

Committees: Corporate Projects Board - for decision Projects Sub - for decision Housing Management & Almshouses Sub - for decision	Dates: 30 May 2019 19 July 2019 22 July 2019
Subject: Southwark Estate Concrete Testing & Repair Unique Project Identifier: <i>PV ID confirmed post CPB via PMO.</i>	Gateway 2: Project Proposal Regular
Report of: Director of Community & Children's Services Report Author: David Downing	For Decision
<h1>PUBLIC</h1>	

Recommendations

1. Next steps and requested decisions	<p>Project Description: This project proposes an initial comprehensive programme of intrusive concrete condition and structural surveys to inform a subsequent repair contract for the residential buildings that comprise the Southwark Housing Estate. Condition surveys will be commissioned post Gateway 2 with the outcomes of the testing process used to inform the procurement of a repair contract to be awarded post Gateway 5. This project follows on from similar schemes progressed and delivered successfully in this manner for the Golden Lane, Middlesex Street and Barbican Estates.</p> <p>Next Gateway: Gateway 3/4 - Options Appraisal (Regular)</p> <p>Next Steps:</p> <ol style="list-style-type: none"> 1. Draft concrete testing specification. 2. Appoint contractor for concrete condition & structural surveys. 3. Analyse outcome of surveys. 4. Draft options appraisal for Gateway 3/4 <p>Requested Decisions:</p> <ol style="list-style-type: none"> 1. That the project is approved to progress to Gateway 3/4 (Options Appraisal) via the regular approval track.
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	<p>2. That budget of £210,000 is approved to reach the next Gateway;</p> <p>3. Note the project budget of £210,000 (excluding risk);</p> <p>4. Note the total estimated cost of the project at £500,000 - £1,500,000</p>																								
<p>2. Resource requirements to reach next Gateway</p>	<table border="1" data-bbox="528 465 1390 1305"> <thead> <tr> <th data-bbox="528 465 762 607">Item</th> <th data-bbox="762 465 1007 607">Reason</th> <th data-bbox="1007 465 1198 607">Funds/ Source of Funding</th> <th data-bbox="1198 465 1390 607">Cost (£)</th> </tr> </thead> <tbody> <tr> <td data-bbox="528 607 762 842">Staff Costs</td> <td data-bbox="762 607 1007 842">Project Management for testing phase, Procurement</td> <td data-bbox="1007 607 1198 842">HRA</td> <td data-bbox="1198 607 1390 842">£15,000</td> </tr> <tr> <td data-bbox="528 842 762 987">Concrete corrosion specialist</td> <td data-bbox="762 842 1007 987">Draft testing specification</td> <td data-bbox="1007 842 1198 987">HRA</td> <td data-bbox="1198 842 1390 987">£10,000</td> </tr> <tr> <td data-bbox="528 987 762 1093">Structural Engineer</td> <td data-bbox="762 987 1007 1093">Structural survey</td> <td data-bbox="1007 987 1198 1093">HRA</td> <td data-bbox="1198 987 1390 1093">£15,000</td> </tr> <tr> <td data-bbox="528 1093 762 1238">Concrete Testing Contract</td> <td data-bbox="762 1093 1007 1238">Concrete condition survey</td> <td data-bbox="1007 1093 1198 1238">HRA</td> <td data-bbox="1198 1093 1390 1238">£170,000</td> </tr> <tr> <td data-bbox="528 1238 762 1305">Total</td> <td data-bbox="762 1238 1007 1305"></td> <td data-bbox="1007 1238 1198 1305"></td> <td data-bbox="1198 1238 1390 1305">£210,000</td> </tr> </tbody> </table> <p data-bbox="528 1346 1442 1451">A proportion of the above cost (circa 36% which equates to £75,600) is recoverable by way of service charges from long leaseholders.</p> <p data-bbox="528 1491 1369 1525">Costed Risk Provision requested for this Gateway: N/A</p>	Item	Reason	Funds/ Source of Funding	Cost (£)	Staff Costs	Project Management for testing phase, Procurement	HRA	£15,000	Concrete corrosion specialist	Draft testing specification	HRA	£10,000	Structural Engineer	Structural survey	HRA	£15,000	Concrete Testing Contract	Concrete condition survey	HRA	£170,000	Total			£210,000
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<p>3. Governance arrangements</p>	<ul data-bbox="576 1621 1406 1872" style="list-style-type: none"> • Service Committee: Housing Management & Almshouses Sub Committee • Senior Responsible Officer: Paul Murtagh, Assistant Director Barbican & Property Services, DCCS • The project will be monitored by the Housing Programme Board. 																								

