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Committees:	Dates:
Corporate Projects Board <i>[for decision]</i> Community and Children’s Services <i>[for decision]</i> Projects Sub <i>[for decision]</i>	03 June 2020 19 June 2020 25 June 2020
Subject: Tenants Electrical Services Testing and Smoke Detector Installation – Phase 5 Unique Project Identifier: 12220	Gateway 1-4 Project Proposal & Options Appraisal Regular
Report of: Director of Community & Children's Services Report Author: Lochlan MacDonald	For Decision
PUBLIC	

Recommendations

<p>1. Approval track, next steps and requested decisions</p>	<p>Project Description: To install smoke detectors and test electrical installations within tenanted dwellings across various housing estates, which remain outstanding following previous similar works or are due for renewal in the near future.</p> <p>Next Gateway: Gateway 5 - Authority to Start Works</p> <p>Next Steps:</p> <ul style="list-style-type: none"> • Contact City Procurement to undertake Procurement Exercise. • Analyse Results of Tender. <p>These works are to be funded from the housing revenue account and so are not included within the scope of the fundamental review.</p> <p>Requested Decisions:</p> <ol style="list-style-type: none"> 1. That budget of £27,000 is approved for staff costs to reach the next Gateway;
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	<ol style="list-style-type: none"> 2. Note the total estimated cost of the project at £387,000 (£360,000 works and £27,000 staff costs) (excluding risk); 3. That a Costed Risk Register (Appendix 2) is noted. 4. That Option 1 is approved – Authority to seek tenders to appoint a contractor to carry out the testing of electrical tenanted supplies and install mains powered smoke detectors within identified properties. 												
<p>2. Resource requirements to reach next Gateway</p>	<p><i>For recommended option 1:</i></p> <table border="1" data-bbox="528 640 1390 1290"> <thead> <tr> <th data-bbox="528 640 762 781">Item</th> <th data-bbox="762 640 1007 781">Reason</th> <th data-bbox="1007 640 1198 781">Funds/ Source of Funding</th> <th data-bbox="1198 640 1390 781">Cost (£)</th> </tr> </thead> <tbody> <tr> <td data-bbox="528 781 762 1223">Staff Costs</td> <td data-bbox="762 781 1007 1223">To undertake the necessary preparatory works for a tender exercise, analyse tenders and report to Committee at Gateway 5.</td> <td data-bbox="1007 781 1198 1223">Housing Revenue Account</td> <td data-bbox="1198 781 1390 1223">£27,000</td> </tr> <tr> <td data-bbox="528 1223 762 1290">Total</td> <td data-bbox="762 1223 1007 1290"></td> <td data-bbox="1007 1223 1198 1290"></td> <td data-bbox="1198 1223 1390 1290">£27,000</td> </tr> </tbody> </table> <p>Costed Risk Provision requested for this Gateway: £0 (as detailed in the Risk Register – Appendix 2)</p>	Item	Reason	Funds/ Source of Funding	Cost (£)	Staff Costs	To undertake the necessary preparatory works for a tender exercise, analyse tenders and report to Committee at Gateway 5.	Housing Revenue Account	£27,000	Total			£27,000
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Total			£27,000										
<p>3. Governance arrangements</p>	<ul style="list-style-type: none"> • Community and Children’s Services • Paul Murtagh, Assistant Director, Barbican Estate and Property Services. • The progress of the project will be monitored monthly at Housing Programme Board. 												

Project Summary

<p>4. Context</p>	<p>4.1 The works are required to be undertaken as quickly as possible to ensure compliance, protect the City’s residents from electrical and fire risks, ensure the effective maintenance</p>
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	<p>of City assets, and protect the City from possible litigation for breaches of regulation.</p> <p>4.2 The City has an obligation to periodically test the electrical installations within our tenanted properties. Furthermore, there is a departmental imperative to provide smoke alarms as part of the City’s commitment to fire safety.</p> <p>4.3 Surveys of the individual properties to determine exact work requirements in each would delay the project, add costs to the project, inconvenience tenants unnecessarily and increase the likelihood of the risks, outlined in point one of this section, becoming real.</p> <p>4.4 This method of working has been successfully implemented in two previous phases (phases 2 and 3) and has worked successfully. Committee has previously approved similar works these phases, to ensure compliancy and improve safety.</p> <p>4.5 . Access arrangements into flats, particularly with regard to the contractor providing their own adequate and essential Personal Protective Equipment, will be built into the contract, to safeguard residents and contractors.</p> <p>4.6 The works carried out on these previous phases have been used to inform the cost estimates in this report and includes taking into account the costs of the extra works which were required in those phases.</p> <p>4.7 Following tests completed in the over the last three years, we have utilised our asset management system to continue to identify properties that; either don’t currently have a test completed within the last 5 years or will require a test completing within the next few months.</p> <p>4.8 We have identified approximately 300 properties that reach the above criteria and will require testing and/or smoke detector installation. These inspections, and works to address any urgently required repairs, will be undertaken by the contractor, priced against a schedule of rates submitted at tender stage, to give some certainty on costs.</p>
<p>5. Brief description of project</p>	<p>5.1 To install smoke detectors and test electrical installations within tenanted dwellings across several of the City’s housing estates and provide certification of compliance for all identified dwellings.</p> <p>5.2 To undertake immediately required urgent electrical repairs within tested dwellings to ensure that installations are safe and</p>

