

Committees: Corporate Projects Board <i>[for information]</i> Housing Management & Almshouses Sub <i>[for decision]</i> Projects Sub <i>[for decision]</i>	Dates: 1 September 2021 20 September 2021 20 October 2021
Subject: Gateway 6: Middlesex Street Estate Lift Refurbishment Unique Project Identifier: 11759	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	Project Description: <p>Guideline Lift Services Ltd were contracted to comprehensively refurbish the six residential lifts at the Middlesex Street social housing estate with the previous equipment having reached the end of its operational life. The works included the installation of new lift stops to previously unserved floors to make all flats accessible without the use of a staircase.</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: N/A</p> <p>Final Outturn Cost: £1,367,674</p>
2. Next steps and requested decisions	Requested Decisions: <ol style="list-style-type: none"> 1. To note the content of this report, 2. To note the lessons learnt, 3. To authorise closure of this project.

3. Key conclusions	<p>1. The project was completed under the Gateway 5 budget with a three month delay to the delivery programme that was solely attributable to the first wave of the Covid 19 health crisis.</p> <p>2. Lifts are fully modernised and fitted with up-to-date fire safety features (the two lifts serving Petticoat Tower are fully BS EN 81-72 compliant, the relevant standard for firefighting lifts).</p> <p>3. All residential floors of the Middlesex Street Estate are now fully accessible without the use of a staircase.</p>
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Main Report

Design & Delivery Review

4. Design into delivery	<p>The project design worked well. A detailed specification for the lift refurbishment works was drafted by industry specialists Butler & Young Lift Consultants & verified by City Officers.</p> <p>Following Gateway 4 approval, the procurement phase was delayed following a request from the leaseholders association (supported by Ward Members) to reconsider the design to include reversing the entry into the lifts serving the ground floor of Petticoat Tower to give a more coherent layout to the Tower lobby area. This delayed conclusion of the design phase by twelve months; the proposed changes were deemed unaffordable and would have necessitated reduction in the size of the lift cars.</p> <p>The project design is recommended for future projects of this nature.</p>
5. Options appraisal	<p>The selected option to refurbish the six lifts on the Middlesex Street Estate successfully delivered the projects objectives. Due to the age and obsolescence of key components either doing nothing, or attempting ongoing repair were not deemed viable options.</p> <p>No changes were required during project delivery.</p>
6. Procurement route	<p>Works were procured via open tender advertised on the Capital Esourcing portal and produced a suitable and manageable number of qualifying bids for the contract.</p>

7. Skills base	The City of London project team had the required skills and experience to manage the delivery of the project. An external specialist lift consultant was employed to provide expert independent advice and to provide quality assurance.
8. Stakeholders	Leaseholder engagement was challenging as there was some dispute as to whether the refurbishment works were necessary during the early phases of the project. Two independent condition surveys were commissioned that were unequivocal in recommending full refurbishment as certain key components were over fifty years old and others now obsolete.

Variation Review

9. Assessment of project against key milestones	<p>The project progressed as expected throughout the early development period with Gateway 4 achieved in the timescales anticipated.</p> <p>Post Gateway 4, during the statutory S20 consultation with long leaseholders held in March 2017, a change of scope was requested by the Petticoat Square Leaseholders Association (supported by Ward Members) to reverse entry to the Ground Floors Lifts in Petticoat Tower and reconfigure the lobby area to create a more coherent entry to the building. A feasibility study was commissioned and carried out which revealed that reversing the entry to the lifts would necessitate a reduction in lift car size to accommodate the additional equipment required. Furthermore, the cost of the requested works could not be recovered from leaseholders as they were clearly defined as works of improvement, not repair and no available budget was identified for these non-essential additional works. This process delayed the procurement of the project by approximately 12 months.</p> <p>There was a further delay to programme post procurement as the successful tender submission was in advance of the approved budget at Gateway 4. An Issues Report was submitted and approved to uplift the budget. This process resulted in a further 4 month delay to programme.</p> <p>The main works contractor was appointed in early 2019 as anticipated at Gateway 5 with a forecast completion date of Summer 2020. During the delivery phase, the works were progressing to programme until halted by the onset of the Covid 19 public health crisis. Works were suspended for 3 months, resuming</p>
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	as soon as was deemed safe to do so. The final lift was brought back into full service on 20/08/2020.
10. Assessment of project against Scope	<p>An Issues Report was approved in January 2017 to increase the project scope to include for the installation of new lift stops to previously unserved floors to make all flats accessible without the use of a staircase.</p> <p>The project was delivered to the tendered scope without significant variation.</p>
11. Risks and issues	<p>The risk of delay during leaseholder consultation was realised.</p> <p>Costed Risk Provision was not applicable to this project.</p>
12. Transition to BAU	The ongoing maintenance of lifts will transfer to the general HRA Lift Maintenance contract.

