

# MONTHLY PROGRESS REPORT

**UPDATED ON:**

**UPDATED BY:**

**Date:** 14 Nov 2013

**Project Code:** G9976

## **Project: Grenfell Tower Regeneration Project**

**Project Manager:** Claire Williams

### **Scope of Works:**

Complimentary Capital Programme investment works that are required and need to be executed in tandem with the regeneration project, these include; communal heating and hot water system, electrical works, fire safety works, improved security, new water supplies, ventilation works and works to common parts.

The regeneration works include; external over-cladding, new windows, improvement of the lower level communal areas, provision of additional residential homes, rationalisation of the office and community spaces.

### **SERVICE PROVIDERS:**

**Lead consultant:** Artelia

## Key target dates:

Key milestone	Planned date	Revised date	Achieved date	Explanation
Tender for CA				
Appoint CA				
Brief CA	N/A			
Section 20 Stage 1 Notice	N/A			
Committee Report (Specification Approved)	TBA			
Planning approval due	01/09/2013	November 13		Negotiation over S106 sums, and the Unilateral undertaking signed off 7 Nov 13. This needs to be enacted before PP given.
Out to tender	15-Oct-13	Nov-13		
Tenders Returned	Jan-13	Jan-14		Typo
Section 20 Stage 2 Notice	N/A			
Committee Approval	TBA			No meetings tally with programme, meeting to be set
Letter of Intent Issued	IESE Framework			
Contract documents signed/sealed	TBC			
Start on site	Apr-14			
Complete on site	June-15			
DLP	12 months			
Final account	TBC			

## Other Milestone dates:

## Financial information

**Budget approved** £ 9,768,000.00 planning and building control fees £100k (included within budget)

**Contract sum:**

**Consultant Approved fees** £ 900,000.00 Section 106 fees £180,000 (included within budget)

Current Year 2013/14					
CURRENT YEAR BUDGET	CURRENT YEAR FORECAST	PROJECTED VARIANCE	ACTUAL SPEND THIS YEAR	VARIANCE BETWEEN ACTUAL AND PROJECTED SPEND	%
£ 500,000.00	£ 500,000.00	£ -	£ 83,140.32	-£ 416,859.68	-83%

### Overall position 2013/14

TOTAL BUDGET APPROVED	PREVIOUS YEARS SPEND	FORECAST THIS YEAR	FUTURE EXPENDITURE	OVERALL PROJECT SPEND	VARIANCE AGAINST BUDGET	%
£ 9,768,000.00	£ 376,007.22	£ 450,000.00		£ 9,768,000.00	£ -	100%

	Current budget	Proposed budget			
Project/Programme	2013/14	2013/14	2014/15	2015/16	2016/17
Grenfell Tower	5,624	500	5,124	3,700	0

## Progress overview:

**Planning:** The S106 contribution has been reduced to £72, 413.30 which reflects an education and monitoring contribution, ie the health amount was removed as the result of intervention. RBKC have entered into a Unilateral Undertaking which is part of the S106 and was signed off by the Housing Policy Board on 7 November 2013.

Until this is enacted, the planning approval cannot be given. The planning officer has written his report which is 'minded to approve' with no design issues outstanding; but there are conditions on materials including window design.

**OJEU tender:** The 5 contractors who met the PQQ requirements are being asked to tender. The contractors are:

Durkan, Rydon, Wates, Mulalley and Keepmoat.

As this is the minimum we want to work with, a bidders conference is booked on 5 December so that the bid team can meet our team and any queries can be picked up – so we get 5 meaningful tenders.

<b>Programme</b>	Out to tender November
	Contractor bid conference in December (clarification of tender)
	January 2014 tender return
	Note no TMO board currently planned to meet to approve costs
	April/May 2014 start on site

**Design Issues:** Regular fortnightly meetings are being held. Issues arising:

- The boundaries with the KALC site make the Grenfell tower project hard to build out, unless these are resolved the tender price will be higher to reflect constraints:
  1. There is not enough space to get the mast climbers around for the external cladding
  2. There is only one vehicular access through Grenfell Road and this is in the KALC scheme to resurface.
  3. The landscaping is part in KALC, part in Grenfell. This includes the playground which could be sensitive as well as the public realm.

