property to the others along the loft space. • Scaffold etc – Required to facilitate other works • East Lodge and Communal areas – As part of the refurbishment project, the Matron’s residence at East Lodge and the communal areas were also identified as needing works. These costs are proportionately assigned as attributable to Gresham. • Other works – Minor items across the estate identified by the contractor, subject to final Project Manager approval • Provisional Quantities – For possible unknown items that may be discovered during works (asbestos, damp, etc) • Preliminary Amounts – Costs associated with Site set up, etc <p>The above leaves an amount required to carry out the works at Gresham, as per the tender received from TSG at a cost of £149,000. Whilst the costs of works identified in 2016 have decreased, the expanded scope of the works as detailed above have increased the overall required amount.</p>
<p>7. Success criteria</p>	<p>That all dwellings at the Gresham Almshouses have improved internal, external and communal facilities, thereby increasing the comfort and wellbeing of residents.</p> <p>That facilities are improved so that void works required to bring properties to standard will decrease.</p>
<p>8. Progress Reporting</p>	<p>Progress will be monitored on a monthly basis by the Housing Programme Board.</p>

Appendices

<p>Appendix 1</p>	<p>Mitigated Risk Register</p>
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Contact

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