

Committees: Corporate Projects Board – For information Projects Sub-Committee – For decision Community and Children’s Services – For decision	Dates: 29/10/2019 19/11/2019 13/12/2019
Subject: Golden Lane Community Centre Refurbishment Unique Project Identifier: 11957	Gateway 6: Outcome Report Regular
Report of: Director of Community & Children's Services Report Author: James Illsley – Project Manager, Major Works, Housing Property Services	For Decision Public

Summary

1. Status Update	<p>Project Description: Refurbishment of the Grade II listed Golden Lane Community Centre on Golden Lane Estate including: stripping the building back to the structure; changes to internal layout; full electrical rewire; new kitchen; new toilets; double-glazing upgrade; photovoltaic (PV) panels on the roof; new heating and comfort cooling system; new flooring; new disabled access lift; new access control systems and CCTV; and upgrades to data systems throughout and full redecoration.</p> <p>RAG Status: Amber (Green at last Committee)</p> <p>Risk Status: Low (Low at last Committee)</p> <p>Costed Risk Provision Utilised: £94,843.86</p> <p>Final Outturn Cost: £1,195,652.00</p>
2. Next Steps and Requested Decisions	<p>Requested Decisions:</p> <p><u>Corporate Projects Board, Projects Sub-Committee and Community and Children’s Services Committee</u></p> <ol style="list-style-type: none"> 1. To note the content of this report 2. To note the lessons learnt <p><u>Projects Sub-Committee and Community and Children’s Services Committee</u></p>

	3. To authorise closure of this project.
3. Key Conclusions	<ul style="list-style-type: none"> • The Golden Lane Community Centre has undergone a comprehensive refurbishment and upgrade, having not benefitted from any major improvement works for over 30 years. • The original driver for the project, as defined in the Gateway 2 report, was the relocation of Adult Skills and Education Services (ASES) from 99 Golden Lane to facilitate the City of London Primary Academy Islington (COLPAI) development project. ASES have now successfully occupied the Community Centre and have been delivering their full range of courses and classes for almost 12 months. • The building has reopened and has become a hub for the community once again. • Energy-efficient enhancements have been incorporated in the building, including double-glazing throughout, PV panels on the roof, and an efficient heating and comfort cooling air-conditioning system. • The defects liability period has closed, and all defects have been addressed. • The original completion date was 20 March 2018; this was revised, and practical completion occurred on 6 July 2018, representing an approximate 15-week delay on the original programme. • There was also a decrease in the final out-turn cost, with the original project budget of £1,278,625 (including risk provision) decreasing to £1,195,652.00 (including risk provision utilised and issues report additional funding). • While we encountered design changes, planning and building control changes, and inclement weather which impacted on the programme and budget, the impacts were managed within the previously agreed risk provision and issues report. • Due to the nature of the issues identified on-site, the risk register couldn't be matched directly against all budget increases. The issues report therefore covered this additional funding required, however, it didn't result in the original project budget being exceeded.

Main Report

Design and Delivery Review

4. Design into Delivery	<p>The detailed design plans and specifications produced by our architects, Studio Partington, were successfully delivered on-site, creating a far more functional building with a design more sympathetic with the wider Golden Lane Estate. Prior to starting on-site, surveys and property condition reports were completed, however, they didn't identify 100% of the issues with the existing building. This resulted in design changes and a portion of the costed risk provision having to be accessed, as well as an issues report having to be submitted to cover the cost of risks not covered by the risk register. This did not increase the overall project budget but did result in a delay to the project achieving practical completion by approximately 15 weeks.</p> <p>During the internal demolition and strip out at the beginning of the construction works, several challenges were discovered, and it became clear that further amendments would need to be made to the detailed designs. Please see Section 11. Risks and Issues for more information. In addition to these discoveries during construction, liaison with the City of London's Planning, Heritage and Building Control officers resulted in amendments to the detailed designs, with project cost and time implications.</p> <p>The City of London Housing Property Services team worked closely with the architects, monitoring and evaluation (M&E) consultants and contractors to manage these design changes as they arose to mitigate delays to the programme and manage the project budget.</p>
5. Options Appraisal	<p>Original options from the Gateway 3 report included:</p> <ul style="list-style-type: none">- Whether or not to combine the refurbishment of the community centre with the conversion of the ground floor of Great Arthur House to residential accommodation into one project.- If the relocation of the Golden Lane Estate office should be included as part of the delivery of the project to refurbish the community centre. <p>The option chosen was to separate the two projects and pursue the conversion of the ground floor of Great Arthur House to residential accommodation as a separate project. It was also decided to not include the relocation of the Golden Lane Estate office within this project.</p> <p>We consider the options chosen to be correct as there is a consultation process still taking place regarding the proposed residential accommodation to the ground floor of Great Arthur House and the relocation of the Golden Lane Estate office. If the refurbishment of the community centre had been combined with</p>

