

Committees:	Dates:
Housing Management and Almshouses Sub Committee Projects Sub Committee	10 July 2014 22 July 2014
Subject: Gateway 3/4 Options Appraisal - Door entry systems at the Golden Lane (partial), Holloway and York Way Estates	Public
Report of: Director of Community and Children's Services	For Decision

Summary

Dashboard

Project Status	Green
Project Risk	Green
Time Line	Gateway 3/4 – July 2014 Tender for contractor to carry out works – complete November 2014 Appoint contractor – December 2014 Seek authority to commence works – December 2014 Schedule works from Spring 2015 through to March 2016
Programme status	Pending Approval of Gateway 3-4 Options Appraisal.
Approved works budget	£976,000
Latest estimated cost of works	£94,195.15- £578,983.57 (dependent upon option selected)
Expenditure to date	£4302.98 survey and staff costs

Changes since previous gateway:

Governance: The project will be monitored by the Housing Programme Board, which is Chaired by the Director of Community and Children's Services and includes representatives from the Departments of Community and Children's Services, the Built Environment, Chamberlains, City Surveyor's, Comptroller and City Solicitors.

Resident consultation

Consultation was carried out at the two housing estates which currently have audio-only functionality. The residents were consulted as to whether they would prefer to keep the audio functionality, or to change to an audio-visual system. 166 of 459 residents (36.2%) responded to the letter that was sent. Of the 11 blocks, in only one block did the majority of residents respond, 6/10 residents responded of whom 4 requested audio-visual. As such, it is considered there is not a significant majority of residents who wish for the system to be changed from audio to audio-visual.

Option recommended to develop to next Gateway

Option 1: The refurbishment of the existing door entry systems with like-for-like functionality; therefore, audio-visual functionality at Golden Lane Estate and audio functionality at Holloway and York Way Estates.

It is recommended that the like-for-like option, Option 1, should proceed. This is because Option 2 represents higher cost and there has been no majority requesting the option at the two estates concerned. Option 3 is not recommended as it offers no guarantee of improved service despite expenditure; therefore it does not represent best value for money.

Options

Description	Option 1 (like for like refurbishment)	Option 2 (audio-visual – all blocks)	Option 3 (10-year repair)
Works Costs	£415,766	£510,849.08	£79,926.04
Fees	£3802.98	£3802.98	£3802.98
Staff Costs	£52,446.12	£64,331.51	£10,466.13
Total	£472,015.10	£578,983.57	£94,195.15
Funding Strategy			
Source	HRA	HRA	HRA
Source	Service Charges	Service Charges	Service Charges

Next Steps

Carry out a technical specification. Undertake a procurement process to secure an appropriate contractor. Seek authority to commence work, appoint contractor and programme works.

Resource requirements to reach next Gateway and source of funding

£1000. The majority of cost associated with the next stage of the project will be internal staffing costs in order to undertake the procurement process.

Plans for consultation prior to the next Gateway report

Consultation will continue with other departments, including Town Clerks, Chamberlains and City Surveyors. Formal Section 20 Consultation will continue with long leaseholders.

Procurement Approach

A minimum of 3 quotes will be sought from contractors known to be capable of this type of work.

Recommendations

- Agreement to proceed to procurement and Gateway 5 with Option 1.
- Approval of budget of £472,015.10.

Options Appraisal Matrix

See attached.

Appendices

Appendix 1	Gateway 1/2 Project Proposal Report
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Contact

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Options Appraisal Matrix

Option	Option 1 – Like for Like	Option 2 – All Audio-Visual	Option 3 – 10 year repair
1. Brief description	The refurbishment of the audio-only system at Holloway and York Way Estates. Refurbishment of the audio-visual system at Golden Lane Estate.	Installing audio-visual functionality at Holloway and York Way Estates. The refurbishment of the audio-visual system at Golden Lane Estate.	Repair of the existing door entry systems aiming to extend the working life for a further 10 years.
2. Scope and Exclusions	Scope – Golden Lane (partial) Holloway and York Way Estates. Exclusions – Basterfield, Bayer and Bowater Houses on the Golden Lane Estate. All other estates.		
Project Planning			
3. Programme and key dates	Gateway 3/4 – July 2014 Tender for contractor to carry out works – complete November 2014 Appoint contractor – December 2014 Seek authority to commence works – December 2014 Schedule works from Spring 2015 through to March 2016		As Options 1 and 2, with the earlier project completion time of March 2015.
4. Risk implications	Low. <ul style="list-style-type: none"> Refurbishment of the existing systems at 3 estates. 	Medium. <ul style="list-style-type: none"> There is a risk of challenge that the works were not necessary where the service is changed from audio to audio-visual. 	Medium. <ul style="list-style-type: none"> The works could achieve no discernible improvement in service despite the expenditure and the disruption for residents.
5. Benefits and disbenefits	Benefits <ul style="list-style-type: none"> Full refurbishment of the system to achieve a 25 year life expectancy. Medium cost option. Disbenefits <ul style="list-style-type: none"> Causing disappointment to residents who requested audio-visual in consultation. 	Benefits <ul style="list-style-type: none"> Full refurbishment of the equipment to achieve a 25 year life expectancy. Disbenefits <ul style="list-style-type: none"> Higher cost option. Of those consulted at Holloway and York Way, the majority did not select this option. 	Benefits <ul style="list-style-type: none"> Repair of the equipment. Lower cost option. Disbenefits <ul style="list-style-type: none"> No warranty can be supplied for repaired equipment – therefore no guarantee of 10 years' service. High levels of disruption without guaranteed results.
6. Stakeholders and consultees	<ul style="list-style-type: none"> Members and Ward Members. Officers including representatives from City Surveyors, Community and Children's Services and Town Clerk's. Residents of the three estates. 		

Option	Option 1 – Like for Like	Option 2 – All Audio-Visual	Option 3 – 10 year repair								
Resource Implications											
7. Total Estimated cost	£472,015.10	£578,983.57	£94,195.15								
	The costs above are estimates provided by our communications consultants as part of the feasibility study and recommendations report. The figures are estimated and are subject to change following a technical specification and tendering process.										
8. Funding strategy	Housing Revenue Account (HRA) and service charge contributions from leaseholders (proportionally by block).										
9. Ongoing revenue implications	There will be no increase in ongoing revenue implications. Following the contractors one-year defects repair responsibility, the systems will be serviced within the existing repairs and maintenance portfolio.										
10. Affordability	Works such as these are built into the 30 year Asset Management Plan and are a required part of the ongoing maintenance of the City's social housing stock. The works are fully-funded from the HRA and leasehold service charges.										
11. Procurement strategy	Tenders will be sought from a minimum of 3 contractors via the London Portal.										
12. Legal implications	None.										
13. Corporate property implications	None.										
14. Sustainability and energy implications	None.										
15. IS implications	None.										
16. Recommendation	Recommended.	Not Recommended.	Not recommended.								
17. Next Gateway	Gateway 5.										
18. Resource requirements to reach next Gateway	<table border="1"> <thead> <tr> <th>Item</th> <th>Reason</th> <th>Cost (£)</th> <th>Funding Source</th> </tr> </thead> <tbody> <tr> <td>Staff time – 10 days</td> <td>Procurement</td> <td>£1000</td> <td>Local Risk</td> </tr> </tbody> </table>			Item	Reason	Cost (£)	Funding Source	Staff time – 10 days	Procurement	£1000	Local Risk
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