

<b>Committees:</b>	<b>Dates:</b>
Corporate Projects Board (decision) Projects Sub (decision) Housing and Almshouses Management Sub (decision)	28 June 2019 19 July 2019 22 July 2019
<b>Subject:</b> Avondale Square Estate SE1 -Emergency and Communal Lighting Replacement <b>Unique Project Identifier:</b> 12073	<b>Gateway 1-4 Project Proposal &amp; Options Appraisal Regular</b>
<b>Report of:</b> Director of Community & Children's Services <b>Report Author:</b> Lochlan MacDonald	<b>For Decision</b>
<h1>PUBLIC</h1>	

## Recommendations

<p><b>1. Approval track, next steps and requested decisions</b></p>	<p><b>Project Description:</b> The emergency lighting at Avondale Square estate is not up to standard and needs to be brought to compliance. The communal lighting across the estate is a mixture of not working and of lights being constantly lit, even during daytime. The lighting is not energy efficient, and it is proposed to look at replacing all emergency lighting and carry out works to improve the economy and energy efficiency of all communal lighting.</p> <p><b>Next Gateway:</b> Gateway 5 Authority to start works.</p> <p><b>Next Steps:</b></p> <ul style="list-style-type: none"> <li>• Draft employer's requirements in order to tender for the works;</li> <li>• Ask City Procurement to undertake a tender exercise.</li> <li>• Analyse tender and appoint contractor.</li> </ul> <p><b>Requested Decisions:</b></p> <ol style="list-style-type: none"> <li>1. That the condition of the emergency and communal lighting at Avondale Square is noted;</li> <li>2. Note the total estimated cost of the project at <b>£399,000</b> (excluding risk);</li> <li>3. Approve a budget of £19,000 for staff costs to reach Gateway 5;</li> </ol>
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	<p>4. That a Costed Risk Provision of <b>£38,000 (10%)</b> is approved (to be drawn down via delegation to Chief Officer).</p> <p>5. That Option 2, to replace all communal and emergency lighting, and wiring as necessary, is approved</p>												
<p><b>2. Resource requirements to reach next Gateway</b></p>	<p><b>For recommended option 2</b></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>Staff Costs</td> <td>To draft and collate tender documents</td> <td>Housing Revenue Account</td> <td>£19,000</td> </tr> <tr> <td><b>Total</b></td> <td></td> <td></td> <td>£19,000</td> </tr> </tbody> </table> <p><b>Costed Risk Provision requested for this Gateway: £0</b>  <b>Costed Risk of £38,000 to note against the project.</b></p>	Item	Reason	Funds/ Source of Funding	Cost (£)	Staff Costs	To draft and collate tender documents	Housing Revenue Account	£19,000	<b>Total</b>			£19,000
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<b>Total</b>			£19,000										
<p><b>3. Governance arrangements</b></p>	<p>Projects Sub</p> <p>Housing Management and Almshouses Sub</p> <p>This will be monitored on a monthly basis by the Housing Programme Board.</p>												

### Project Summary

<p><b>4. Context</b></p>	<ol style="list-style-type: none"> <li>Following a recent project at Avondale Square to repair and upgrade street lighting across the estate, the condition of emergency and block lighting was noted as a concern.</li> <li>The maintenance contractor for the City's housing estates has also submitted reports highlighting the poor and inconsistent emergency lighting provision.</li> <li>An independent consultant has carried out a survey of these elements and advises that some are not working, others are on 24 hours a day and the energy efficiency of fittings could be markedly improved.</li> <li>The wiring for the light fittings is old and needs to be assessed and replaced as necessary as part of the works.</li> </ol>
<p><b>5. Brief description of project</b></p>	<ol style="list-style-type: none"> <li>The proposed works will entail the replacement of all emergency and communal block lighting across the affected blocks at Avondale (see appendix 2 for asset list).</li> </ol>

