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<p>Committees: Corporate Projects Board - <i>for decision</i> Community and Children’s Grand Committee - <i>for decision</i> Projects Sub - <i>for decision</i></p>	<p>Dates: 06 October 2021 08 Nov 2021 17 Nov 2021</p>
<p>Subject: City Mental Health Centre</p> <p>Unique Project Identifier: 12023</p>	<p>Gateway 6: Outcome Report Regular</p>
<p>Report of: City Surveyor</p> <p>Report Author: City Surveyors Dept – Marcus Odunlami</p>	<p>For Decision</p>
<p>PUBLIC</p>	

Summary

<p>1. Status update</p>	<p>Project Description: Renovation construction works to 75 and 77 Middlesex Street to provide a demise available to the successful Service Provider, Tavistock Institute of Medical Psychology T/A Tavistock Relationships (Tavistock) to deliver a mental health centre service in the Square Mile offering low cost medium and long-term treatments. The project has been agreed for progression outside of the Fundamental Review.</p> <p>RAG Status: Green (Amber at last report to Committee)</p> <p>Risk Status: Low (Medium at last report to committee)</p> <p>Costed Risk Provision Utilised: £8,000 (of which £8,000 amount was drawn down at the last report to Committee)</p> <p>Final Outturn Cost: ££502,536 (including CRP)</p>
<p>2. Next steps and requested decisions</p>	<p>Requested Decisions: Approval of closure of project and lessons learned</p>

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<p>3. Key conclusions</p>	<p>The successful delivery of this project has established a premises contributing to the Corporate Plan (CP) aim to shape outstanding environments & CP outcome that people enjoy good health and wellbeing. It has allowed the City of London to provide subsidised treatment not offered through the NHS. And renovate the demise to meet current regulations and best H&S standards with inclusive design, high quality finishes & energy efficient installations.</p> <p>The regular liaison between stakeholders in monthly oversight meetings and early engagement with service provider Tavistock at GW3/4 greatly assisted the success of the project delivery, allowing a collaborative approach to problem solving, sharing best practice and the making of keys decisions with the end user in mind. Such working methods would be a strong recommendation for future similar projects.</p> <p>The project was not completed within original programme finish date projected at GW5 (April 2020). But was completed within the revised programme agreed in the GW5 Issues Report (Sept 2020)</p> <p>The project required provision of an additional £45,600 inclusive of the £8,000 Costed Risk Provision as agreed during GW5 Issues Report. Total Project expenditure (£502,536) still remained within the funding from CIL Social and Community Pot, previously approved by Resource Allocation Sub Committee.</p>
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Main Report

Design & Delivery Review

<p>4. Design into delivery</p>	<p>Design agreed at GW5 allowed for successful delivery of project. Additional concealed asbestos containing materials were discovered during asbestos removal stage, adding 5 weeks & additional cost to safely meet H&S regulations. Initial demolition survey completed before Construction was unable to detect the additional concealed asbestos found.</p> <p>Provisional sums provided in tender returns for sprinkler modifications were insufficient and additional funding (£7,730 extra) was required in GW5 Issues report. In hindsight when provisional sums were received via the nominated sub-contractor, the tender procurement period could have been extended for the tender suppliers to obtain full, itemised costs with an alternative supplier for the sprinkler modifications section of works. However, it was not anticipated that the nominated contractor whom early engagement had been completed with, would refuse to engage with the Main Contractor during the Construction period and an alternative supplier would need to be appointed during the Construction period.</p>
<p>5. Options appraisal</p>	<p>Recommended Option 2 selected at GW3/4 was successfully implemented; <i>7 consultation rooms, 2 toilets (1 wheelchair accessible), kitchen and staff room</i></p> <p>No changes were made to scope agreed. However, onset of Covid 19 and the response to the pandemic impacted the programme & costs.</p>
<p>6. Procurement route</p>	<p>Procurement Reference Number: PT4 19/201/PS</p> <p>Works procured via City’s framework for Intermediate Works (£250k – £1m) projects as agreed at GW5.</p> <p>Supplier selected was fit for purpose and allowed for successful completion of the project. Contract allowed for work instructions, but no revisions to contract procured were required.</p>
<p>7. Skills base</p>	<p>City of London project team were able to successfully complete & lead on project delivery.</p> <p>Due to limited availability of internal resources and to complete the project at pace, external Consultant M&E Engineer instructed for design/ delivery work in project as agreed from GW1/2.</p>