A meeting held on 14 November with Laura Johnson and RBKC team has determined that the Grenfell team will put forward boundary changes to provide a workable space for the mast climbers for the external cladding as well as a viable site area whilst the KALC scheme is on site. The Grenfell project may therefore pick up more landscaping cost, but this will not be discussed with Buoygues (KALC contractor) until the Grenfell contractor is on board and their phasing understood.



**Budget issues:**

- Incidental costs arising, eg rental costs of alternative location for boxing club (see below), storage for the nursery and boxing club whilst they are in temporary smaller accommodation. Ruth Angel of RBKC has offered to sit in with Corporate properties meeting to ensure that costs are understood and appropriately attributed
- Access for residents during the works: dependent on how the contractor wants to run the site it may be that a first floor access at walkway level is needed, with concierge etc. This may not be warranted, but depends on how the Construction Management Traffic Plan is organised by the contractor (planning condition).

**Relocation of Nursery and Boxing Club:** Meetings are ongoing with corporate property of RBKC to ensure the legals are underway to ensure that they sign up for their lease for their return to Grenfell, prior to any works being instructed.

The Resource Centre is nearly ready for the nursery's temporary relocation. Any damp from the roof structure is to be monitored, but initially clearing of rainwater gullies has been ordered as a first port of call to prevent any damp ingress. The maintenance team are picking up this, and this will be monitored before any further work is ordered.

**Lancaster West housing office:** The new office layout has been adapted to meet the requirements of the team. There is now a concierge desk on the same side of the entrance, who will manage people using the meeting rooms and access to the building.

The entrance is now double height and an interesting space that is being designed with lighting and finishes to be attractive and improve the entrance to the building.

**Resident involvement and communication:**

- Letter out w/c 14 October re intrusive work in communal areas and noise etc
- Newsletter issued 8 November
- Evening meeting due 14 November on site at EMB hall

**The % complete expected to be at today**

0

**The % actually complete**

0

**Risks:**

- Bringing the scheme within budget
- Engagement of the EMB / RA and estate residents
- Co-ordination of activity with RBKC and the KALC Project
- Failure to secure planning permission
- Programme slippage due to adjoining projects

## **H&S Issues:**

N/A

## **Complaints:**

Some residents were concerned about slow progress of this scheme. Therefore, new newsletter and number of consultation activities are planned regarding this project during this and next month.

## **Activities planned for the next reporting period**

- 1 On going consultation with office of Lancaster West Staff, boxing club and nursery.
- 2 Working up the tender documents: The consultants and KCTMO have met fortnightly to make sure information is ready for the tender, specifically the design co-ordination.. The Project Team is planning to issue this tender before Christmas and to have selected the chosen contractor in the first few months of 2014.

**KENSINGTON & CHELSEA  
TENANT MANAGEMENT ORGANISATION**

**Programme Board - 21<sup>st</sup> November 2013**

Present: Robert Black  
Yvonne Birch  
Sacha Jevans  
Anthony Parkes

In attendance: Nick Rendle  
Jane Clifton

**Action  
by**

1. Assets and Regeneration

Peter Maddison and David Burns attended for this item.

**Grenfell Tower**

Project was going to plan although no formal planning approval had been received. We were ready to go out to tender, and would be on site next spring. Main problem was the interface with the KALC project, which was being discussed with Laura Johnson. The new housing planned as part of the project was causing section 106 problems. It had been agreed to hold no more public meetings because of the stand being made by the Grenfell Tower leaseholder group.

**Holmefield House**

Handover was due on 22<sup>nd</sup> November, and then snagging works would be carried out before the opening on 6<sup>th</sup> December. The garden was also done.

**Hidden Homes' pipeline**

- Liddiard House former clubroom and storage area: we were carrying out a feasibility study
- Whistler Walk: Pellings had been appointed to work on the feasibility, and we wanted to get on site in April
- Oxford Gardens: potential for either re-modelling or demolition. We could fill in the gaps on the west side, but the building did not fit in with its surroundings, and was not high performing.



