

<b>Committees:</b> Corporate Projects Board – <i>[for decision]</i> Projects Sub Committee <i>[for decision]</i> Housing And Almshouses Management Sub Committee <i>[for decision]</i>	<b>Dates:</b> 28 June 2019 19 July 2019 22 July 2019
<b>Subject:</b> Holloway Estate – Electrical Rewiring <b>Unique Project Identifier:</b> <i>PV Project ID 10833</i>	<b>Gateway 6:</b> <b>Outcome Report</b> Regular
<b>Report of:</b> Director of Community & Children's Services <b>Report Author:</b> Lochlan MacDonald	<b>For Decision</b>  <b>Public</b>

## Summary

<b>1. Status update</b>	<p><b>Project Description:</b> To undertake the testing and necessary remedial works to electrical supplies at the Holloway Estate which the City are responsible for (including tenanted properties).</p> <p><b>RAG Status:</b> Green (Gateway 5- Red)</p> <p><b>Risk Status:</b> Medium (no risk status reported at Gateway 5)</p> <p><b>Costed Risk Provision Utilised:</b> £0</p> <p><b>Final Outturn Cost:</b></p> <p><b>Tenants Rewires:</b> £210,284.55 (works only)</p> <p><b>Landlords Electrics:</b> £379,365.00 (works only)</p> <p><b>Total:</b> £619,249.55* (including fees of £29,000 and staff costs of £1,600)</p> <p><i>*Figures may differ to those shown on Budget Manager due to retention amounts on both contracts, and includes fees and staff costs.</i></p>
<b>2. Next steps and requested decisions</b>	<p><b>Requested Decisions:</b></p> <p><u>Corporate Projects Board, Project Sub, Housing and Almshouses Sub</u></p> <ol style="list-style-type: none"> <li>1. To note the content of this report;</li> <li>2. To note the lessons learnt:</li> </ol>

	<p><b><u>Project Sub, Housing and Almshouses Sub. (decision)</u></b></p> <p>3. To authorise closure of this project.</p>
<p><b>3. Key conclusions</b></p>	<p>The main objective of both elements of works was to address the substandard condition of the electrical services on the Holloway estate.</p> <p>Initially it was intended to do all the works under one contract (domestic tenants and landlords). However, after problems with the original tender process, reported to committee in May 2017, the project was split so that the works to the tenanted properties could be expedited and risks to tenants mitigated. These works were completed within time and within budget.</p> <p>The landlord's electrical works were tendered separately and these too have been completed within time and within budget.</p> <p>As reported in the issues report in May 2017, the main issues that delayed the project were dealt with the initial design and lack of co-ordination earlier in the project. Since the works were split into two separate entities, the projects have been completed satisfactorily.</p> <p>As both projects are within the tender amounts approved by committee, the bulk of the work has been completed and the electricians are compliant, the works represent good value for money.</p> <p>Two separate tender exercises were undertaken to allow for tenanted works to be prioritised. The same contractor won both tenders and were able to use their experience and knowledge of the estate to their, and the City's, advantage. With proper planning for similar works in the future, it may be possible to combine both elements into one contract to achieve economies of scale.</p>

## **Main Report**

### **Design & Delivery Review**

<p><b>4. Design into delivery</b></p>	<p>The original design of the project was unsatisfactory and delayed implementation of the works, meaning it had to be split. However, with better co-ordination and planning there is no reason to suspect</p>
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	that the works could have been done as one contract and achieve economies of scale.
<b>5. Options appraisal</b>	<p>The option chosen meets the project's objectives as follows:</p> <ul style="list-style-type: none"> <li>• Improved electrical services</li> <li>• Residents satisfaction</li> <li>• Improved resident safety</li> <li>• Extend the life of the asset</li> </ul> <p>The works will mean the electrics at Holloway are unlikely to require the same level of repairs and maintenance as previously, so provide better long term value.</p> <p>As previously reported in the issues report of May 2017, approval was given to split the contract so that tenanted works could be expedited.</p> <p>Subsequent tests on the landlord's electrical supply revealed the scope of work required to reach compliance was not as extensive as first thought and was reduced, which lowered costs.</p>
<b>6. Procurement route</b>	<p>Procurement Reference Nos:</p> <ul style="list-style-type: none"> <li>• Tenants: ITT_COL_5535</li> <li>• Landlords: 16/362PS</li> </ul> <p>Procurement of both contracts was sub OJEU and were carried out according to procurement rules</p>
<b>7. Skills base</b>	<p>An increase in staff resources enabled plans to engage external consultants to be shelved and the projects were managed in house. Progress on both strands of work were reported monthly to the Housing Programme Board.</p>
<b>8. Stakeholders</b>	<p>Access was required to 64 tenanted properties to carry out the necessary rewiring work. It was the contractor's responsibility to arrange access and they were able to carry out works at 62 properties, indicating a high level of stakeholder engagement. No issues with the contractor's presence on site were reported to the estate management team.</p>