	<ol style="list-style-type: none"> <li>2. The new emergency lighting will then meet compliance and the new communal lighting will be more energy efficient, so reducing costs and maintenance.</li> <li>3. The reduced maintenance and running costs will mean that the works will pay for themselves within 13 years of installation.</li> </ol>
<b>6. Consequences if project not approved</b>	<ol style="list-style-type: none"> <li>1. The emergency lighting's failure to be fully compliant poses a serious threat to residents' safety if, for example, buildings had to be evacuated during a general electrical failure and/or fire.</li> <li>2. The communal lighting is not fully fit for purpose, is wasteful in terms of running costs and maintenance, is energy inefficient and does not fulfil landlord's duties in terms of decent facilities.</li> <li>3. The wiring may represent the risk of causing an electrical fire and of possible electrocution.</li> </ol>
<b>7. SMART project objectives</b>	<ul style="list-style-type: none"> <li>• To reduce running and maintenance costs by an estimated total of £153,400 over each 5 year period. This will be measured by comparison of utility bills.</li> <li>• To ensure all emergency and communal lighting and wiring thereof is fully working, reaches compliancy and improves energy efficiency.</li> </ul>
<b>8. Key benefits</b>	<ul style="list-style-type: none"> <li>• The works will ensure that the emergency lighting is fit for purpose and improve residents' safety.</li> <li>• The communal lighting replacement will reduce running and maintenance costs (estimated to be from £247,000 to £93,600, a saving over five years of £153,400).</li> <li>• On this basis, the savings accrued by the works will pay for themselves within a thirteen year period.</li> <li>• CO2 emissions will be reduced (by an estimated 500 tonnes over a five year period).</li> </ul>
<b>9. Project category</b>	1. Health and safety
<b>10. Project priority</b>	A. Essential
<b>11. Notable exclusions</b>	Twelve Acres House at Avondale Square estate is excluded because this was only recently constructed and reaches necessary compliance standards.

### Options Appraisal

<b>12. Overview of options</b>	<p>OPTION 1 - Carry out works under response repairs – any necessary works to be arranged through the schedule of rates contractor.</p> <p>OPTION 2 -Tender the works as one package to completely replace emergency and communal lighting with energy</p>
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	<p>efficient LED fixtures and fittings, and any necessary re wiring. This represents better overall value for money.</p> <p>OPTION 3 -Tender the works for all existing facilities to be checked and repair only those elements which are not working.</p>
<b>13. Risk</b>	<p><b>Overall project risk:</b> Medium</p> <p>The main risk is that there may be unknown faults that have not been foreseen and may require extra works.</p> <p>The expected Costed Risk Provision is £38,000 (10%)</p> <p>Further information available within the Risk Register (Appendix 3) and Options Appraisal.</p>

### Resource Implications

<b>14. Total estimated cost</b>	<p>For recommended option 2.</p> <p><b>Total estimated cost (excluding risk):</b> £399,000</p> <p><b>Total estimated cost (including risk):</b> £437,000</p> <p>The project briefing (Appendix 1) reflects an original estimate based on incomplete information. The revised costs above were provided following a survey of the site and are expected to be more realistic.</p>								
<b>15. Funding strategy</b>	<p>Is funding confirmed:</p> <p>All funding fully guaranteed</p>	<p>Who is providing funding:</p> <p>Internal - Funded wholly by City's own resource</p>							
	<p><b>Recommended option</b></p> <table border="1"> <thead> <tr> <th>Funds/Sources of Funding</th> <th>Cost (£)</th> </tr> </thead> <tbody> <tr> <td>Housing Revenue Account - works</td> <td>£380,000</td> </tr> <tr> <td>Housing Revenue Account – Staff Costs</td> <td>£19,000</td> </tr> <tr> <td style="text-align: right;"><b>Total</b></td> <td><b>£399,000</b></td> </tr> </tbody> </table> <p>A 10% Costed Risk Provision (£38,000) may be requested at a later stage. Details of potential risks are included in the attached risk register (appendix 3).</p> <p>Based on a works cost of £380,000, it is estimated that £64,270 may be recoverable from long leaseholder contributions. The estimated average service charge per property is £579.00</p>		Funds/Sources of Funding	Cost (£)	Housing Revenue Account - works	£380,000	Housing Revenue Account – Staff Costs	£19,000	<b>Total</b>
Funds/Sources of Funding	Cost (£)								
Housing Revenue Account - works	£380,000								
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<b>Total</b>	<b>£399,000</b>								

### Appendices

<b>Appendix 1</b>	Project Briefing
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<b>Appendix 2</b>	List Of Properties
<b>Appendix 3</b>	Risk Register
<b>Appendix 4</b>	PT4 Procurement Form
<b>Appendix 5</b>	Test of Relevance

### **Contact**

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**Options appraisal table.**