Value Review

13. Budget

<i>Estimated Outturn Cost (G2)</i>	Estimated cost (including risk): £1,012,500
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The Gateway 2 projected cost was estimated in 2015 with no provision for cost inflation.

	<i>At Authority to Start work (G5)</i>	<i>Final Outturn Cost</i>
<i>Fees</i>	£110,000	£21,536
<i>Staff Costs</i>	£62,500	£46,156
<i>Works*</i>	£1,382,500	£1,299,982
<i>Total</i>	£1,555,000	£1,367,674

* Works (further breakdown):

<i>Current Actuals</i>		£1,280,482
<i>Retention Held</i>		£19,500
<i>Final Account Sum</i>		£1,299,982

There is a total underspend on the approved Gateway 5 budget of £187,326. Of this sum, £88,464 is accounted for by unused provision for professional fees; the project management and clerk

	<p>of works roles for the project were filled using internal City resources minimising the expense of external consultants. A further £82,518 is accounted for savings realised during the delivery of the works contract via unused provisional sums. The remaining £16,344 is attributable to unused provision for staff costs. At the time of writing, payment of the final retention sum is imminent (this sum is indicated in the totals presented above).</p> <p>Final accounts have been subject to an independent verification check, undertaken by a suitably experienced officer within the relevant implementing department.</p>
14. Investment	N/A
15. Assessment of project against SMART objectives	<p>No SMART objectives were set for this project at the time of inception (2015). However, in retrospect these would be as follows:</p> <p>Specific & Realistic: all lifts included in the programme to be modernised to a high standard with a 25 year life expectancy. This was achieved.</p> <p>Measurable & Achievable: the specification of the refurbished lifts meets or exceeds that prescribed by legislation (within the limitations of the structural constraints of the buildings). This was achieved.</p> <p>Timely: works programme to be structured to minimise disruption to residents as far as possible. This was achieved.</p>
16. Key benefits realised	<ol style="list-style-type: none"> 1. The installation of new equipment will improve service for residents in terms of a reduction of out of service time as maintenance requirements are reduced. 2. Lift car sizes have been maximised to the limitations of the lift shafts and car travel speeds have improved (Petticoat Square lifts from 0.5m/s to 1m/s, Petticoat Tower lifts from 1m/s to 1.6m/s). 3. Lifts are fitted with up-to-date fire safety features (the two lifts serving Petticoat Tower are fully BS EN 81-72 compliant, the relevant standard for firefighting lifts). 4. All residential floors of the Middlesex Street Estate are now fully accessible without the use of a staircase. 5. Increase to capital value of the blocks through improved services.

Lessons Learned and Recommendations

17. Positive reflections	<p>1. Works were delivered under budget. The robust cost control measures as employed by the City's Project Team, supported by the consultant lift specialist, Butler & Young Lift Consultants, maintained a tight grip on project finances throughout the delivery phase.</p> <p>2. Although not delivered to the Gateway 5 programme, this was entirely attributable to the unprecedented global public health crisis. The contractor, in conjunction with the City's Project Team, performed well in remobilising quickly to complete the works when deemed safe to do so minimising the delay to completion wherever possible.</p>
18. Improvement reflections	<p>1. The change request received post Gateway 4 to reverse entry into the ground floor Petticoat Tower lifts and reconfigure the lobby entrance to the building delayed the procurement of the project by 12 months as additional feasibility studies had to be commissioned. The studies revealed that reversing entry at ground floor level would necessitate a reduction in lift car size which would have implications for accessibility, and as would be classified as works of improvement rather than repair, costs would not be recoverable from leaseholders. No funding source for the requested changes was identified. Change requests significantly altering a projects scope should properly be considered during, or even prior to, the Gateway 4 options appraisal. Any late request for significant scope change will always likely have a detrimental effect on project timelines.</p> <p>2. Cost estimates made at the beginning of the project did not adequately allow for cost inflation throughout the development period to delivery which resulted in the requirement for a post tender Issues Report to gain approval for a budget uplift. Gateway 2 estimates for future projects where a lengthy development period is also expected should better present a more conservative cost range to reflect the increased cost uncertainty that arises when forecasting costs over a longer term.</p> <p>3. Although utilising the same contractor as at the successfully delivered Golden Lane, Collinson Court and William Blake Estate project which was delivered on time and under budget in 2017/18, a different sub-contractor was employed by Guideline to fit the Middlesex Street Estate lifts. In this instance the replacement sub-contractor did perform</p>

	adequately but was a timely reminder that sub-contractor selection can be critical to the successful delivery of a project and yet remains largely out of the control of the client.
19. Sharing best practice	<p>1. Dissemination of key information through team and project staff briefings.</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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