### Variation Review

<b>9. Assessment of project against key milestones</b>	<p>Initially, the project was delayed due to design faults on the original specification and tender documents, as previously advised to committee. The completion of the tenanted rewires were delayed due to general access difficulties, some minor extra works and in particular, efforts to complete two properties where access was consistently denied. It was necessary, to try and meet Health and Safety and Fire Safety standards that works were completed as</p>
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	<p>much as possible. However, the process for gaining access is lengthy and this delayed the completion of the contract.</p> <table border="1" data-bbox="496 342 1219 846"> <thead> <tr> <th colspan="3"><b>Holloway Electrics Timescales</b></th> </tr> <tr> <th colspan="3"><b><i>Tenanted Rewires</i></b></th> </tr> <tr> <th><b>Gateway 5</b></th> <th><b>Start</b></th> <th><b>Finish</b></th> </tr> </thead> <tbody> <tr> <td></td> <td>May 2017</td> <td>September 2017</td> </tr> <tr> <th><b>Actual</b></th> <th><b>Start</b></th> <th><b>Finish</b></th> </tr> <tr> <td></td> <td>May 2017</td> <td>August 2018</td> </tr> <tr> <th colspan="3"><b><i>Landlord's Services</i></b></th> </tr> <tr> <th><b>Gateway 5</b></th> <th><b>Start</b></th> <th><b>Finish</b></th> </tr> <tr> <td></td> <td>August 2018</td> <td>December 2018</td> </tr> <tr> <th><b>Actual</b></th> <th><b>Start</b></th> <th><b>Finish</b></th> </tr> <tr> <td></td> <td>August 2018</td> <td>April 2019</td> </tr> </tbody> </table> <p>The finish date given on the Gateway 5 report was incorrect and should have read April 2019. This was due to a previously envisaged completion date being erroneously mentioned in the Gateway 5 report.</p>	<b>Holloway Electrics Timescales</b>			<b><i>Tenanted Rewires</i></b>			<b>Gateway 5</b>	<b>Start</b>	<b>Finish</b>		May 2017	September 2017	<b>Actual</b>	<b>Start</b>	<b>Finish</b>		May 2017	August 2018	<b><i>Landlord's Services</i></b>			<b>Gateway 5</b>	<b>Start</b>	<b>Finish</b>		August 2018	December 2018	<b>Actual</b>	<b>Start</b>	<b>Finish</b>		August 2018	April 2019
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<p><b>10. Assessment of project against Scope</b></p>	<p>Of 64 identified tenanted properties, 62 were completed. The remaining two properties have been added to the next phase of electrical testing works, following efforts by housing management to ensure works are completed and our landlord's obligation fulfilled.</p> <p>The test of the landlord's electrics revealed that the condition of the wiring was such that it did not require replacement. The scope was accordingly reduced to cover distribution, switching and lighting equipment.</p>																																	
<p><b>11. Risks and issues</b></p>	<p>At gateway 3, the following risks issues were identified:</p> <ul style="list-style-type: none"> <li>• No access to flats to do works</li> <li>• Temporary loss of power supply during works</li> </ul> <p>Access to two properties denied, and so works could not be completed. These properties are potentially less safe than neighbouring properties but have been added to the next phase of works, which is already underway.</p> <p>Any temporary loss of power was managed during the works without undue negative effects on residents and staff.</p> <p>There was no costed risk provision with either strand of works.</p>																																	

<b>12. Transition to BAU</b>	The works caused some inconvenience to tenants during the replacement of services within flats, but works were done quickly and usual service was resumed as soon as was possible. There have been no reports of issues affecting the transition to business as usual for the landlord's electrical works.
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### Value Review

