

Committees: Corporate Projects Board <i>[for information]</i> Projects Sub <i>[for decision]</i> Housing Management & Almshouses Sub <i>[for decision]</i>	Dates: 10 March 2021 24 March 2021 22 March 2021
Subject: Decent Homes works to properties previously omitted from programmes (Call-backs 2017-2020) Unique Project Identifier: 11790	Gateway 6: Outcome Report Regular
Report of: Director of Community & Children's Services Report Author: David Downing, Asset Programme Manager	For Decision
PUBLIC	

Summary

1. Status update	<p>Project Description: This project provided a capped budget of £500,000 to facilitate ad hoc kitchen, bathroom and WC upgrades over a three year period to tenanted properties on City of London housing estates previously omitted from large scale Decent Homes programmes. These properties would have been omitted as they may have met the standard at the time or the works may have been refused by the tenant in occupation. Over time, as previously acceptable components failed or when properties where works were refused fell vacant, the call-backs contract allowed the City to bring the components up to the required standard within the certainty of a tendered specification at a fixed schedule of rates. Abbott Property Solutions Ltd were awarded the contract and successfully completed upgrades within 49 properties which were identified as qualifying for works within the contract period.</p> <p>RAG Status: Green (Green at last report to Committee)</p> <p>Risk Status: Low (Low at last report to Committee)</p> <p>Costed Risk Provision Utilised: £0</p>
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	Funding Source: Housing Revenue Account Final Outturn Cost: £511,250
2. Next steps and requested decisions	Requested Decisions: <u>Projects Sub Committee and Housing Management & Almshouses Sub Committee</u> 1. To note the content of this report, 2. To note the lessons learnt, 3. To authorise closure of this project.
3. Key conclusions	1. The Call-backs contract remains a vital resource in ensuring the timely upgrading of key components to previously hard to access properties as they fall void between other large scale Decent Homes programmes. 2. Works to 49 properties were completed and brought up to modern Decent Homes standards within the three year contract period. During project planning, the budget cap was estimated to be sufficient to complete works to 50 properties. A sum of £3,409 of the allocated works budget remained unspent.

Main Report

Design & Delivery Review

4. Design into delivery	The project design, repeating that of the previously successful Decent Homes projects again worked well. Tightly defined 'all-inclusive' specifications were drawn up setting a maximum upper price limit on all components that could be scaled down on instruction but not exceeded. This was a large factor in the successful delivery of the project and a significant aid to overall cost control and is a recommended approach for future projects of this nature.
5. Options appraisal	The selected option to procure a contractor to deliver the works as required on an ad hoc basis via open tender successfully delivered the projects objectives. This was repeated from the preceding 2014-2017 Call-backs project where project objectives were successfully delivered. No changes were required during project delivery.

6. Procurement route	<p>The works contract was successfully procured via open tender. The tender generated an appropriate and manageable number of competitively priced bids for evaluation. This procurement route can be recommended for future projects of this nature.</p> <p>Procurement Reference: itt_COL_6671 - Decent Homes CallBacks</p>
7. Skills base	<p>The City of London project team had the required skills and experience to deliver the project. All aspects of project management for this project were handled internally.</p>
8. Stakeholders	<p>As the majority of works under this contract were carried out to properties as they fell void between tenancies, the extent of external stakeholder engagement required to successfully develop and deliver this project was minimal.</p>

Variation Review

9. Assessment of project against key milestones	<p>The project progressed as expected throughout the design period with a main works contractor appointed in October 2017 as anticipated at Gateway 5.</p> <p>During the delivery phase, the fixed term contract ran as expected for the three year duration without variation.</p>
10. Assessment of project against Scope	<p>The scope of the project remained unchanged throughout both the design period and project delivery.</p> <p>Works were successfully completed to 49 properties. At previous Gateways, the budget estimates allowed for completion of work to 50 properties.</p>
11. Risks and issues	<p>This project is a repeat of a previously successful Decent Homes Call-backs contract which was procured and delivered in the same way. As such, the project proceeded as planned with no significant risks realised. This is largely attributable to the successful application of lessons learnt from previous Decent Homes projects which were incorporated into the project design, specification and procurement which greatly aided the management of the resultant contract.</p> <p>Costed Risk Provision was not applicable to this project.</p>