- Costs: RBKC had some section 106 funding for new projects, and more was expected to come through. Work was being done with Ruth Angel on unused sites with potential, roof top developments etc. However, we were trying to find solutions independently of RBKC.

### **Asset Management Strategy**

We were working on Savills' draft, and aimed to finish it by the end of November. The draft strategy was circulated to the meeting, which would be discussed with the Council and Councillor Pascall, and would come back to the Board. It was suggested that Peter Chapman be involved in finalising the draft, whose view was that the Council were not investing enough in the stock. Laura Johnson was aiming for the strategy to go to Cabinet in January, so there was a limited amount of time. It was queried whether we would be able to get the strategy to the Board on 7<sup>th</sup> January.

In discussing the way forward, it was proposed that an informal workshop be arranged for Board members in December, and this would be raised at the Board meeting that evening.

SJ

The figure for investment for the first five years was £87m without Trellick Tower although the stock condition survey figure was higher. It was queried what we could do about the gap, and the way forward would be to push some work back, and the Board would be advised. However, the strategy was a framework for decision making on investment, rather than advising on resources.

The sustainability of the stock both financially and socially in future years would be considered. Decisions would be made to stop investing in some properties apart from basic repairs.

The procurement strategy would be kept separate as we were not satisfied with the work done so far by Savills in this area.

### **Next year's budget for stock investment programme 2014 onwards**

A lot of work had now been done on an external decorations and roof programme, and we would be spending a budget of £6.5m in this area. The first stage of section 20 leaseholder consultation had been carried out, and we would be going out to tender before the end of the year with a report to the January Board. We would achieve a lot of early expenditure on the 2014/15 capital programme, with a smaller kitchen and bathroom programme of £2m. Because the kitchen and bathroom programme would be smaller, it was proposed to extend the existing two contracts for



this work into next year which were both going well.

It was asked how these proposals would fit in with the business plan for Repairs Direct. Repairs Direct would have to consider when they would be ready to carry out capital works, and we would work with Andy Marshall on this decision. However, Peter Maddison would like a decision before the dispatch of this report before Christmas. We would also have to consider the leaseholder challenge.

Regarding budgets, the capital and revenue budgets had to be dealt with separately, but we could vire between the two. Peter Maddison had already discussed this with Steve Mellor who was comfortable with our position.

The external decorations and roof works would be carried out separately to the procurement framework. We would be carrying out two phases of section 20 consultation, one for the framework, and one for these works. The procurement framework would be used from April 2015, but we did not need to carry out any further section 20 consultation because of this delay.

### **Capacity studies**

These had been almost completed for Lancaster West and Silchester, and David Burns circulated plans for Silchester. The proposal for Silchester West was that we retain the existing towers, but replace the rest of the estate which would give us 256 units, more than a 50% increase. At present, there were a lot of studios/one beds, with a poor layout. The plans also included some commercial development opposite the tube station. The three remaining tower blocks could be made more attractive, and it may be possible to increase the number of floors on one tower block to mirror Frinstead Tower in the north of the estate. The next stage would be to carry out a financial appraisal, including assessing the potential for private sales to fund the project, for discussion with RBKC. Feedback from the Leader at a recent meeting was that he would like residents not to have to move too many times, and also be given the opportunity to move back to the estate.

There were no easy solutions for Lancaster West Estate as it already had high density.

### **Lowerwood Court**

Convent Estate was currently located around a landscaped area which was not well designed i.e. Lowerwood Court residents could

not access a playground. An option was to demolish most of the estate, and re-build to the height of Lowerwood Court. It was surrounded by a conservation area with high sales values so financially a regeneration scheme would work. However, a major challenge would be the decanting although it may be possible to use a regenerated Oxford Gardens, and Treverton. We could also retain Lowerwood Court except there were the boiler and roof problems. The flats were also too small, and there was also the commercial value of the garages, as it would cost over £3m to re-configure them. Peter Maddison would do further work on the figures before discussing with the Council, and bring them back to the next Programme Board. Another option was to sell Lowerwood Court.