Project Summary

<p>4. Context</p>	<p>Of the seven residential blocks which comprise the Southwark Estate, three were constructed in the 1930s with the remaining four in the 1950s. The blocks are of predominantly traditional brick construction with concrete elements typically forming balconies and soffits. The exposed concrete elements on these blocks are now showing visible signs of degradation which needs to be addressed. The City has legal responsibilities to undertake maintenance to protect the assets of the Southwark Estate from deterioration and to protect the public from an increasing risk of falling debris. Undertaking a programme of condition surveys and intrusive testing of the concrete elements followed by completing identified repairs will decrease the risk of major repairs and cost implications in future. If this issue remains unaddressed, there is a risk that the concrete will degrade to the point where pieces of spalling concrete fall from the buildings or water ingress is caused via breaches in the concrete.</p>
<p>5. Brief description of project</p>	<p>This project proposes an initial comprehensive programme of intrusive concrete condition and structural surveys to inform a subsequent repair contract for the seven residential buildings that comprise the Southwark Housing Estate. Surveys will be commissioned post Gateway 2 with the outcomes of the testing process used to inform the procurement of a repair contract to be awarded post Gateway 5. This project follows on from similar schemes progressed and delivered successfully in this manner for the Golden Lane, Middlesex Street and Barbican Estates.</p>
<p>6. Consequences if project not approved</p>	<p>1) The concrete elements of the buildings will continue to deteriorate with the associated risks of falling debris increasing. 2) Permitting further deterioration of the buildings would increase the likelihood of more major repairs being required in the future.</p>
<p>7. SMART project objectives</p>	<p>1) The concrete elements of the structure are confirmed as safe and structurally sound. 2) The concrete elements of the structure are confirmed as weatherproof and left in a good state of repair. 3) Works are managed to minimise disruption to residents and impact on the general public and wider public realm.</p>
<p>8. Key benefits</p>	<p>1) Meet the City's statutory duties in terms of providing safe and well-maintained facilities. 2) A reduction in risk of injury from falling debris. 3) An improvement in the appearance of the Southwark Estate.</p>

	4) A reduction in the reactive repairs required to the buildings.
9. Project category	7b. Major renewals, typically of a one-off nature (supplementary revenue)
10. Project priority	A. Essential
11. Notable exclusions	1) Testing and repair works are to be limited to the concrete elements of the buildings only; however, the project scope is to include provision for any necessary repairs to any such ancillary components identified during the testing.

Options Appraisal

12. Overview of options	<p>1) Repair concrete elements individually on a reactive basis.</p> <p>2) Commence a project that includes initial testing to confirm the current condition of all concrete elements and completion of emergency repairs/make safe works identified; followed by the scheduling and completion of a programme of planned repairs based on the testing results.</p>
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Project Planning

13. Delivery period and key dates	<p>Overall project: Expected completion September 2021</p> <p>Key dates:</p> <p>Procurement of testing contract/Leaseholder Consultation – Summer 2019</p> <p>Condition Surveys – Autumn/Winter 2019</p> <p>Gateway 3/4 – Spring 2020</p> <p>Procurement of repairs contract/Leaseholder Consultation – Summer 2020</p> <p>Gateway 5 – September 2020</p> <p>Works contract commences – Autumn 2020</p> <p>Other works dates to coordinate: None</p>
14. Risk implications	<p>Overall project risk: Low</p> <p>The current risk level of the project is low. The major risks at this time concern the current uncertainty regarding the extent and complexity of the required works. Once the testing element of this project is complete there will be far greater surety of costs and potential impacts.</p>

15. Stakeholders and consultees	<ol style="list-style-type: none"> 1. Ward Members 2. Chamberlains (Finance & Procurement) 3. Housing Estate Management 4. Comptrollers & City Solicitors 5. Residents (via S20 consultations)
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Resource Implications

16. Total estimated cost	<p>Likely cost range (excluding risk): £500,000 - £1,500,000</p> <p>Likely cost range (including risk): £500,000 - £1,500,000</p> <p>The estimated cost range at project initiation is necessarily broad as the full extent of the concrete repairs required will only be known on completion of the survey element of this project.</p>							
17. Funding strategy	<p>Choose 1:</p> <p>All funding fully guaranteed</p>	<p>Choose 1:</p> <p>Internal - Funded wholly by City's own resource</p> <table border="1" data-bbox="528 987 1390 1200"> <thead> <tr> <th data-bbox="528 987 991 1061">Funds/Sources of Funding</th> <th data-bbox="991 987 1390 1061">Cost (£)</th> </tr> </thead> <tbody> <tr> <td data-bbox="528 1061 991 1135">Housing Revenue Account</td> <td data-bbox="991 1061 1390 1135">£500,000 - £1,500,000</td> </tr> <tr> <td data-bbox="528 1135 991 1200" style="text-align: right;">Total</td> <td data-bbox="991 1135 1390 1200">£500,000 - £1,500,000</td> </tr> </tbody> </table> <p>A proportion of the cost (circa 36% which equates to £180,000 - £540,000) is recoverable by way of service charges from long leaseholders.</p>	Funds/Sources of Funding	Cost (£)	Housing Revenue Account	£500,000 - £1,500,000	Total	£500,000 - £1,500,000
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18. Investment appraisal	N/A							
19. Procurement strategy/route to market	<p>At this early stage, the anticipated procurement strategy is an open market tender tailored to attract specialist SME contractors. This approach has worked very well for the recently procured Barbican Estate concrete repair project.</p>							
20. Legal implications	None							
21. Corporate property implications	None							
22. Traffic implications	None							

23. Sustainability and energy implications	None
24. IS implications	None
25. Equality Impact Assessment	<ul style="list-style-type: none"> • An equality impact assessment will not be undertaken
26. Data Protection Impact Assessment	<ul style="list-style-type: none"> • The risk to personal data is less than high or non-applicable and a data protection impact assessment will not be undertaken

Appendices

Appendix 1	Project Briefing
Appendix 2	Risk Register

Contact

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