12. Transition to BAU	The new installations have a defect liability period of 12 months commencing from the date of practical completion. At the close of this period, the ongoing maintenance of these new installations will transfer to the general Repairs & Maintenance contract.
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Value Review

13. Budget	<table><tr><td><i>Estimated Outturn Cost (G2)</i></td><td>Estimated cost (excluding risk): Range £500,000</td></tr></table>		<i>Estimated Outturn Cost (G2)</i>	Estimated cost (excluding risk): Range £500,000															
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	The Gateway 2 cost range was a product of analogous estimating with comparative cost data drawn from previous Decent Homes Call-backs projects.																		
	<table><tr><td></td><td><i>At Authority to Start work (G5)</i></td><td><i>Final Outturn Cost</i></td></tr><tr><td><i>Fees</i></td><td>£15,000</td><td>£0</td></tr><tr><td><i>Staff Costs</i></td><td>£60,000</td><td>£14,659</td></tr><tr><td><i>Works Contract</i></td><td>£500,000</td><td>£496,591</td></tr><tr><td><i>Costed Risk Provision</i></td><td>£0</td><td>£0</td></tr><tr><td><i>Project Total</i></td><td>£575,000</td><td>£511,250</td></tr></table>			<i>At Authority to Start work (G5)</i>	<i>Final Outturn Cost</i>	<i>Fees</i>	£15,000	£0	<i>Staff Costs</i>	£60,000	£14,659	<i>Works Contract</i>	£500,000	£496,591	<i>Costed Risk Provision</i>	£0	£0	<i>Project Total</i>	£575,000
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There is a total underspend on the approved Gateway 5 budget of £63,750. Almost the entirety of the underspend is unused provision for professional fees and staff costs. The main works contractor, Abbotts Property Solutions Ltd, performed well throughout and did not require the same degree of continual monitoring and oversight to ensure cost and quality control as less diligent contractors may have necessitated. All project management roles were filled by internal departmental resource, the small provision allowed for external fees was therefore not required.																			
Final accounts have been subject to an independent verification check, undertaken by a suitably experienced officer within the relevant implementing department.																			
14. Investment	N/A																		

15. Assessment of project against SMART objectives	<ol style="list-style-type: none"> 1. This project brought 49 homes up to required standards and ensured compliance with statutory obligations. During planning stages, it was estimated that the allotted budget would fund works for a maximum of 50 properties. 2. The programme of works was delivered to the desired specification and within the agreed costs with minimal variation. Value for money has been demonstrated by the cost savings apparent when compared to previous Decent Homes projects.
16. Key benefits realised	<ol style="list-style-type: none"> 1. Improved and modernised facilities for 49 properties where works were completed. 2. The value of the City's Housing assets was maintained. 3. Compliance with statutory measures. 4. Newly installed kitchens have expected lifespans of 20 years. 5. Newly installed bathrooms have expected lifespans of 30 years.

Lessons Learned and Recommendations

17. Positive reflections	<ol style="list-style-type: none"> 1. The Call-backs contract remains a vital resource in ensuring the timely upgrading of key components to previously hard to access properties as they fall void between other large scale Decent Homes programmes. 2. The fixed term schedule of rates contract allowed accurate financial monitoring and a high degree of cost certainty. 3. The flexibility of the contract allowed works to proceed as required at fixed rates over a pre-defined period of time rather than subject to multiple procurements. 4. The contractor, Abbott Property Solutions Ltd, performed well over the period of the contract and can be recommended for future works of this nature.
18. Improvement reflections	<ol style="list-style-type: none"> 1. Future call-backs projects should consider a small increase to the overall budget cap of £500,000 to ensure resourcing

	<p>remains sufficient to cover the required works over future periods.</p> <p>2. As a recurring term contract, some consideration could perhaps be given at Corporate level as to whether such repeat pieces of work should be treated as Business as Usual and not required to go through the project development cycle as each term contract nears expiry. In project management terms a repeat piece of work cannot by definition be a project.</p>
19. Sharing best practice	<p>1. Dissemination of key information through team and project staff briefings. A standard approach to Decent Homes work has been adopted by the Property Services team reflecting industry best practice.</p> <p>2. Lessons learned have been logged and recorded on departmental SharePoint.</p>
20. AOB	N/A

Appendices

Appendix 1	Project Coversheet
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Contact

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