

**Royal Borough of Kensington and Chelsea**

Kensington Town Hall, Hornton Street, Kensington, London, W8 7NX

**Town Clerk and Executive Director of Finance**

Mr Nicholas Holgate

**Director of Housing**

Miss Laura Johnson

Cllr Judith Blakeman

Room 253

The Town Hall

Hornton Street

London

W8 7NX

**My reference:** Grenfell Tower Petition July 2013

**Please ask for:** Laura Johnson

27th August 2013

Dear Councillor Blakeman,

**Re: Petition Containing 94 Signatories on the Grenfell Tower Power Surge and the Delays in Commencing the Grenfell Tower Regeneration Project**

I am writing in response to the above petition which was presented to the Housing and Property Scrutiny Committee on Tuesday 16<sup>th</sup> July. I have gone through the petition and summarise the main areas of concern with an accompanying response below.

**Power Surges at Grenfell Tower in May 2013**

- **The alleged failure of Mr P Maddison, Director of Asset Management and Regeneration, KCTMO, to take the recent power surges seriously**

A series of surges were reported in Grenfell Tower in May 2013 and KCTMO has been actively investigating the cause. KCTMO has carried out extensive repairs and continues to monitor the situation.

The entire incoming electrical main has now been renewed and surge protection installed to give protection to any future surge from outside of the block. No further surges have occurred since this work was completed.

The petition alleges that Mr Maddison failed to take this seriously as he stressed the number '7'. It is believed that this comment stems from an email sent by Mr Maddison to Councillor Blakeman on 24<sup>th</sup> May. This has been taken out of context. Mr Maddison stated in the email to Councillor Blakeman, that on investigating the cause of the power surges in Grenfell Tower with the utilities companies, 7 residents had to that date reported specific problems, apparently caused by the power surges. As part of that communication Mr Maddison went on to state that the contractor, RGE were setting up monitoring arrangements to help understand the nature and timing of any power surges,

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in order to use this information to try and diagnose the cause of the problem. The email also states that KCTMO would be writing to **all** residents on the matter.

It is also important to note that the e-mail was sent on 24<sup>th</sup> May and detailed KCTMO's response to the initial reports of the problem. The main electrical surges occurred on 29<sup>th</sup> May after which it became clear that there was a more wide spread issue effecting around 45 properties.

Since Mr Maddison became aware of the problem he has ensured that appropriate action has been taken to ensure that this problem is addressed and we have no evidence to support the view that he has failed to take the health and safety of residents seriously.

#### ▪ **Compensation for Residents following the power surges**

Residents have been informed in writing and face to face contact has been made with all 45 residents who reported that they had been affected, to identify and resolve any issues arising.

KCTMO has worked hard to keep residents informed throughout by letter and face to face contact. They also discussed the matter at residents' meetings on Monday 17<sup>th</sup> June and Thursday 15<sup>th</sup> August 2013 and have responded to residents who have made direct contact with the TMO in relation to the surges.

All claims received from residents were referred to Zurich Insurance, the RBKC and KCTMO's insurer. Unlike Household Contents claims, liability claims are only paid where the TMO/Council have been negligent; furthermore, these claims are not paid on a new for old basis but according to the principle of 'Indemnity' i.e. with a deduction made to allow for the age and condition of the equipment. Zurich has completed its investigation and has found the TMO is not liable for any damage to residents' electrical appliances.

Zurich found that it was not foreseeable that the power surges would occur, given that all required electrical inspections had been carried out in accordance with statutory requirements. Once the TMO was aware of the electrical issues, it was found to have acted appropriately, working with UK Power Networks and the TMO's contractors to identify and resolve any issues.

For these reasons Zurich has found that the TMO has not been negligent in regards to this incident. They have therefore declined to provide compensation with regards to residents' insurance claims.

KCTMO does recognise that due to the power surges residents have experienced some inconvenience. For this reason, KCTMO has offered a goodwill payment of £200 per affected household. This offer is not an admission of liability and is made without prejudice.

Residents have been advised to inform their insurers of any loss or damage for which they may wish to claim. Residents who do not have contents insurance and have experienced specific hardship as a result of the surges have been advised to contact their Housing Officer to discuss the matter further.



## ▪ **Clarity of the Chain of Responsibility from the EMB and KCTMO**

Mr Maddison has overall responsibility for ensuring that day to day repairs and any capital works are carried out effectively. Mr Maddison is managed by the Executive Director of Operations. The Executive Directors of the KCTMO, led by the Chief Executive, are responsible for the daily running of the business and all operational matters. The TMO Board is a strategic body and it receives relevant information about operational matters on a regular basis, but it would not be involved in day to day decision making on repairs and maintenance issues.

At the time of formulating this response the Council is working with the EMB to address concerns about their governance arrangements. KCTMO report to the EMB on the management of the Lancaster West Estate; however the EMB Board has not been quorate for several months now and is in the process of responding to an improvement plan that the Council has issued.

The Council has overall responsibility for ensuring that both KCTMO and the EMB ensure that effective services are in place for the residents on the Lancaster West Estate and will be monitoring this situation closely in the coming months.