<b>13. Budget</b>	<table border="1" style="width: 100%;"> <tr> <td style="width: 30%;"><i>Estimated Outturn Cost (G2)</i></td> <td>Estimated cost £720,000 (including risk): Estimated cost £720,000 (excluding risk):</td> </tr> </table> <table border="1" style="width: 100%; text-align: center;"> <thead> <tr> <th></th> <th><i>At Authority to Start work (G5)</i></th> <th><i>Final Outturn Cost</i></th> </tr> </thead> <tbody> <tr> <td><i>Fees</i></td> <td>£28,909.87</td> <td>£28,000</td> </tr> <tr> <td><i>Staff Costs</i></td> <td>£9,636.63</td> <td>£1,600</td> </tr> <tr> <td><i>Works</i></td> <td>£610,679</td> <td>£ 589,649.55</td> </tr> <tr> <td><i>Purchases</i></td> <td>£0</td> <td>£0</td> </tr> <tr> <td><i>Other Capital Expend</i></td> <td>£0</td> <td>£0</td> </tr> <tr> <td><i>Costed Risk Provision</i></td> <td>£0</td> <td>£0</td> </tr> <tr> <td><i>Recharges</i></td> <td>£0</td> <td>£0</td> </tr> <tr> <td><i>Other*</i></td> <td>£0</td> <td>£0</td> </tr> <tr> <td><i>Total</i></td> <td>£649,225.50</td> <td>£619,249.55</td> </tr> </tbody> </table> <p><b>Please confirm whether or not the Final Account for this project has been verified.</b></p> <p>Final accounts have not yet been issued for both elements of works as there are retentions on both contracts.</p> <p>The works to tenanted properties were not rechargeable to long leaseholders. Of the costs of £379,4575 for the works to the landlord's electrics, it is estimated that service charges of approximately £174,550 will be recoverable from long leaseholders.</p>	<i>Estimated Outturn Cost (G2)</i>	Estimated cost £720,000 (including risk): Estimated cost £720,000 (excluding risk):		<i>At Authority to Start work (G5)</i>	<i>Final Outturn Cost</i>	<i>Fees</i>	£28,909.87	£28,000	<i>Staff Costs</i>	£9,636.63	£1,600	<i>Works</i>	£610,679	£ 589,649.55	<i>Purchases</i>	£0	£0	<i>Other Capital Expend</i>	£0	£0	<i>Costed Risk Provision</i>	£0	£0	<i>Recharges</i>	£0	£0	<i>Other*</i>	£0	£0	<i>Total</i>	£649,225.50	£619,249.55
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<b>14. Investment</b>	N/A																																

<p><b>15. Assessment of project against SMART objectives</b></p>	<p>Whilst SMART objectives were not overtly defined for this project, the works can be said to:</p> <ul style="list-style-type: none"> <li>• Have achieved the specific outcome of ensuring that estate electrics are up to standard and are compliant;</li> <li>• Measurable as over 60 properties and the landlord's electrics have been brought up to standard.</li> <li>• Realistically achieved the above with the resources available;</li> <li>• Works were completed within the timescales set for the works once contractors had been appointed.</li> </ul>
<p><b>16. Key benefits realised</b></p>	<p>The main benefits for this project are:</p> <ul style="list-style-type: none"> <li>• Improved electrical services</li> <li>• Residents satisfaction</li> <li>• Improved resident safety</li> <li>• Maintain life of asset</li> </ul> <p>These have all been achieved by the works.</p>

**Lessons Learned and Recommendations**

<p><b>17. Positive reflections</b></p>	<ul style="list-style-type: none"> <li>• The contractor was able to carry out works within all areas without causing undue disruption to staff and residents.</li> <li>• Residents have been surveyed and indicate a high level of satisfaction with the works.</li> <li>• Both elements of work came in under budget.</li> </ul>
<p><b>18. Improvement reflections</b></p>	<p>The quality of the initial planning stages of the works was not adequate and caused delays. This was addressed at a later stage and improved the delivery of the project. In future, lessons from this experience (poor communication, inadequate original surveys, poor specification of works) and will be used to ensure that delays caused by these have less chance of re-occurring. In future, representatives from Housing Management and asset management will be co-opted into the process at an early stage so that full account may be taken of concerns and issues they raise.</p> <p>Furthermore, the initial joint project was poorly designed and specified. The consultant that carried out the initial condition survey did not go into the requisite detail. In future, condition surveys will need to be far more thorough and robust to inform works specifications. This will be done by putting into the brief the requirement that the condition survey is not just</p>

	<p>visual but includes actual testing elements to define exact condition.</p> <p>Regular periodic testing of the landlords electrical facilities and within tenanted properties is place and these will be used to monitor conditions and identify issues that may lead to establishing the need for major works.</p> <p>The poor specification for the joint project caused issues with tendering, in that all tenders differed in the amount of work required. Whilst efforts were made to resolve this, poor co-operation from some suppliers meant issues could not be resolved and, if the City had proceeded, this issue may have restricted the City's ability to recharge for the works.</p>
<b>19. Sharing best practice</b>	At project initiation stages, Project Manager, Asset Programme managers and Housing Management will meet to discuss the planned works, ensure all relevant matters and concerns are noted and may be addressed, and develop a clear planned route for the project.
<b>20. AOB</b>	N/A

### Appendices

<b>Appendix 1</b>	Project Coversheet
<b>Appendix 2</b>	

### Contact

<b>Report Author</b>	Lochlan MacDonald
<b>Email Address</b>	Lochlan.macdonald@cityoflondon.gov.uk
<b>Telephone Number</b>	020 7332 3939