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	<p>compliant in accordance to BS7671 and Part P of the Building Regulations.</p> <p>5.3 To use the electrical reports to inform a programme of non-essential repairs to electrical installations within tenanted dwellings and forecast future replacement dates (and costs) for the wiring, consumer units and smoke detectors.</p>
<p>6. Consequences if project not approved</p>	<p>6.1 Failure to comply with best practice and BS 7671 and BS5839 with the risk of faulty electrical installations within flats causing harm or potential loss of life to residents, and of damage to City assets. Without completion, we are at increased risk of prosecution from the HSE, failure of compliance when it comes to governance and lastly, increased risk of electrical fire through failure of aging systems and lack of preventative maintenance. We are also committed to improving fire safety in the form of installing smoke detectors in accordance to BS5839.</p> <p>6.2 The City failing in its duty to protect residents from potential risks.</p> <p>6.2 Reputational damage to the City due to not fulfilling its role as a responsible, reputable landlord.</p>
<p>7. SMART project objectives</p>	<p>7.1 Almost 300 properties have been identified for testing and possible smoke detector installation to be done under this project. when completed, these will be added to our property maintenance database. This will ensure that when inspections are next due, these will be identified.</p> <p>7.2 Following completion of this phase, we will have a full understanding of the condition of the electrical installations in our properties and will be used to inform future actions and works programmes.</p> <p>7.3 All tenanted dwellings will have valid electrical certificates and this will be updated to our property maintenance database. This will ensure that when inspections are next due, these will be identified.</p> <p>7.4 By assigning the necessary resources it will be possible to ensure that the City’s tenanted housing stock is compliant with current electrical regulations and safer for our residents.</p>
<p>8. Key benefits</p>	<ul style="list-style-type: none"> • Full compliance with legislation and building regulations will be achieved. • Residents will be better protected in their homes from fire and will feel safer. • Likely reduction in expenditure on day to day repairs due to works improving current living conditions.

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	<ul style="list-style-type: none"> The City will be demonstrated as being a diligent and responsible landlord in ensuring resident safety.
9. Project category	1. Health and safety
10. Project priority	A. Essential
11. Notable exclusions	<p>11.1 Leasehold and freehold properties on City of London Estates – Under the terms of their agreements, leaseholders and freeholders are responsible for the condition of the electrical services within their homes.</p> <p>11.2-Tenanted properties that have already had electrical testing and mains fitted smoke alarms installation undertaken under Decent Homes works and previous phases of works.</p>

Options Appraisal

12. Overview of options	<p>12.1 Option 1 – Appoint a contractor to undertake the necessary works following competitive tender.</p> <p>12.2 The works are necessary to ensure compliance residents’ safety, are required to be undertaken as quickly as possible and therefore, this the only viable option.</p>
13. Risk	<p>Overall project risk: Medium</p> <p>13.1 If these works are not carried out there is a very real danger of electrical faults harming City tenants and damaging City Assets.</p> <p>13.2 The City could potentially be subjected to litigation for failing to comply with legislation and failing to provide adequate and safe electrics and fire detection facilities.</p> <p>13.3 There is a risk of reputational damage to the City if these measures are not undertaken as soon as possible.</p> <p>13.4 If access is denied by residents, this could delay the project and possibly mean some properties remain untested and potentially unsafe.</p> <p>13.5 The ongoing situation with the Covid 19 virus may prevent access being sought to properties, thereby leaving some dwellings untested and potentially unsafe.</p>

Resource Implications

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14. Total estimated cost	For recommended option 1 Total estimated cost (excluding risk): £387,000 Total estimated cost (including risk): £387,000.																	
15. Funding strategy	Is funding confirmed: No funding confirmed Recommended option	Who is providing funding: Internal - Funded wholly by City's own resource <table border="1" data-bbox="533 696 1351 1128"> <thead> <tr> <th data-bbox="533 696 1161 748">Funds/Sources of Funding</th> <th data-bbox="1161 696 1351 748">Cost (£)</th> </tr> </thead> <tbody> <tr> <td data-bbox="533 748 1161 801">Housing Revenue Account</td> <td data-bbox="1161 748 1351 801">£387,000</td> </tr> <tr> <td data-bbox="533 801 1161 855"></td> <td data-bbox="1161 801 1351 855"></td> </tr> <tr> <td data-bbox="533 855 1161 909"></td> <td data-bbox="1161 855 1351 909"></td> </tr> <tr> <td data-bbox="533 909 1161 963"></td> <td data-bbox="1161 909 1351 963"></td> </tr> <tr> <td data-bbox="533 963 1161 1016"></td> <td data-bbox="1161 963 1351 1016"></td> </tr> <tr> <td data-bbox="533 1016 1161 1070"></td> <td data-bbox="1161 1016 1351 1070"></td> </tr> <tr> <td data-bbox="533 1070 1161 1124" style="text-align: right;">Total</td> <td data-bbox="1161 1070 1351 1124">£387,000</td> </tr> </tbody> </table> <p data-bbox="533 1200 1442 1348">The works are essential to ensure compliance and resident safety. Required funding is therefore completely necessary to ensure that the City do not breach regulations and demonstrate their duty of care.</p>	Funds/Sources of Funding	Cost (£)	Housing Revenue Account	£387,000											Total	£387,000
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Appendices

