

Committees: Barbican Estate Residents Consultation Committee - <i>for information</i> Barbican Residential Committee - <i>for information</i>	Dates: 14 June 2021 28 June 2021
Subject: Barbican Estate Redecoration Programme 2020-25 Unique Project Identifier: Unique Project Identifier: 12035	Gateway 5 Regular Progress Report
Report of: Director of Community & Children's Services Report Author: David Downing, Asset Programme Manager	For Information
<h1>PUBLIC</h1>	

1. Status update	<p>Project Description: This project addresses the cyclical redecoration of internal and external areas of the residential blocks of the Barbican Estate as identified for the next five financial years of the redecoration programme.</p> <p>RAG Status: Amber</p> <p>Risk Status: Low</p> <p>Total Estimated Cost of Project (excluding risk): £3,884,630</p> <p>Spend to Date: £26,694</p> <p>Costed Risk Provision Utilised: N/A</p>
2. Key points to note	<p>Next Gateway: Gateway 6 – Outcome Report</p> <p>Key Points:</p> <ol style="list-style-type: none"> 1. Since passing Gateway 5 in Summer 2020 the project has been on hold due to the Covid 19 public health crisis. 2. Although Gateway 5 was passed contracts were not exchanged with the contractor as a second wave of the virus was strongly (and correctly) predicted that would have disrupted any mobilisation and would likely have exposed the City and leaseholders to increased costs.

	<p>3. The Construction Industry in general has been subject to significant price inflation following Brexit and the public health crisis.</p> <p>4. Despite this, the successful contractor, K&M McLoughlin Decorating Ltd have continued to hold their prices and have accepted that residential front doors (and associated surrounds) are to be omitted from the contract, with an associated reduction in price, as these items are scheduled for short term replacement.</p> <p>5. On consultation, resident members of the Asset Maintenance Working Party support the award of this contract at this time. Requests from House Groups to omit less-travelled areas from internal redecorations to realise further cost reduction will be happily considered.</p> <p>6. The DCCS Major Works Team is currently under-resourced having recently had two Project Managers leave the team. Recruitment of replacement staff is ongoing but may require the appointment of an external interim Project Manager to minimise the delay in re-commencing the project. Delivery of the project will not start until sufficient experienced project management and oversight is in place.</p>
<p>3. Reporting period</p>	<p>July 2020 to present.</p>
<p>4. Progress to date</p>	<p>1. Following the approval of an Issues Report, first presented to the Barbican Residential Committee on 16 March 2020 and subsequently approved on 26 May 2020, and with the national restrictions enforced during the first wave of the ongoing Covid 19 public health crisis significantly relaxed, this project was approved at Gateway 5 – Authority to Start Work in August 2020 in anticipation of the potential opportunity to commence work.</p> <p>2. However, the widely forecast prospect of a significant second wave of Covid infection during the Autumn and Winter months of 2020 resulted in the contract award for the Redecorations Programme being placed on hold. Although the works are deemed essential in maintaining the fabric of the buildings and the high aesthetic standard demanded for the Estate, it was determined, on clear direction from the Barbican Estate Office that only works with a clear health and safety element should proceed to minimise risk to residents, staff and contractors.</p> <p>3. As the second national lockdown began to be eased in Spring 2021, Officers, due to the length of time passed from the initial procurement (which took place in October/November 2019) began to consider whether the contract, as procured, still represented value for money, especially as plans to replace</p>

Barbican Estate fire doors had advanced significantly in the interim. The Fire Door Replacement Programme would necessarily see the redecoration of residents' front doors (and associated surrounds) omitted from the redecoration contract as there is little value or utility in expending resource decorating that which is scheduled for short-term replacement. An analysis of market conditions revealed that re-tendering at this time was far from favourable as the twin impacts of Brexit and the ongoing pandemic were causing significant inflationary pressures on both materials and labour costs. In particular, contractors previously reliant on EU nationals for a substantial proportion of their workforce were forecast to be particularly exposed.

4. Following negotiation, the successful contractor from the late 2019 procurement, K&M McLoughlin Decorating Ltd agreed to continue to hold their prices and have accepted that once in contract, the omission of residential front doors scheduled for replacement will be instructed with an appropriate reduction in price resulting. K&M McLoughlin have advised that they are less exposed to rising labour costs as some because of their predominantly British sourced work force, however they are facing inflationary pressures on materials as per the rest of the industry. In light of this, and the further expense and time required to re-procure and re-consult with Barbican Estate leaseholders, the benefit of proceeding with the deferred contract with K&M are compelling.

5. On consultation, resident members of the Asset Maintenance Working Party have indicated support for the award of this contract to K&M McLoughlin at this time. The Working Party has suggested that prior to works starting on a given block, consultation with House Groups should be undertaken to ascertain residents' priorities and identify cost savings where appropriate. Whereas works to external areas will continue to be re-decorated as per manufacturers recommended product lifecycles, the potential to defer less-travelled areas from internal redecoration to realise cost reduction will be happily considered.

6. The DCCS Major Works Team is currently under-resourced having recently had two Project Managers leave the team to pursue other opportunities. Recruitment of replacement staff is ongoing, but it can be a lengthy process to identify and appoint suitably qualified candidates who may be contractually required to see out extended notice periods. The appointment of an external interim Project Manager to cover the recruitment period for permanent staff may be considered to minimise the delay in re-commencing the project. The delivery of the project will not start until sufficient experienced project management and oversight is in place.

5. Next steps	<ol style="list-style-type: none"> 1. Exchange contracts with K&M McLoughlin Decorating Ltd and confirm year one programme. 2. Resolve staffing resource issue and appoint a replacement Project Manager (or either a permanent or interim basis). 3. Commence Project Delivery.

Appendices

Appendix	None
-----------------	------

Contact

Report Author	David Downing
Email Address	david.downing@cityoflondon.gov.uk
Telephone Number	0207 332 1645