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| Committees: | Dates: | Item no. |
| Community and Children's Services Committee Projects Sub | 11/07/2014 22/07/2014 | |
| Subject: Concrete testing and repairs at Golden Lane and Middlesex Street Estates. | Gateway 3 Outline Options Appraisal | Public |
| Report of: Director of Community & Children's Services | | For Decision |

Summary

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| Project Status | Green |
| Time Line | Procurement commences – July 2014 Appointment of Contractor – December 2014 Concrete Testing and Immediate Repairs Completed – February 2015 Options Appraisal Report – Gateway 4 – March 2015 Secondary Procurement (if required) – Spring 2015 Authority to Start Work – Gateway 5 – Spring/Summer 2015 |
| Programme status | Pending Approval of Gateway 3 – Outline Options Appraisal |
| Approved works budget | Estimate of £2,587,000 subject to a potential range of £2.5-3m |
| Latest estimated cost of works | Estimate of £2,587,000, subject to a potential range of £2.5-3m |
| Expenditure to date | £9,850 + VAT on surveying and reports for testing specification. |

Change since previous gateway: increase in scope of works

There have been two changes to the scope of the works at the Golden Lane Estate since the previous gateway - the canopies at the top of Great Arthur House and the podium/walkway area at ground level of the estate are now included.

Overview of options

As outlined at Gateway 1/2, there is only one viable option: commence a project that includes testing to confirm the current condition of the concrete and completion of any necessary immediate repairs; followed by the scheduling and completion of a programme of planned repairs based on the testing results. (The options of doing nothing/patch repairs were discounted owing to the fact that deterioration of the concrete poses a risk to residents and members of the public and patch repairs do not offer a long-term solution). The matrix below solely reflects an exploration of Option 1.

Procurement approach

Tenders will be invited from a minimum of 3 contractors, in consultation with CLPS. The department will use the specifications drawn up by our specialist to seek quotes for the testing and both immediate and major repairs. An assessment of quality will form an essential part of the tender process; this is particularly important at the Golden Lane Estate where the appearance of the completed works will require planning approval and

potentially Listed Building Consent in accordance with the Listed Building Management Guidelines and English Heritage guidance.

Current Estimate of Costs:

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| Description | Option 1: concrete testing, immediate and major repairs |
| Works Costs | £2,300,000 (Current estimate - £1.8m at Golden Lane and £500,000 at Middlesex Street.) |
| Fees & Staff Costs | £287,500 |
| Total | £2,587,500 (Range of £2.5-3m) |
| Funding Strategy | |
| Source | Housing Revenue Account (HRA) |
| Source | Leaseholders via Service Charges |

Recommendations

- Approval is given to proceed with procurement for a contractor to undertake the testing and immediate repair works required at the two estates.
- Approval of up to £1m to complete the testing and any immediate repairs required. (75% of which at Golden Lane and 25% at Middlesex Street.)

Options Appraisal Matrix

See attached.

Appendices

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| Appendix 1 | Gateway 1/2 Project Proposal Report |
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Contact

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Options Appraisal Matrix

| | <i>Option 1 – concrete testing, immediate repair and major repairs</i> |
|---------------------------------------|---|
| 1. Brief description | The project is formed of testing to confirm the current condition of the concrete and the completion of immediate repairs; followed by the scheduling and completion of a programme of planned repairs based on recommendations from the testing results. |
| 2. Scope and exclusions | Scope – all residential blocks on the Golden Lane Estate and the Middlesex Street Estate. Exclusions – any other City of London Corporation buildings or estates. |
| <i>Project Planning</i> | |
| 3. Programme and key dates | Procurement commences – July 2014 Appointment of Contractor – December 2014 Concrete Testing and Immediate Repairs Completed – February 2015 Options Appraisal Report – Gateway 4 – March 2015 Secondary Procurement (if required) – Spring 2015 Authority to Start Work – Gateway 5 – Spring/Summer 2015 |
| 4. Risk implications | The project is currently Medium risk. There is a risk that concrete will deteriorate to the point that pieces fall from the building. This was a high risk on the balustrade at Cullum Welch House; protective netting has now been installed on each balustrade to prevent falling pieces causing injury, prior to the completion of the repairs. The cost of the immediate repairs cannot be accurately estimated in advance of the testing process. This causes a level of cost uncertainty at this stage. Following the testing and immediate repair process, the level of major repairs will be known and the associated costs can be predicted with a higher degree of accuracy. Involvement of the Planning Department and potentially English Heritage for approval of the completed works at the Golden Lane Estate could impact upon time and cost aspects of the project. |
| 5. Benefits and disbenefits | Benefits <ul style="list-style-type: none"> • The safety of the buildings will be confirmed and any further deterioration will be prevented. • The intervention now will prevent more major repairs in future. |
| 6. Stakeholders and consultees | Chamberlain's, City Surveyors, Town Clerk's, Department of Built Environment. Members and Ward Members. Residents – including formally with leaseholders through Section 20 consultation. |

| Resource Implications | |
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| 7. Total Estimated cost | Estimate of £2,587,000, subject to a potential range of £2,500,000 - £3,000,000 (this range applies to the total project costs. The repair requirements and cost expectations will be known with more certainty following the testing results.) |
| 8. Funding strategy | Housing Revenue Account (HRA). Service Charge Recovery from leaseholders. |
| 9. Estimated capital value/return | N/A |
| 10. Ongoing revenue implications | A potential ongoing revenue implication is concrete monitoring or testing on a regular basis in the future – this could form a recommendation following the project completion, dependent upon the condition of the concrete as identified through this project. |
| 11. Investment appraisal | N/A. |
| 12. Affordability | The works costs at both estates have been estimated and form part of the funded 5 year and 30 year Asset Management Plans. The repairs to the buildings on the Golden Lane Estate are anticipated to cost more than standard concrete repairs owing to the requirements of meeting Planning Conditions. |
| 13. Procurement strategy | Procurement will commence upon the approval of this Gateway 3 report, to invite a contractor to carry out the testing and immediate repairs, the contractor will also be asked to submit price estimates for the major repairs that may be required as part of the same tender. The results of the testing and immediate repairs will be used to inform the specification for the major repairs. A further round of procurement may be required if the tender submitted at the first round no longer offers the best possible value for money for the major repairs that are identified at the point of testing. Quality will form a key part of both tender evaluations. |
| 14. Legal implications | A lesson that has been learned from the Barbican Towers Concrete Testing and Repair project is to combine the testing with any immediate repair requirements to keep access costs to a minimum. By advising residents of this approach in advance of the work, this is consulted upon and the likelihood of challenge is reduced. |
| 15. Corporate property | N/A. |

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| | Option 1 – concrete testing, immediate repair and major repairs | | | |
| implications | | | | |
| 16. Traffic implications | Access may be required to areas outside of the housing estates during the project. The logistics will be negotiated with the contractor and the Department of the Built Environment as necessary. | | | |
| 17. Sustainability and energy implications | N/A | | | |
| 18. IS implications | N/A. | | | |
| 19. Equality Impact Assessment | N/A. | | | |
| 20. <u>Recommendation</u> | Recommended | | | |
| 21. Next Gateway | Gateway 4a - Inclusion in Capital Programme | | | |
| 22. Resource requirements to reach next Gateway | Item | Reason | Cost (£) | Funding Source |
| | Consultant Cost | Drawing up specifications for the testing. | £9150 | HRA Local Risk/Contributions from leaseholders |
| | Contractor Cost | Carrying out testing and immediate repairs. | Up to £1m | HRA Capital / Contributions from leaseholders |