

<b>Committees:</b>		<b>Dates:</b>	
Community and Children's Services Committee Projects Sub		17/02/2017  14/12/2016	
<b>Subject:</b> Middlesex Street, Avondale Square, Golden Lane and York Way Estates, External and Internal Common Parts redecoration		<b>Issue Report:</b>  <b>Regular</b>	<b>Public</b>
<b>Report of:</b> Director of Community & Children's Services <b>Report Author:</b> Jason Crawford			<b>For Decision</b>
<b><u>Summary</u></b>			
<b>Dashboard</b>			
Project Status	Middlesex Street: Green		
	Avondale Square, Golden Lane and York Way Estates: Green		
Projected Time Line	Middlesex Street: <ul style="list-style-type: none"> <li>January 2017 – Approval of Options.</li> <li>March 2017 – Procurement.</li> <li>May 2017 – Post tender long lessee consultations.</li> <li>June 2017 – Seek approval Gateway 5.</li> <li>July 2017 – Let contract.</li> </ul>		
	Avondale Square, Golden Lane and York Way Estates: <ul style="list-style-type: none"> <li>January 2017 – Approval of Options.</li> <li>March 2017 – Procurement.</li> <li>May 2017 – Post tender long lessee consultations.</li> <li>June 2017 – Seek approval Gateway 5.</li> <li>July 2017 – Let contract.</li> </ul>		
Programme Status - Gateway 3/4 Approved:	Middlesex Street: <ul style="list-style-type: none"> <li>Community &amp; Children's Committee – 4<sup>th</sup> July 2016.</li> <li>Projects Sub Committee – 11<sup>th</sup> May 2016.</li> </ul>		
	Avondale Square, Golden Lane and York Way Estates: <ul style="list-style-type: none"> <li>Housing Management and Almshouses Sub Committee – 18<sup>th</sup> January 2016.</li> <li>Projects Sub Committee – 26<sup>th</sup> January 2016.</li> </ul>		
Expected total cost	Middlesex Street - £310,000		
	Avondale Square, Golden Lane and York Way Estates - £2,732,625		
Expenditure to date	Middlesex Street: <ul style="list-style-type: none"> <li>£5320 on surveying for the redecorations element</li> <li>£1,000 Staff Costs</li> </ul>		
	Avondale Square, Golden Lane and York Way Estates: <ul style="list-style-type: none"> <li>£2,242 Staff Costs</li> </ul>		

## **Progress To Date**

### Middlesex Street:

The combined Issues and Gateway 3/4 Options appraisal was approved at Projects Sub Committee 11<sup>th</sup> May 2016 and at Housing Management and Almshouses Sub Committee 4<sup>th</sup> July 2016. We are currently in the process of finalising the specification in readiness to go out to tender. If approval is given this will be added to the existing specification for Avondale, Golden Lane and York Way Estates.

### Avondale Square, Golden Lane and York Way Estates:

The Gateway 3/4 Options appraisal was approved at Housing Management and Almshouses Sub Committee 18<sup>th</sup> January 2016 and at Projects Sub Committee 26<sup>th</sup> January 2016. A specification has already been drafted for tender and it is intended, subject to approval, to expand to include the specification for Middlesex Street.

## **Summary of Issue**

At present these are two stand-alone projects which will progress through the Gateway process independently, requiring replication of work through the tendering and procurement processes as well as all the associated costs with staff time working across the two projects.

In order to achieve economies of scale approval is being sought to combine the Middlesex Street and Avondale Square, Golden Lane and York Way redecoration projects into a single project.

## **Proposed Way Forward**

The projects are comparable in terms of the scope of the works.

In order to achieve cost efficiencies we are looking to adopt a single tender and procurement approach which will eliminate duplication of works and associated staff costs. By adopting this approach we can achieve further economies of scale by dealing with these works as part of a larger single contract.

Furthermore, by dealing with the works in this way the painting cycles can be equalised making planned maintenance easier to programme in the future.