	<p>these two other projects, the refurbishment would have been delayed.</p> <p>There were changes to the scope during delivery due to design issues identified on-site. The design and delivery teams worked hard to mitigate the impact of these issues.</p>
6. Procurement Route	<p>The works contract was successfully procured via open tender. Procurement Reference: itt_COL_6200</p> <p>The procurement process worked well, and the tender closed with responses from five reputable contractors. The evaluation resulted in a contractor being chosen who scored highly in the technical evaluation and offered a competitive price below our quantity surveyors' estimate.</p>
7. Skills Base	<p>The City of London Housing Property Services team had the required skills and experience to deliver the project. An external architect and M&E consultant were employed to develop the detailed design plans and specifications, and provide project support during delivery.</p> <p>A sustainability engineer, property condition surveyor, drainage surveyor and planning consultant were employed during the design stages to assist in producing the tender package.</p> <p>A quantity surveyor was employed to verify contractor valuations and to aid in ensuring rigorous cost control. The quantity surveyor performed well for the duration of the contract and was essential in assisting in negotiations over the final account for the project. Our architect also performed very well for the duration of the contract. They worked well with the contractor and were willing to offer advice, assistance and clarification with virtually no delays.</p>
8. Stakeholders	<p>A resident-led steering group was established to inform the design process and ensure that local residents were involved in the project brief and development. The steering group was involved closely with the sustainability improvements included in the refurbishment such as the upgrade to double-glazing to all the windows and PV solar panels on the roof.</p> <p>We had positive monthly progress meetings with the steering group and incorporated their design suggestions where possible. The pressure from the steering group to improve the sustainability credentials of the building was instrumental in us requesting the funding for these elements through the gateway process. In the future, the process would perhaps benefit from a wider cross-</p>

	section of the community being involved, as the steering group was quite small.
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Variation Review

9. Assessment of Project Against Key Milestones	<ul style="list-style-type: none"> - Gateway 1–2 completion date estimate: May 2017 - Gateway 3–4 approved: February 2017 - Planning permission granted: February 2017 - Gateway 5 approved: July 2017 - Gateway 5 start date: September 2017 - Actual start date: September 2017 - Gateway 5 estimated completion date: March 2018 - Actual practical completion date: 6 July 2018 <p>The project progressed as expected throughout the design and tender period, with the contractor starting on-site in September 2017 as anticipated. The completion on-site, however, was delayed by 15 weeks due to design changes during construction, inclement weather, and delays in securing building control sign-off.</p>
10. Assessment of Project Against Scope	<p>The original scope at Gateway 2 included a ‘light touch’ refurbishment, including redecoration, new WCs, conversion of existing spaces into classrooms and office space to accommodate ASES. The scope at Gateway 5 expanded on the original scope to include a more substantial refurbishment, including taking the building back to the original structure, internal layout reconfiguration, new heating and cooling system, double-glazing throughout, and a full rewire and replumb of the centre. This expansion of the original scope was the reason for the increase in cost from the original estimate at Gateway 2 of £500,000.</p> <p>The scope of the project during delivery remained largely unchanged as it was a detailed design contract. There were, however, several design changes (largely to the internal services and structure which are not visible to the users of the building) due to discoveries made on-site during the initial strip out and demolition stage of the project.</p> <p>The design and delivery teams worked hard to minimise the cost and time implications of these discoveries.</p>
11. Risks and Issues	<p>Due to the design changes and delivery delays encountered on-site, £94,843.86 of the costed risk register was required to complete the works, representing 48% of the costed risk register. In addition, a further £65,952.60 was required to complete the works, which was not covered by the costed risk register. This total</p>