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<p>8. Stakeholders</p>	<p>Regular liaison with stakeholders during monthly oversight group meetings, where construction updates provided, cross-partner discussions held to action or update on completed project goals and share relevant information/ good practice. Stakeholders happy with project conclusion, Tavistock very impressed with final product and successes celebrated during virtual grand opening to communicate achievements to wider audience.</p>
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Variation Review

<p>9. Assessment of project against key milestones</p>	<table border="0"> <tr> <td data-bbox="491 728 1018 779">GW5 Programme Dates</td> <td data-bbox="1018 728 1465 779">Actual Dates Achieved</td> </tr> <tr> <td data-bbox="491 779 1018 808">City Proc Award Contract: 02/12/2019</td> <td data-bbox="1018 779 1465 808">02/12/2019</td> </tr> <tr> <td data-bbox="491 808 1018 837">Proposed Start on Site: 06/01/2020</td> <td data-bbox="1018 808 1465 837">06/01/2020</td> </tr> <tr> <td data-bbox="491 837 1018 866">Proposed Finish on Site: 03/04/2020</td> <td data-bbox="1018 837 1465 866">15/09/2020</td> </tr> </table> <p>Refurbishment works completed, building control & statutory approvals met, premises handed over to DCCS/ Tavistock ready for furnishing & commencement of services (Sept 2020) in accordance with revised programme agreed at GW5 Issue Report stage, but not against original programme dates in GW5 Report.</p> <p>Additional time & cost required due to:</p> <ul style="list-style-type: none"> - additional concealed asbestos requiring removal under H&S legislation above & beyond that identified in preliminary demolition surveys - temporary closure of site in accordance with National Government advice due to pandemic (March – May 2020) - reduction of labour and implementation of additional safety measures in response to National advice due to pandemic <p>Preliminary Operation & Maintenance (O&M) information provided to Tavistock to allow for safe occupation & use of building in Sept 2020 due to delays in obtaining full O&M information to Tavistock from suppliers, issued Dec 2020. Final O&M issued to Tavistock Jan 2021.</p>	GW5 Programme Dates	Actual Dates Achieved	City Proc Award Contract: 02/12/2019	02/12/2019	Proposed Start on Site: 06/01/2020	06/01/2020	Proposed Finish on Site: 03/04/2020	15/09/2020
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<p>10. Assessment of project against Scope</p>	<p>The project required provision of an additional funding (£45,600 inclusive of the £8,000 Costed Risk Provision) as agreed during GW5 Issues Report. However Total Project expenditure (£502,536) still remained within funding initially ring-fenced from CIL Social and Community Pot, previously approved at Priorities Board and Resource Allocation Sub Committee.</p>								

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	<p>Project programme increased from projected end date at GW3/4 (March 2020) to actual end date (Sept 2020) due to</p> <ul style="list-style-type: none"> - additional concealed asbestos requiring removal under H&S legislation above & beyond that identified in preliminary demolition surveys - temporary closure of site in accordance with National Government advice to pandemic (March – May 2020) - reduction of labour and implementation of additional safety measures in response to National advice due to pandemic
11.Risks and issues	<p>Post Mitigation Risk Identified at GW3/4: £110,000 CRP in Risk Register at GW5: £8,000 Total Drawdown from Risk Register CRP: £8,000 Total additional funding provided following GW5: £45,600 (inclusive of £8,000 from CRP) Risks identified within Risk Register at GW5 occurred during project requiring additional time on site (increasing programme) and additional funding for the construction works. CRP assisted to delivery as additional funding was provided via Committee under Delegated Authority. The speed of reporting & decision allowed increase to programme & associated costs to be reduced.</p>
12. Transition to BAU	<p>During monthly oversight meetings with stakeholders' updates on project delivery, handover of premises & the service implementation plan was discussed. This allowed for a smooth transition to Tavistock's service provision. Although due to onset of Covid 19 and changing national restrictions, services initially being offered virtually/online.</p>