## **Grenfell Tower Regeneration Project**

### **Delays in commencing the Grenfell Tower Project**

The refurbishment of Grenfell Tower is a large and complex project and great care is required to ensure that the design and scope of works meets the requirements of residents and planners. It is also important that we select the right contractors who will deliver disruptive works in residents' homes while achieving the highest quality of work for the best possible price.

There are two key areas that need further attention before works can commence:

#### **1. Planning Permission:**

In August 2012, a planning application was submitted for the refurbishment proposals to Grenfell Tower. Planners considered this application in November 2012 and have asked for a resubmission including the following amendments:

- Removal of the canopy at 1<sup>st</sup> floor level
- Give further definition to the roof detailing
- Consider alternative colour schemes.

The Grenfell Design Team has now updated the design and has submitted a revised planning submission.

#### **2. Confirming the Contractor/Procurement<sup>1</sup>**

KCTMO has to date progressed the procurement of the proposed works through the

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<sup>1</sup> 'Procurement' – the technical term for the process of selecting the contractor

IESI<sup>2</sup> Framework, which is the procurement and purchasing route used for KALC.

Since January, the design team has been working with Leadbitter (the contractor for the KALC project) to bring the scheme within budget and to ensure that the project will deliver value for money. Progress has been slow and Leadbitter estimated the cost of works to be £11.278m (inclusive of fees), which is £1.6m above the current, proposed budget and above the estimate of consultant quantity surveyors who are advising on cost.

A range of options have been considered to bring the scheme within budget. It is now proposed to market test the works through an open OJEU tender to ensure that the best contractor is selected and value for money achieved. Subject to planning and procurement risks, this process will result in a start on site early in 2014. By comparison, the IESI procurement process with Leadbitter would have resulted in a start on site at the end of Quarter 3; however, that route also had a significant risk of delay if a negotiated agreement could not be achieved with the contractor.

We are confident that reprourement of the contractor will put us in a better position for ensuring that the project delivers on time and within budget, and is not stalled by complex negotiations over future changing costs to the budget.

In tandem with this procurement process, the design team will undertake a "Value Engineering" process to maximise the delivery of key project outputs within the proposed budget.

The following is the current indicative timeline for the delivery of the works:

- |                             |   |
|-----------------------------|---|
| • Prepare tender documents: | August 2013   |
| • Planning Approval:        | September 2013 (subject to completion of resident consultation) |
| • Tenders issued:           | November 2013   |
| • Tender return:            | December 2013   |
| • Evaluation                | January 2014  |
| • Contract Award:           | February 2014   |
| • Start on site:            | March 2014  |
| • Completion of work:       | April 2015  |

These dates are subject to change. However, KCTMO will keep residents informed of progress and of any changes.

It is important that the works are delivered within the agreed budgets as this will impact on other areas of the capital programme delivered across the Council's housing stock.

**Scope of the Works to Include: A new efficient heating system, double glazed windows, external cladding and improved internal and external repairs and communal areas**

The current proposed scope of works includes:

- Window renewal
- Roof renewal

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<sup>2</sup> "Improvement and Efficiency South East"



- Thermal external cladding of the building
- New entrance lobby
- Communal redecoration
- New communal heating system (with individual control)
- Hidden Homes – seven new flats
- Relocate the boxing club
- Relocate the nursery to the ground floor
- Relocate and improve office space within the block
- Improvements to the public realm.

In summary the refurbishment of Grenfell Tower is a large and complex project and time and careful planning have been required to ensure that the proposals and design of the scheme meets the requirements of residents, RBKC and Planners. Priorities will be to ensure that the project represents value for money and can be successfully delivered to the satisfaction of residents.

Further engagement is planned over the summer period to ensure that all residents have an opportunity to engage in finalising the scope of works; be consulted on the designs submitted to planning and be involved in the selection of the contractor for the works. Particular focus will be given to face to face contact with residents to ensure the widest possible engagement.

The petition also **“demands robust changes to how the KCTMO/EMB run as a tenant led organisation”**.

The KCTMO and the EMB are membership organisations and their respective constitutions set out how they are run. It is down to the members to agree the changes to the running of the organisations and to the constitutions. RBKC acts as a regulator for both organisations and it oversees that they comply with their own rules of operating. KCTMO has received the outcome of its five year review from RBKC recently. The review confirmed that the organisation delivers a “good service with excellent prospects”, including in the area of governance. Arrangements for the EMB following their five year review are set out elsewhere in this letter.

RBKC members and the TMO Board are committed to this project and to delivering an improved living environment for the residents of Grenfell Tower. Councillors have asked to be updated on any developments in relation to the Grenfell Tower Regeneration Project. The Council’s Housing Department will work with KCTMO to ensure that residents and the Council’s Housing and Property Scrutiny Committee receive regular updates on the project.

Yours sincerely,



**Laura Johnson**  
**Director of Housing**

cc Councillor Rock Feilding-Mellen Cabinet Member for Housing, Property and  
Regeneration  
Members of the Housing and Property Scrutiny Committee