

Committees:		Dates:
Housing Management & Almshouses Sub Committee Projects Sub Committee		04/07/2016 29/06/2016
Subject: Lift refurbishment – Middlesex Street Estate	Gateway 3/4 Options Appraisal	Public
Report of: Director of Community & Children's Services		For Decision

Summary

Project Status	Green
Time Line	Autumn 2016 – formalise specification December 2016 – commence procurement Summer 2017 – appoint contractor Autumn 2017 – commence works Autumn 2018 – complete works
Programme status	Pending Approval of Gateway 3/4 Options Appraisal
Estimated cost of works	£900,000 (as per Gateway 1/2)
Total estimated project budget	£1,012,500 (including fees and staff costs)
Expenditure to date	None

Progress to Date

The refurbishment of lifts at the Middlesex Street Estate (4 lifts at Petticoat Square, 2 in Petticoat Tower) were part of the package of works included in the five year asset management plan approved at Gateway 2 by Committee on 23rd February 2015. There are no changes to the project scope since the last Gateway and no expenditure has occurred.

Overview of Options

There is only one practicable option. The lifts at Middlesex Street have reached the end of their recommended life cycle and require full refurbishment. The requirement for refurbishment at this time has been confirmed by an independent lift consultant. Ongoing reactive maintenance beyond this point will become increasingly expensive and challenging as replacement parts move towards obsolescence.

Proposed Way Forward

To procure a consultant to formalise the specification for the lift refurbishment and then a contractor to complete the works.

Procurement Approach

It is recommended that these works are advertised on the City of London's E-sourcing portal with Contractors invited to express an interest in the works by submitted a complete tender. The process would be managed by City Procurement.

Financial Implications

Description	Option 1: Refurbishment
Works Costs	£900,000
Fees & Staff Costs	£112,500
Total	£1,012,500
Funding Strategy	
Source	Housing Revenue Account (HRA) with 31.9% recoverable from Leaseholders via Service Charges

Recommendations

1. That Option 1 is approved for proceeding to Procurement and Gateway 5.
2. That the estimated budget of £1,012,500 is noted.
3. That a budget of £8,000 is approved to reach the next Gateway.

Options Appraisal Matrix

See attached.

Appendices

Appendix 1	PT 4
Appendix 2	Gateway 2 – Housing Asset Management Plan

Contact

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Options Appraisal Matrix

	<i>Option 1</i>
1. Brief description	Refurbishment of the lifts including the replacement of the lift car and landing doors. Installation of features to modernise, improve safety, ease of use and compliance with accessibility requirements.
2. Scope and exclusions	Scope: All residential lifts at Middlesex Street Estate; 6 in total (4 located in Petticoat Square, 2 in Petticoat Tower). Exclusions: None.
<i>Project Planning</i>	
3. Programme and key dates	Autumn 2016 – formalise specification December 2016 – commence procurement Summer 2017 – appoint contractor Autumn 2017 – commence works Autumn 2018 – complete works
4. Risk implications	Low overall risk. <ul style="list-style-type: none"> • Risk of lift failure prior to project. • Risk of reputational damage caused by failing to comply with modern access requirements.
5. Benefits and disbenefits	Benefits <ul style="list-style-type: none"> • Preservation of the City of London Corporation's assets.

	<i>Option 1</i>
6. Stakeholders and consultees	<ul style="list-style-type: none"> • Members and Ward Members. • Officers including City Surveyors, Chamberlain's, Housing and Neighbourhood Management and Town Clerk's. • Residents of the relevant properties.
<i>Resource Implications</i>	
7. Total Estimated cost	£1,012,500
8. Funding strategy	The works will be funded from the Housing Revenue Account (HRA) with 31.9% recoverable via service charges from leaseholders.
9. Estimated capital value/return	None
10. Ongoing revenue implications	There will be no increase in future revenue implications. Following defects monitoring, the lift performance should improve and require lower spend on reactive repair. The maintenance arrangements will continue as previously.
11. Investment appraisal	Timely intervention and replacement of components at the identified end of their recommended life cycle reduces spend on reactive repairs and maintenance.
12. Affordability	These works are a necessary part of the rolling maintenance of the City of London Corporation's Housing stock. The works have been anticipated and budgeted for in the 5 and 30 year Asset Management Plans.

	<i>Option 1</i>
13. Legal implications	None
14. Corporate property implications	None
15. Traffic implications	None
16. Sustainability and energy implications	None
17. IS implications	None
18. Equality Impact Assessment	The proposed works will not have an impact on equality or protected characteristics. The delivery phase of the works will be carefully planned and implemented in conjunction with residents to ensure no adverse impacts.
19. Recommendation	Recommended
20. Next Gateway	Gateway 5 - Authority to Start Work

<i>Option 1</i>													
21. 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 Costs</td> <td>Undertaking tender process, completing the contract letting and pre-start processes.</td> <td>£3,000</td> <td>HRA</td> </tr> <tr> <td>Fees</td> <td>Formalising specification, providing expert advice in tender review process.</td> <td>£5,000</td> <td>HRA</td> </tr> </tbody> </table>	Item	Reason	Cost (£)	Funding Source	Staff Costs	Undertaking tender process, completing the contract letting and pre-start processes.	£3,000	HRA	Fees	Formalising specification, providing expert advice in tender review process.	£5,000	HRA
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