Value Review

13. Budget	<table border="1"> <tr> <td><i>Estimated Outturn Cost (G2)</i></td> <td>Estimated cost (including risk): Estimated cost (excluding risk):</td> </tr> </table>		<i>Estimated Outturn Cost (G2)</i>	Estimated cost (including risk): Estimated cost (excluding risk):										
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	<i>Amalgamated Sprinkler works</i>	£0	£15,730
	<i>Purchases</i>	£0	£0
	<i>Other Capital Expend</i>	£0	£0
	<i>Costed Risk Provision</i>	£0	(£8,000 included within Amalgamated Sprinkler works)
	<i>Recharges</i>	£0	£0
	<i>Other*</i>	£0	£0
	<i>Total</i>	£457,470	£502,536
	<p>Additional funding of £45,600 inclusive of the £8,000 Costed Risk Provision was provided as agreed during GW5 Issues Report. Additional funding provided for</p> <ul style="list-style-type: none"> - removal of additional asbestos discovered - cost increase of Sprinkler modification works where provisional sum was replaced with detailed quotation after surveys - cost of hired plan installations remaining on Site during temporary closure of Site - Additional preliminaries and extended time on Site to complete project with reduced labour & increased safety measures in response to pandemic and National Government advice <p>Total Project expenditure still remained within the funding from CIL Social and Community Pot, previously approved by Resource Allocation Sub Committee.</p> <p>Final Account has been verified by Chamberlain’s department Financial Services Division</p>		
14. Investment	N/A		
15. Assessment of project against SMART objectives	<p><i>Gateway 5 Success Criteria</i></p> <p>1) <i>The premises are adjoined and can be used as one single demise, handed over to tenant (Tavistock) to take up occupancy for provision of Mental Health consultancy services</i></p> <p>Construction works successfully completed, neighbouring properties adjoined and can be used as one larger premises.</p> <p>Upon completion of works possession provided to tenants (Sept 2020) to begin service. Tenants were able to move in temporary furniture promptly & host grand virtual opening (Oct 2020).</p>		

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	<p>Services initially offered virtually/online due to onset of Covid 19 and national restrictions.</p> <p><i>2) Project construction works are delivered within programme and within agreed budget</i></p> <p>Project construction works delivered to revised programme and budget agreed with Committee under delegated authority within GW5 Issues Report, considering effects of unprecedented global pandemic and national restrictions.</p> <p><i>3) All health & safety risks to be removed, or where unable to be minimised or managed during works</i></p> <p>Premises constructed to meet current regulations and best H&S standards, incorporating inclusive design for persons with disabilities, provisions for sound insulation and confidentiality and built to relevant standards agreed with Tavistock to ensure fit for purpose.</p> <p><i>4) Any change to project delivery is identified early, with prompt reporting and responses as per CoL Policies & Gateway reporting process</i></p> <p>Changes to project delivery were identified early and promptly reported via Gateway 5 Issues report. And upon decision via Delegated Authority received; promptly actioned and impacts disseminated to relevant stakeholders/ affected parties. Issues Report and decision May 2020)</p>
<p>16. Key benefits realised</p>	<ul style="list-style-type: none"> • The establishment of the premises has contributed to the Corporate Plan aim to shape outstanding environments • Possession of the premises has been granted to Tavistock to provide mental health counselling services contributing to the Corporate Plan outcome that people enjoy good health and wellbeing • The premises have been constructed to meet current regulations and best H&S standards with inclusive design and high quality finishes • The successful delivery of this project has provided a larger property, with new infrastructure (new electrical wiring, greater energy efficiency installations including heat recovery ventilation, LED lighting and all brand new installations, improved thermal & sound insulation to walls and glazing and better fire protection) and high quality finishes which will be beneficial in attracting future tenancy opportunities. And given extent of renovation, should require

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	very little work during future vacancies to secure new tenants.
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Lessons Learned and Recommendations

17. Positive reflections	Regular stakeholder engagement and cross partner working/ sharing of information and best practice in Oversight group meetings
18. Improvement reflections	<p>Include greater allowances in Costed Risk Provision/ Risk Register such as</p> <ul style="list-style-type: none"> - Compliance to CDM, Health & Safety Legislation - Unexpected Building Services implications - and for Asbestos containment and removal <p>Where provisional sums submitted in tender return, potentially increase tender period to allow for additional surveys and submission of fixed costs. Only possible if cost certainty is more important than programme slippage.</p>
19. Sharing best practice	There is the possibility for this project to be used as a template for surrounding local authorities, on retrofitting vacant existing stock to deliver essential community services
20. AOB	N/A

Appendices

Appendix 1	Project Coversheet
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Contact

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