Appendix 1	Project Briefing
Appendix 2	Risk Register
Appendix 3	PT4 Procurement Form

Contact

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Options appraisal table.

Delete option numbers as appropriate

	Option 1
1. Brief description	Appoint a contractor to undertake the systematic testing of electrical installations and smoke alarm installation within identified tenanted properties.
2. Scope and exclusions	<p>Scope</p> <ul style="list-style-type: none"> All the identified tenanted properties without a current valid electrical certificate and/or without mains fitted smoke alarms. <p>Exclusions</p> <ul style="list-style-type: none"> All tenanted properties with existing valid electrical certification and mains installed smoke alarms. All leasehold and freehold properties on City Estates
Project Planning	
3. Programme and key dates	<ul style="list-style-type: none"> Approval of Gateway 2-4 Report: End of June 2020 Undertake and analyse tender - End July 2020 Gateway 5 Approval – Mid August 2020 Let Contract – End August 2020 Start on Site – September 2020 Finish on Site – March 2021.
4. Risk implications	<p>Overall project option risk: Medium.</p> <ul style="list-style-type: none"> There are risks associated with access to properties not being granted to properties and with the current situation regarding the Covid 19 virus. Access arrangements, particularly with regard to

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	Option 1
	<p>the contractor providing their own adequate and essential Personal Protective Equipment, will be built into the contract, to safeguard residents and contractors.</p> <ul style="list-style-type: none"> • If these works are not carried out there is a very real danger of electrical faults harming City tenants and damaging City Assets. • The City could potentially be subjected to litigation for failing to provide adequate and safe electrics and fire detection facilities. • Further information is available within the Risk Register (Appendix 2).
5. Benefits	<ul style="list-style-type: none"> • This option provides a systematic, and previously successful approach in ensuring all properties are brought to standard. • There is certainty with costs as the contractor will have priced for specific items and have to keep to these. • That all listed tenanted dwellings have mains fitted smoke alarms. • All tenanted residential properties will have safe and compliant electrical services.
6. Disbenefits	<ul style="list-style-type: none"> • The tender process could delay works which are urgently required.
7. Stakeholders and consultees	<ul style="list-style-type: none"> • Residents, • Department of Community and Children's services staff, • Allocated Members, • Chamberlains (CLPS), • City Surveyors, • Town Clerks.
Resource Implications	

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	Option 1
8. Total estimated cost	<ol style="list-style-type: none"> 1. Total estimated cost (excluding risk): £387,000. 2. By going through a tender process, the contractor will know what they have to deliver at the given cost. 3. The current estimate is based on previous projects and has taken into account increases on those projects 4. Total estimated cost: (including risk): £387,000 5. No CRP is being requested as risks have been mitigated against.
9. Funding strategy	<ul style="list-style-type: none"> • Housing Revenue Account
10. Estimated capital value/return	N/A
11. Ongoing revenue implications	<ol style="list-style-type: none"> 1. Any identified non-urgent repairs required within tenanted properties will have to be met from the Housing Revenue Account, either through response repairs or as a project of planned works.
12. Investment appraisal	The option is costed within the department's 5 year asset management plan and the 30 year business plan for the Housing Revenue Account.
13. Affordability	The works costs have been estimated and form part of the funded 5 year and 30 year Asset Management Plans.
14. Procurement strategy/Route to Market	City Procurement have been consulted and have advised a client led single stage procurement process is followed (see attached PT4, appendix 3).
15. Legal implications	<ul style="list-style-type: none"> • None

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	Option 1
16. Corporate property implications	<ul style="list-style-type: none"> • The works will help maintain the asset.
17. Traffic implications	<ul style="list-style-type: none"> • These will be dealt with at a local level when works are on site and are not expected have adverse effects.
18. Sustainability and energy implications	<ul style="list-style-type: none"> • The testing will highlight potential problems within properties which may mean residents are currently using more electricity than is required.
19. IS implications	<ul style="list-style-type: none"> • None
20. Equality Impact Assessment	<ul style="list-style-type: none"> • An equality impact assessment will not be undertaken. • A test of relevance has been undertaken and shown that a full equality impact assessment is not necessary for this option
21. Data Protection Impact Assessment	<ul style="list-style-type: none"> • The risk to personal data is less than high or non-applicable and a data protection impact assessment will not be necessary.
22. Recommendation	Recommended