*Delete option numbers as appropriate*

	<b>Option 1</b>	<b>Option 2</b>	<b>Option 3</b>
<b>1. Brief description</b>	Carry out works under response repairs – any necessary works to be arranged through the schedule of rates contractor.	Tender the works as one package to completely replace emergency and communal lighting with energy efficient LED fixtures and fittings and any necessary rewiring.	Tender the works for all existing facilities to be checked and repair only those elements which are not working.
<b>2. Scope and exclusions</b>	<p>Scope:</p> <ul style="list-style-type: none"> <li>As and where required on Avondale Square Estate:</li> </ul> <p>Exclusion:</p> <ul style="list-style-type: none"> <li>Areas with functioning communal and emergency Lighting:</li> <li>Twelve Acres House</li> <li>All other City of London Housing estates.</li> </ul>	<p>Scope:</p> <ul style="list-style-type: none"> <li>Older Blocks at Avondale Square Estate:</li> </ul> <p>Exclusions:</p> <ul style="list-style-type: none"> <li>Twelve Acres House</li> <li>All other City of London Housing estates.</li> </ul>	<p>Scope:</p> <ul style="list-style-type: none"> <li>Older Blocks at Avondale Square Estate:</li> </ul> <p>Exclusions:</p> <ul style="list-style-type: none"> <li>Twelve Acres House</li> <li>All other City of London Housing estates.</li> </ul>
<b>Project Planning</b>			

	<b>Option 1</b>	<b>Option 2</b>	<b>Option 3</b>
<b>3. Programme and key dates</b>	<p>Overall project: Completion date: Unquantifiable.</p> <p>Key Dates:</p> <ul style="list-style-type: none"> <li>Repairs will be undertaken as and when they are identified as needed</li> </ul>	<p>Overall project: Completion date: August 2020</p> <p>Key dates:</p> <ul style="list-style-type: none"> <li>Gateway 1 – 4 Approval – July 2019;</li> <li>Invite and Receive tenders – End of August 2019</li> <li>Post Tender Consultations – complete by Mid October</li> <li>Gateway 5 Approval – November 2019.</li> <li>Start on site: December 2019</li> <li>Finish on site: August 2020.</li> </ul>	<p>Overall project: Completion date: August 2020</p> <p>Key dates:</p> <ul style="list-style-type: none"> <li>Gateway 1 – 4 Approval – July 2019;</li> <li>Invite and Receive tenders – End of August 2019</li> <li>Post Tender Consultations – complete by Mid October</li> <li>Gateway 5 Approval – November 2019.</li> <li>Start on site: December 2019</li> <li>Finish on site: May 2020.</li> </ul>
<b>4. Risk implications</b>	<p>Overall project option risk: High</p> <ul style="list-style-type: none"> <li>Will only account for facilities identified as not working.</li> <li>No consideration given to condition, life expectancy of working lights</li> </ul>	<p>Overall project option risk: Medium.</p> <ul style="list-style-type: none"> <li>Extra costs for unknown issues may be needed.</li> </ul> <p>Further information available within the Risk Register (Appendix 2).</p>	<p>Overall project option risk: High</p> <ul style="list-style-type: none"> <li>Will only account for facilities identified as not working.</li> <li>No consideration given to condition, life expectancy of working lights</li> </ul>
<b>5. Benefits</b>	<ul style="list-style-type: none"> <li>Repairs will be undertaken more quickly.</li> </ul>	<ul style="list-style-type: none"> <li>Will bring whole estate up to standard and uniformity.</li> <li>Will realise economies of scale.</li> </ul>	<ul style="list-style-type: none"> <li>Works may complete more quickly.</li> </ul>

	<i>Option 1</i>	<i>Option 2</i>	<i>Option 3</i>
	<ul style="list-style-type: none"> <li>No section 20 consultations with leaseholders required.</li> </ul>	<ul style="list-style-type: none"> <li>Will result in running and maintenance cost savings.</li> <li>Will reduce CO2 emissions.</li> <li>Will improve resident safety.</li> <li>Works will help to prolong the lives of assets.</li> </ul>	<ul style="list-style-type: none"> <li>Likely to be more economical in terms of works covered.</li> </ul>
<b>6. Disbenefits</b>	<ul style="list-style-type: none"> <li>Some required repairs may not be identified:</li> <li>Not all fixtures will be brought to an equal standard:</li> <li>This will eat into the response repairs budget and could jeopardise other require repairs:</li> <li>possible future failures and decreasing life expectancy is not addressed:</li> <li>no future savings on running costs will be realised:</li> <li>CO2 emissions will not be reduced.</li> </ul>	<ul style="list-style-type: none"> <li>Will cost more than other options;</li> <li>Works cannot start as quickly.</li> </ul>	<ul style="list-style-type: none"> <li>Not all fixtures will be brought to an equal standard:</li> <li>possible future failures and decreasing life expectancy is not addressed.</li> <li>no future savings on running costs will be realised;</li> <li>CO2 emissions will not be reduced.</li> </ul>
<b>7. Stakeholders and consultees</b>	<ul style="list-style-type: none"> <li>Members</li> <li>Residents</li> </ul>	<ul style="list-style-type: none"> <li>Members</li> <li>Residents</li> </ul>	<ul style="list-style-type: none"> <li>Members</li> <li>Residents</li> <li>Housing Management Staff</li> </ul>