	<p>additional funding requirement of £160,796.46 was approved via an issues report in March 2018.</p> <p>A property condition report was produced ahead of the contractor tender being released, however, some of the risks identified could have been mitigated further with a more intrusive property condition survey. This might have identified some of the risks which materialised, including the damp to the lower ground floor, and structure dimensions which impacted on the delivery designs. However, to complete a survey of this nature would have involved significant demolition to the internal structure, a difficult task to complete as the building was still in use, and a costly exercise for a project of this scale. With a listed historical building of this nature, it is very difficult to establish exactly what is hidden behind the entire fabric ahead of starting the refurbishment.</p> <p>The process of accessing the risk register was straightforward, however, receiving approval for the issues report was protracted. The issues report was submitted in February 2018; however, the additional funding was not approved until June 2018. This delay resulted in the late payment of an invoice to the contractor who threatened the corporation with legal action.</p> <p>The design changes and additional works that were required during delivery were related to the condition, dimensions and structure of the building, which became fully apparent during the strip out and demolition at the start of the building works. In January and February 2018, inclement weather also slowed down works on-site, and achieving sign-off from building control delayed progress.</p>
12. Transition to Business as Usual (BAU)	<p>The defects liability period has now finished, and the contractor has returned to address a few minor issues. The maintenance of the building moving forward will now be the responsibility of the City of London's Repairs and Maintenance team.</p>

Value Review

13. Budget

*Estimated
Outturn Cost (G2)*

Estimated cost (excluding risk):
£500,000

Risk provision was not included at
Gateway 2

The increase in cost from Gateway 2 (estimated £500,000) to Gateway 5 (estimated £1 million) can be directly attributed to the increase in the scale of the refurbishment. The proposal at Gateway 2 was for a 'light touch' refurbishment of the existing community centre. This was changed at Gateway 3–4 to include a major internal reconfiguration and upgrades to the heating system, plumbing, wiring, data services, building fabric and fire/alarm systems.

Cost summary:

	Gateway 5 Authority to Start work	G5 Issues Report £160,797 increase in works	Final out- turn cost	Variation (out-turn vs issue)
Construction costs	£849,625	£1,010,422	£1,010,422	-
Staff costs	£43,000	£43,000	£43,000	-
Quantity surveyor	£15,000	£15,000	£9,900	£5,100
Clerk of works	£15,000	£15,000	£15,000	-
Community Infrastructure Levy	£10,000	£10,000	-	£10,000
Other fees & surveys	£120,000	£120,000	£94,690	£25,310
Furniture	£30,000	£30,000	£22,640	£7,360
Project Sum (excluding risk)	£1,082,625	£1,243,422	£1,195,652	£47,770
Costed Risk (unfunded)	£196,000	£101,156		£101,156
	£1,278,625	£1,344,578	£1,195,652	£148,926

Funding summary:

Community Services CIL	£632,625	£632,625	£632,625	-
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	S106 Affordable Housing	£450,000	£450,000	£402,230	-£47,770
	HRA		£160,797	£160,797	-
		£1,082,625	£1,243,422	£1,195,652	-£47,770
	<p>Please confirm whether or not the final account for this project has been verified.*</p> <p>Not Verified</p> <p>Verification by Chamberlains not required as project does not exceed risk or budgetary thresholds.</p>				
14. Investment	N/A				
15. Assessment of Project Against SMART Objectives	<ol style="list-style-type: none"> <i>The completion of works before the closure of COLCEC (City of London Community Education Centre) (G2):</i> The Gateway 2 report focused on the relocation of the ASES centre into the refurbished Golden Lane Community Centre to facilitate the start of the COLPAI development project. The works were completed within the timeframe for the closure of COLSEC, and the officers and delivery of classes are now being successfully delivered in the new community centre. <i>Provision of suitable space and installation of working facilities to accommodate several activities (G2):</i> The centre has been fully refurbished and now includes a number of flexible spaces for a multitude of uses. It has a new modern classroom, a large main hall with new flooring and audiovisual equipment, and a lower hall with a moveable partition for flexible use. <i>Delivery of a new fit-for-purpose Community Centre (G5):</i> With the centre now finished, we have delivered a community centre that exceeds the needs of the community and is now hosting over 40 hours of classes per week and over 40 hours of private hire events. The centre boasts a new kitchen, bathroom, disabled access and audiovisual and IT facilities throughout. 				
16. Key Benefits Realised	<ol style="list-style-type: none"> We have delivered a community centre refurbished to a high standard, which is fit for purpose. It is a focal point for the estate, providing flexible accommodation and modern services while retaining sensitive design features in keeping with the listed nature of the surrounding estate. Energy-efficiency improvements delivered include double-glazing throughout and PV panels on the roof. The PV panels have a payback period of only seven years. These upgrades will reduce 				

