

<b>Committees:</b>	<b>Dates:</b>	
Housing Management and Almshouses Sub (Community and Children's Services) Committee	14 July 2015	
Projects Sub (Policy and Resources) Committee	21 July 2015	
<b>Subject:</b> Provision of works relating to adaptations, redecoration works and condensation reduction	<b>Gateway 3/4 Options Appraisal</b>	<b>Public</b>
<b>Report of:</b> Director of Community & Children's Services	<b>For Decision</b>	

### Summary

#### Dashboard

Project Status	Green
Time Line	<b>Overall programme:</b> 3 financial years –2015/16 – 2017/18 <b>Key dates:</b> July – Gateway 3-4 report approved. July - September– procure contract. September/October 2015 – Gateway 5 report approved. Autumn 2015 – 3 year contract commences.
Programme status	Pending Approval of Gateway 3/4 – Options Appraisal
Latest estimated cost of works	£810,000
Expenditure to date	N/A.

#### Progress To Date

This project is part of the Asset Management Plan that was approved at Projects Sub on 23<sup>rd</sup> February 2015.

The project comprises of the completion of:

- Property adaptations for those with specific needs, disabilities or vulnerabilities, as identified by an Occupational Therapist's assessment.
- Internal redecoration works for older people or those who require assistance owing to disabilities.
- Works to reduce and eliminate condensation from residential properties.

To date, scoping work has been carried out regarding the requirements of this work, including what aspects are to be included in this project and how they may be best procured.

## Overview of Options

The works are currently completed by 2 contractors - one for adaptations and redecoration works (as building works are the common theme) and one for condensation.

There are no multiple options for the completion of these works: it is required to be completed and the procurement team have recommended a combined procurement approach in order to reduce costs.

## Procurement Approach

The contract will be advertised in two lots – one lot for adaptations and redecoration (as both involve building works) and one lot for condensation. This is because there is some difference between the types of work, and cost- benefits may be achieved either by appointing specialist contractors, or by economies of scale should one contractor bid for both lots. The lots will be advertised on the City's Portal to gain full market exposure. The Procurement team have advised procuring for multiple years to reduce costs spent on the Procurement process and to gain economies of scale.

## Current Estimate of Costs

<b>Description</b>	Option 1: 3 year contract
Works Costs	£810,000
Fees & Staff Costs	£101,250
<b>Total</b>	£911,250
<b>Funding Strategy</b>	
Source	HRA

## Recommendations

- Approval is given to go out to tender to seek new contracts.
- Approval of £911,250 to fund the procurement, management and works within the 3 year contracts.

### Options Appraisal Matrix

See attached.

### Appendices

N/A.

### Contact

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## Options Appraisal Matrix

	<b><i>Option 1</i></b>
<b>1. Brief description</b>	<p>The project comprises of the completion of:</p> <ul style="list-style-type: none"> <li>• Property adaptations for those with specific needs, disabilities or vulnerabilities, as identified by an Occupational Therapist's assessment</li> <li>• Internal redecoration works for older people or those who require assistance owing to disabilities,</li> <li>• Works to reduce and eliminate condensation from residential properties.</li> </ul>
<b>2. Scope and exclusions</b>	<p>This project relates solely to these three areas of work. Reactive repairs and maintenance will continue to be completed under existing contracts. Large-scale redecoration work will continue to be procured and delivered separately.</p>
<b><i>Project Planning</i></b>	
<b>3. Programme and key dates</b>	<p><b>Overall programme:</b> 3 financial years –2015/16 – 2018/19</p> <p><b>Key dates:</b>            July – Gateway 3-4 report approved.            July - September– procure contracts.            September/October 2015 – Gateway 5 report approved.            Autumn 2015 – 3 year contracts commences.</p> <p><b>Other works dates to coordinate:</b> N/A. The works are carried out to individual homes and may be scheduled as required.</p>
<b>4. Risk implications</b>	<p><b>Overall project risk:</b> Green</p> <p>There are 2 main risks associated with failures to complete the works included in this project:</p> <ul style="list-style-type: none"> <li>• Non-completion of adaptations for those with specific needs, disabilities or vulnerabilities, as identified by an Occupational Therapist's assessment would be a statutory failure.</li> <li>• Non-completion of works to reduce condensation within residential properties can lead to more severe damp and mould problems – with the potential for legal challenge.</li> </ul> <p>The works are currently being completed, so statutory failure is not a current risk. There is a current, short-term risk of non-compliance with the City's procurement regulations prior to the procurement of these new contracts.</p>

	<b><i>Option 1</i></b>
<b>5. Benefits and disbenefits</b>	<p><b>Benefits</b></p> <ul style="list-style-type: none"> <li>• Longer-term arrangement leading to greater certainty.</li> </ul> <p><b>Disbenefits</b></p> <ul style="list-style-type: none"> <li>• Stronger performance monitoring required for longer-term contracts.</li> </ul>
<b>6. Stakeholders and consultees</b>	Residents are stakeholders; there will be no statutory consultation with leaseholders as they will not incur charges. Estate Management teams. Departments of City Surveyor's, Comptroller and City Solicitor, Town Clerks and Chamberlain's (including City Procurement).
<b><i>Resource Implications</i></b>	
<b>7. Total Estimated cost</b>	£911,250
<b>8. Funding strategy</b>	Housing Revenue Account (HRA)
<b>9. Estimated capital value/return</b>	N/A.
<b>10. Ongoing revenue implications</b>	An annual budget of circa £270k is allocated for this work. Some adaptations, e.g. stairlifts, require annual servicing, the department has an allocated budget for this type of servicing.
<b>11. Investment appraisal</b>	The works are required so there is no aspect of the investment appraisal that is optional. The intention by procuring longer-term contracts, is that the cost for these required works will be reduced.
<b>12. Affordability</b>	The budget is allocated for this necessary work, based upon previous years' spend within the department.
<b>13. Procurement strategy</b>	The works are currently completed by 2 contractors - one for adaptations and redecoration works and one for condensation. The tender will be advertised in two lots to match the current contract. This is because whilst there is some difference between the types of work, cost benefits may be achieved either by appointing specialist, focused

	<b>Option 1</b>					
	contractors, or by economies of scale. The lots will be advertised on the Portal to gain full market exposure.					
<b>14. Legal implications</b>	Meeting the needs of those with protected characteristics is a requirement of the Equality Act 2010. Secondly, failure to maintain homes to the required standard has scope for legal challenge.					
<b>15. Corporate property implications</b>	It is important that the City's assets remain in good, safe and statutory compliant condition. Therefore all necessary action should be taken to ensure that assets are kept as such throughout the assets' lifetime.					
<b>16. Traffic implications</b>	N/A.					
<b>17. Sustainability and energy implications</b>	N/A.					
<b>18. IS implications</b>	N/A.					
<b>19. Equality Impact Assessment</b>	An equality impact assessment will not be undertaken for the project. Individual items of work will be risk assessed, particularly where the resident is vulnerable.					
<b>20. <u>Recommendation</u></b>	Recommended					
<b>21. Next Gateway</b>	Gateway 5 - Authority to Start Work					
<b>22. Resource requirements to reach next Gateway</b>		<b>Item</b>	<b>Reason</b>	<b>Cost (£)</b>	<b>Funding Source</b>	
		Staff Costs	Procurement Process	1000	HRA	