### **Kensal New Town**

RBKC were doing an OJEU study for this estate in order to obtain experts' views on its potential i.e. test proposals against land values. Their approach would take a long time because it was being done within the planning framework. However, Laura Johnson was happy with our approach of getting on with it. The Council would be obtaining planning permission for the disposal of the site at the base of Trellick Tower on the basis that some of it would be used for social housing. This project would be done through the new housing company, and it was thought that the aim would be to move Trellick Tower tenants into the new social housing in order to free up the options for the tower.

### **Regeneration company**

We needed to establish whether this would provide a legal structure for us to support RBKC, and whether land/assets could be transferred to a subsidiary, leasing arrangements etc. A TMO subsidiary could benefit from low interest rates and state aid, and there was an option to become a commercial subsidiary as well as stay as we are. However, RBKC wanted a 100% Council owned vehicle, and we could not be involved because we might be doing the work.

Laura Johnson wanted to go to the Leader's Group on 12<sup>th</sup> December with the proposals, and then discuss the TMO's role. The question was what our supportive role could be like. Our role would depend on what we could offer, and how we positioned ourselves to become a development agent. Although it was expected that they would want their own subsidiary within the Council, there was an argument for a different approach. Our approach would be to show how we could benefit their vehicle. It was also queried whether our approach could be adopted at a later



stage, and it was proposed that we get someone to work on it for us. There was a discussion on who could do this work, and Peter Maddison would come back on the way forward. It was proposed that consideration be given to this outside the Programme Board so there was sufficient time to discuss it.

Another consideration was whether development work fitted in with the MMA, as this would affect how we tendered. Keith Jenkins was put forward as a possibility for advice.

PM/DB

2. Matters arising from the meeting on 15 October

2.1 Sheltered housing - RBKC were doing a deal with Viridian and another organisation for 120 units so there would be no requirement for our schemes.

3. Fixed term tenancies

Annabel Davidson attended for this item. The Tenancy Policy was due to go to the Cabinet that day, following the RBKC senior management team, and we were due to start using secure fixed term tenancies from 6<sup>th</sup> January for all new tenants. It had been planned that all new tenants would have an introductory tenancy for the first year, and then a two or five year fixed term tenancy. However, the external trainer had just advised us that there could be a legal challenge on introductory tenancies for one category of new tenants (ASTs) as they could become permanent secure tenants.

Any amendments would have to be made after Cabinet approval that evening, and implementation may have to be delayed. We would also defer the new policy going on the website until this issue had been resolved. We would now have to start the tenancy review process in January 2015.

We had been using ASTs since 2005, and have received no challenges. We were looking at how many people would be affected, and Annabel Davidson, Janet Seward and Maria Needham would be meeting RBKC on 26<sup>th</sup> November on the potential impact. It was queried whether the Council should accept any potential risk if it was very small.

We had flagged up our concerns with the Council, and also had a workflow in the testing phase which would have to be amended. The biggest area of change would be the rent arrears' letters, and a lot of work would have to be done if we went ahead as originally intended with implementation on 6<sup>th</sup> January. However, Annabel Davidson felt that it was achievable if she had some support from



Justine Hart on rent arrears. Alternatively, we could put back implementation until April.

There was concern that the smooth introduction of fixed term tenancies could be affected by the extra work to be done by 6<sup>th</sup> January. RBKC could possibly cover any extra costs of implementation. Annabel Davidson would advise Executive Team after the meeting with RBKC on 26<sup>th</sup> November on the go-live date, and any risks.

AD

#### 4. On-line services

Nural Miah attended for this item. The on-line services had gone live on 14<sup>th</sup> October. Over 160 applications had been received so far, some of which had been rejected. Applications had to be validated, and initially we had been receiving 10 – 15 per day, which had reduced to 1 – 5. The aim was to increase the number of applications through advertising, but it was mainly tenants who were expressing interest rather than leaseholders whom we had originally thought would have the most interest. We would also be monitoring the use of the service, but had already received some repairs' feedback, and log-ins.