	<b>Option 1</b>	<b>Option 2</b>	<b>Option 3</b>
	<ul style="list-style-type: none"> <li>• Housing Management Staff</li> <li>• Contractor</li> <li>• An Equality Impact Assessment will need be undertaken for this option if chosen as this could adversely affect certain groups.</li> </ul>	<ul style="list-style-type: none"> <li>• Housing Management Staff</li> <li>• Consultants</li> <li>• Contractors</li> <li>• The attached test of relevance (appendix 5) indicates no Equality Impact Assessment will need be undertaken for this option if chosen, as all groups will benefit.</li> </ul>	<ul style="list-style-type: none"> <li>• Consultants</li> <li>• Contractors</li> <li>• An Equality Impact Assessment will need be undertaken for this option if chosen as this could adversely affect certain groups</li> </ul>
<b>Resource Implications</b>			
<b>8. Total estimated cost</b>	Total estimated cost (excluding risk): Unquantifiable.	Total estimated cost: (including risk): £437,000	Unquantifiable at this stage
<b>9. Funding strategy</b>	Housing Revenue Account (response repairs budget)  This budget is already established	Housing Revenue Account  Subject to Approval and other priorities	Housing Revenue Account  Subject to Approval and other priorities
<b>10. Estimated capital value/return</b>	None.	£153,400 saving every 5 years at current prices	None
<b>11. Ongoing revenue implications</b>	Unquantifiable – future repairs to estate lighting will be required	Unquantifiable – future repairs to estate lighting will be required but	Unquantifiable – future repairs to estate lighting will be required

	<i>Option 1</i>	<i>Option 2</i>	<i>Option 3</i>
		to a lesser degree if this option is chosen	
<b>12. Investment appraisal</b>	<ul style="list-style-type: none"> <li>Not Applicable</li> </ul>		
<b>13. Affordability</b>	<p>The established response repairs budget will be used if this option is chosen.</p> <p>However, these works would decrease the budget and may impact on the ability to do future repairs</p>	<p>These options will require funding from the Housing Revenue Account and will have to be judged in relation to other requested works.</p>	
<b>14. Procurement strategy/Route to Market</b>	No applicable.	<p>CLPS have been asked to advise on the best strategies for these options and recommend a closed tender using suppliers with a proven good track record with similar works.</p>	
<b>15. Legal implications</b>	<b>None</b>	<p>Comptrollers and City Solicitors have been consulted and have no comment.</p>	
<b>16. Corporate property implications</b>	None	None	None
<b>17. Traffic implications</b>	<p>Any local traffic implications, such as contractor's vehicles, will be discussed as necessary with Housing Management at estate level.</p>		

	<i>Option 1</i>	<i>Option 2</i>	<i>Option 3</i>
<b>18. Sustainability and energy implications</b>	The like for like replacement of existing substandard fittings will not have any positive effects on sustainability.	The new proposed fittings will have a positive effect on the Carbon Footprint of the estate.  It is predicted that these works will decrease CO2 emissions by 500 tonnes over a five year period	The like for like replacement of existing substandard fittings will not have any positive effects on sustainability.
<b>19. IS implications</b>	<ul style="list-style-type: none"> <li>• None</li> </ul>		
<b>20. Equality Impact Assessment</b>	<ul style="list-style-type: none"> <li>• These works would mean that some residents are likely to have improved facilities compared to others.</li> <li>• If this option is chosen, and an equality impact assessment will need to be undertaken</li> </ul>	<ul style="list-style-type: none"> <li>• The attached test of relevance (appendix 5) indicates that an Equality impact assessment is unnecessary for this option.</li> <li>• All defined groups will benefit from improved facilities.</li> </ul>	<ul style="list-style-type: none"> <li>• These works would mean that some residents are likely to have improved facilities compared to others.</li> <li>• If this option is chosen, and an equality impact assessment will need to be undertaken</li> </ul>
<b>21. Data Protection Impact Assessment</b>	N/A	N/A	N/A
<b>22. Recommendation</b>	Not recommended	Recommended	Not recommended