As such, we are seeking agreement to amalgamate the redecoration works under a single project and to combine elements of the associated budgets, which were previously agreed at Gateway 3/4 as follows (total column includes costs of the additional works at petticoat tower):

Description	Middlesex Street	Avondale, Golden Lane, York Way	Total
Works	£268,000	£2,429,000	£2,697,000
Fees & Staff Costs	£42,000	£303,625	£345,625
<b>Total</b>	<b>£310,000</b>	<b>£2,732,625</b>	<b>£3,042,625</b>

The Middlesex Street project has additional works specifically relating to Petticoat Tower; namely to replace flooring in the lift lobby areas and to replace the front doors to the tenants' properties. Due to the specialist nature of these additional works, it is likely that these would be sub-contracted, and that this would in turn lead to an uplift of the costs.

Furthermore, to achieve better value for money the additional works at Petticoat Tower would be better dealt with independently of the External and Internal Common Parts redecoration project.

The proposal is to remove the costs associated with the additional works and address them separately as follows:

- Petticoat Tower Floor replacement in lift lobby areas: To undertake these works separately as a Revenue project.
- Petticoat Tower Front Door Replacement: To undertake these works separately as a Revenue project.

On reviewing the previous costs, we propose that by amalgamating the projects we can reduce the fees & staff costs across the combined projects.

Description	Middlesex Street	Avondale, Golden Lane, York Way	Combined Total
Original Work Costs	£268,000	£2,429,000	£2,697,000
Less Flooring (lift lobbies)	£41,300	N/A	N/A
Less Front Door Replacement	£100,000	N/A	N/A
Updated Works Cost	£126,700	£2,429,000	£2,555,700
Fees & Staff Costs	£15,838	£303,625	£303,625
<b>Total</b>	<b>£142,538</b>	<b>£2,732,625</b>	<b>£2,875,163</b>

## Recommendations

1. Approval is sought for the two External and Internal Common Parts redecoration projects to be combined.
2. Approval is sought to separate the additional works to Petticoat Tower from the scope of the External and Internal Common Parts redecoration project, so that they can be addressed separately as Revenue projects.
3. Note that, subject to approval, the revised total budget would now be £2,875,163

## Main Report

1. Issue description	<div>1. There are currently two separate projects associated with Internal and External Common Parts redecoration; one covering Avondale Square, Golden Lane and York Way Estates and the other covering the Middlesex Street Estate.</div> <div>2. Under the current approach these two projects are running independently. As such there will be duplication of works in the tendering and procurement processes, as well as the need to draw up separate contracts for the works at the project delivery stage.</div> <div>3. Furthermore, the two projects will also progress through the Gateway Process independently taking up valuable committee members' time.</div> <div>4. The current approach and the duplication of tasks will further result in increased staff time, effort and associated costs.</div> <div>5. By amalgamating the two projects we are looking to reduce costs and improve efficiency through the elimination of unnecessary duplication and re-work.</div> <div>6. Furthermore, economies of scale and cost savings can be achieved through adopting a single contract approach for these works.</div> <div>7. There are additional works associated with the Middlesex Street Internal and External Common Parts redecoration project, which includes the replacement of the flooring in the lift lobby areas in Petticoat Tower, as well as replacing the front doors to the resident's flats. These works don't necessarily fit within the scope of a decorating contract and it's likely that such works would be sub-contracted, which would likely lead to an increase in the tendered cost. It would be more effective to undertake these works separately as Revenue projects.</div>															
2. Last approved limit	<div>Expected total project costs (as previously approved at Gateway 3/4):</div> <table><tr><td>Description</td><td>Middlesex Street</td><td>Avondale, Golden Lane, York Way</td></tr><tr><td>Works</td><td>£268,000</td><td>£2,429,000</td></tr><tr><td>Fees &amp; Staff Costs</td><td>£42,000</td><td>£303,625</td></tr><tr><td>Sub Total</td><td>£310,000</td><td>£2,732,625</td></tr><tr><td>Grand Total</td><td colspan="2">£3,042,625</td></tr></table>	Description	Middlesex Street	Avondale, Golden Lane, York Way	Works	£268,000	£2,429,000	Fees & Staff Costs	£42,000	£303,625	Sub Total	£310,000	£2,732,625	Grand Total	£3,042,625	
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3. Options	<div>1. Amalgamate the Internal and External Common Parts redecoration projects and all associated budgets as proposed.</div> <div>2. For the projects to proceed independently and to be managed separately.</div>															

## **Appendices**

N/A

## **Contact**

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