	<p>the centre's running costs, but, as the works have only been completed in the last 12 months, comprehensive figures are not yet available.</p> <p>3. As per the Gateway 2 objectives, ASES have been successfully relocated into the community centre and are now delivering a huge variety of popular classes and training daily. Between 16 July 2018 to the end of August 2019 there have been 1,077 private hire bookings, generating an income of £48,738.12 (ex VAT). ASES deliver an average of 49 hours of classes per week during term time, and private hirers deliver an average of 41 hours per week of sessions/classes.</p> <p>4. Prior to commencing on-site, an Equality Impact Assessment was carried out, including consultation with the City of London's access officer. Recommendations from these assessments were incorporated into the new centre, including an internal disabled access lift, fully accessible WCs on both floors with baby change facilities, WiFi throughout, level access on each floor, disabled access ramps to the fire exits on the ground and lower ground floors, way finding and site signage to comply with site design guides and in braille, and a contrasting colour scheme used to benefit those with visual impairment.</p>
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Lessons Learnt and Recommendations

17. Positive Reflections	<p>The original community centre was in a poor state of repair and only being used sporadically by the local residents.</p> <p>Works were delivered to a high standard and the building has experienced minimal defects during the 12-month defect liability period.</p> <p>The contractor performed well, with most of the challenges faced on-site with minimal disagreement. They were committed to delivering a high-quality finish and would like to work with the City of London in the future.</p> <p>The costed risk provision was essential in allowing us to complete the works and mitigate the cost increases encountered on-site. With the refurbishment of a historic building, it is essential to have the capacity to manage design changes, given how difficult it is to predict exactly what you are going to uncover on-site when you start the works.</p> <p>ASES have successfully relocated to the building (as per the original Gateway 2 objective) and are delivering a large</p>
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	<p>variety of classes and training daily. Local residents are also renting the centre regularly for their own events. The building has become a focal point again for the estate and wider community.</p> <p>A flexible space was designed by our architects, with a movable wall on the lower ground floor, a modern classroom for training, and integrated audio and data services throughout the building. Our architects and design team performed excellently on this project, with swift responses to any queries, and a positive attitude.</p> <p>The relationships between the City of London Housing Property Services team, the steering group, the design team and the contractors were positive and complementary. There was a real sense of a shared ambition, and this has continued with the design team and contractor being appointed for other projects.</p> <p>Energy-efficiency upgrades were part of the works, including double-glazed windows throughout, PV panels on the roof, and an efficient comfort cooling air-conditioning system.</p>
<p>18. Improvement Reflections</p>	<p>During the strip out and demolition phase at the start of construction, several challenges were identified which impacted on the detailed designs. This resulted in amendments being required, attracting cost and time increases. More intrusive surveys of the building prior to construction may have identified some of these issues and mitigated the cost increases. There was a limit to how intrusive a survey we could conduct prior to tender as the building was occupied. In addition, this would have required additional survey spend prior to construction. With the refurbishment of a historic building like this, it is virtually impossible to know exactly what you are going to encounter ahead of strip out and demolition.</p> <p>There were a couple of issues with the contractor, the first relating to delays in receiving their estimates for the cost variations encountered during delivery. This delay reduced the time City of London had to assess the variation claim and led to a protraction in the time taken to assess the final account. To mitigate this in future we would put greater pressure on the contractor to provide their variation cost estimates quickly during construction.</p>

	<p>The second issue related to negotiations between the contractor and the City of London building control department. The contractor debated at length with building control regarding several specifications to achieve sign-off and what was required. The certifications provided by the contractor for several of the fire safety upgrades and plumbing fixtures were not considered sufficient by building control, which led to a dispute. Resolving this dispute delayed the programme until the contractor was able to provide the appropriate documentation. Building control have the decision regarding final specifications and this debate led to delays in achieving practical completion.</p> <p>To mitigate this in future, we would highlight the contractor's responsibility to achieve building control sign-off, ensure that the specifications for high-risk items are confirmed at the earliest stage of the project, and emphasise to the contractor that building control have the final decision regarding specifications.</p>
19. Sharing Best Practice	<p>1. Dissemination of key information through team and project staff briefings.</p> <p>2. Lessons learnt logged and recorded on departmental SharePoint.</p>
20. Any Other Business	N/A

Appendices

- Appendix 1 – Changes in project lifecycle
- Appendix 2 – 'Before and after' photographs

Contact

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