We would now be considering phase 2 and what enhancements would be feasible. We had also spoken to Omfax on whether we can make a diagnostic system available to our residents. Omfax were already working on this with Solihull, and we were being included.

The list of possible enhancements would be circulated, and the feedback received so far was quite positive.

There had been some issues around processing applications, but these were being addressed. It was queried whether we could cope with any increase in applications from more publicity, and confirmation was given that a process was being established. In order to raise the awareness of leaseholders about the service, a leaflet had been sent out with the quarterly statements. The service would allow them to check recent transactions rather than requesting copies of statements.

Nural Miah was also working with the CSC on reporting repairs, as the new system provided another method of reporting a repair. The number coming in through the new service was being monitored (only six so far since 14 October). It was anticipated that use would increase when residents saw its effectiveness. Kiran Singh would get involved in the development of the service as he had some good ideas, and SMT could be more involved.

Vicky Gilby was key to ensuring that we respond to requests.

CityWest were interested in seeing what we were doing, particularly how we have set up one account for multiple properties for leaseholders. A report on phase 2 to be made at the next meeting rather than a highlight report.

NM

#### 5. Community Centre Review

The PID document had been circulated. Currently we were at risk from the way these facilities are managed, and the centres were also under-utilised i.e. an average of 1.4 bookings per week. We wanted to maximise the benefits to residents from these assets.

Following the decision at the budget challenge day, we were recruiting an officer who would take over the management of all facilities in-house, and market them. It was envisaged that this person would cover their own, and maintenance costs by the increase in income. Residents would be consulted on the review, and opposition to any changes was expected from some RAs.

Paperwork for recruitment was still with HR, and we would not now be recruiting until January, so were not likely to have someone in post before March. However, Anthony Parkes to confirm whether we had the money available to recruit someone this financial year. There were regulatory requirements in connection with the review as we had to protect our community assets, and carry out repairs i.e. it had now been confirmed that health and safety at Kensal House was inadequate because of all the electrical installations. Any other health and safety concerns in connection with the community rooms to be brought to Executive Team's attention;

AP

NR

#### 6. Parking review

Expenditure to date was £99k, and arrangements were clearer with the new Corporate Property SLA as we were reporting more directly. There had been further delays on the Walnut Tree House letting due to legal/planning issues, which would result in the loss of more resident parking bays. However, we would be keeping twice the number of those currently in use. It was expected to go through in the first week of December, so the contract would be set up this financial year.

There would be further discussion on Holmefield House at the next meeting.

An area of high risk was the marketing of non-resident parking which would bring in additional income of £200k. However, this



would not go ahead until the workflow in the CSC was completed, and it was not expected that this would go live until March because Gil Komur had to test the system. There was also a lot of development work for all CSAs, and we did not want to market it before we were confident that we were ready. There was concern about when we would reach this point. Consideration was given to having just one parking officer rather than the whole team being responsible. It was also suggested that this person could be based in Kiran Singh's team rather than the CSC. However, the role involved issues such as contractor permits, and further consideration would be given to this proposal outside the meeting.

NR/SJ

Thriev had made a grant application for £205k which would require further negotiation if they were successful.

The estate enforcement project was going reasonably well, and was being handled by Jacqui Picot who was receiving responses from the consultation. The majority of residents were supportive of the new policy. The porters at Elm Park Gardens provided a personalised parking service that would not be possible to replicate elsewhere, but there was still illegal parking. The new policy would be implemented in June 2014.

7. EDRMS

This project was going well, although a decision had to be made on the way forward for the CSC. The timing of this decision was also affecting ICT because of the size of the project. Any decision would fit in with the overall plan for the CSC, and would be made after Christmas. We were also waiting on the appointment of the new Director of Housing. We wanted the right technology to ensure the success of the CSC, and that we should keep the capacity on the basis that we would go ahead.

8. Housing Regeneration Programme

Feedback had been provided by Kiran Singh that the project for Trellick Tower now had planning consent, but was three times over budget because of changes to materials due to the building's listed status. We were trying to spread the project over three years in order to spread the costs. It was agreed that this problem should have been picked at the time the projects went to the Operations Committee.

NR/JDC  
25.11.13