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<b>Committees:</b> Housing Management and Alms houses Sub Committee <i>[for decision]</i> Operational Property and Projects Sub Committee <i>[for decision]</i>	<b>Dates:</b> 17 April 2023  17 April 2023
<b>Subject:</b> Dron House Window Replacement and Common Parts Redecorations <b>Unique Project Identifier: 11548</b>	<b>Gateway 5 Regular Issue Report</b>
<b>Report of:</b> Director of Community & Children's Services <b>Report Author:</b> Jason Crawford	<b>For Decision</b>
<b>PUBLIC</b>	

## SUMMARY

<b>1. Status update</b>	<p><b>Project Description:</b> This project addressed the need for the Window Replacements at Dron House and has established a platform for programming the future cyclical redecorations to the internal and external common parts across the Estate.</p> <p><b>RAG Status: Red</b> (Red at last report to Committee)</p> <p><b>Risk Status: Medium</b> (Medium at last report to committee)</p> <p><b>Total Estimated Cost of Project (excluding risk): £1,659,146</b></p> <p><b>Change in Total Estimated Cost of Project (excluding risk):</b> Increase of <b>£54,225</b> since last report to Committee.</p> <p><b>Spend to Date: £1,593,270</b></p> <p><b>Costed Risk Provision Utilised: n/a</b> (this project was exempt).</p> <p><b>Funding Source:</b> HRA Major Repairs Reserve and long leaseholders cost recovery.</p> <p><b>Slippage:</b></p> <ul style="list-style-type: none"> <li>• <b>Programme:</b> Works were due to complete December 2021; however Practical completion took place March 2022.</li> <li>• <b>Cost:</b> Increase in cost was associated with a variation to the works undertaken by AD Construction and extension in time for Contract Administration duties undertaken by Playle and Partners.</li> </ul> <p>These are explained in more detail in section 4.</p>
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2. Requested decisions	<p><b>Next Gateway: Gateway 6</b></p> <p><b>Requested Decisions:</b></p> <ol style="list-style-type: none"><li>1. That additional budget of <b>£54,225</b> is approved to reach Gateway 6. Of which <b>£48,010</b> is associated with the variation for AD Construction (works) and <b>£6,215</b> for the extension of time for Contract Administration duties undertaken by Playle and Partners (fees).</li><li>2. Note the new total estimated cost of the project at <b>£1,659,146</b>.</li></ol>																																			
3. Budget	<p>At Gateway 5 the total estimate was as follows:</p> <table><tr><th>Item</th><th>Reason</th><th>Cost (£)</th></tr><tr><td>Works</td><td>Contract Value</td><td>£1,506,205</td></tr><tr><td rowspan="2">Expenditure to Date</td><td>Staff Costs</td><td>£11,797</td></tr><tr><td>Fees</td><td>£11,945</td></tr><tr><td>Consultancy Fees</td><td>Design/Surveys/Building Regs applications</td><td>£37,487</td></tr><tr><td>Staff Costs</td><td>Staff Fees</td><td>£37,487</td></tr><tr><td><b>Total</b></td><td></td><td><b>£1,604,921</b></td></tr><tr><td>Funding</td><td colspan="2">Capital Works (including approximately 44.8% proportional recovery from long leaseholders).</td></tr></table> <p>The variation is broken down as follows:</p> <table><tr><th>Item</th><th>Reason</th><th>Cost (£)</th></tr><tr><td>Works</td><td>Variation to contract</td><td>£48,010</td></tr><tr><td>Fees</td><td>Contract Extension</td><td>£6,215</td></tr><tr><td><b>Total</b></td><td></td><td><b>£54,225</b></td></tr></table> <p>The total estimated outturn cost (including the £54,225 variation) is now £1,659,146. This reflects a 3.4% increase over the original Gateway 5 estimates.</p> <p><b>Funding Source:</b> HRA Major Repairs Reserve and long leaseholders cost recovery.</p> <p><b>Costed Risk Provision requested for this Gateway:</b> n/a (project exempt).</p>	Item	Reason	Cost (£)	Works	Contract Value	£1,506,205	Expenditure to Date	Staff Costs	£11,797	Fees	£11,945	Consultancy Fees	Design/Surveys/Building Regs applications	£37,487	Staff Costs	Staff Fees	£37,487	<b>Total</b>		<b>£1,604,921</b>	Funding	Capital Works (including approximately 44.8% proportional recovery from long leaseholders).		Item	Reason	Cost (£)	Works	Variation to contract	£48,010	Fees	Contract Extension	£6,215	<b>Total</b>		<b>£54,225</b>
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<b>4. Issue description</b>	<p>1. The programme of works was extended by three months due to initial delays post contract during which some planning clarifications were undertaken with LB Tower Hamlets around the window fenestrations. Having reached agreement that the amendments wouldn't contravene the existing approvals the manufacture of the windows resumed, while elements of the redecorations work were underway.</p> <p>2. The appointed project manager left the Corporation and whilst recruitment took place, an external consultant project manager was sourced.</p> <p>3. During the works we received and agreed recommendations to complete additional work such as repairs to the timber frames on the dormer windows, the weather boards and balcony water proofing whilst the access (scaffold) was in place. The original doors where the weatherboards were present, and the balcony water proofing were beyond their expected life. The original scope was to undertake sectional repairs to the balcony floor coverings. However, having re-decorated and replaced the windows and doors the balcony floor coverings were replaced altogether to improve the overall aesthetics. The new system has a life expectancy of 15 years, thus avoiding the likelihood and added expense of having to undertake future ad-hoc reactive repairs.</p> <p>4. While the works were underway, we also received challenges from long leaseholders regarding the planning application. An enforcement notice was subsequently issued by the local planning authority. This was then rescinded once City of London Project team provided documentary evidence of further approvals having been undertaken and agreed by the Planning Authorities' planning department. This added a further delay to the ordering of the new windows, as these had to be put on hold.</p>
<b>5. Options</b>	None. The additional work was required, and time delays unavoidable.

### **Appendices**

<b>Appendix 1</b>	Project Coversheet
<b>Appendix 2</b>	Risk Register

### **Contact**

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