

THE ROYAL BOROUGH OF KENSINGTON AND CHELSEA  
TENANT MANAGEMENT ORGANISATION LIMITED

Programme Board Meeting 29<sup>th</sup> July 2015

Grenfell Tower Refurbishment Update

**1.0 Recommendations**

- 1.1 It is recommended that Programme Board notes this report and gives comments on the proposed way forward.

**2. Background**

- 2.1 On 27<sup>th</sup> February 2014, KCTMO Board Agrees to enter into contract with Rydon Construction Ltd for the refurbishment of Grenfell Tower with a total scheme cost of £9,700,000 (inclusive of fees). It also agreed to enter into a pre-contract agreement with Rydon Construction Ltd and to incur costs up to a value of £350,000
- 2.2 On 10<sup>th</sup> June 2014, Cabinet agreed to let the contract for the refurbishment of Grenfell Tower to Rydon with an agreed budget of £10.3m. This figure is inclusive of fees and also includes a client contingency of £600,000. Any expenditure in addition to this sum would require Cabinet approval.
- 2.3 On 24<sup>th</sup> July 2014, KCTMO Board agreed to enter into contract with Rydon Construction Ltd for the refurbishment of Grenfell Tower with a revised total scheme cost of £10,300,000 (inclusive of fees).
- 2.4 The scope of works agreed were:
- Replacement of heating and hot water system for all properties within the Tower.
  - Replacement of windows with double glazed units.
  - Thermal cladding of the building.
  - Re-provision of premises for the nursery.
  - Re-provision of premises for the boxing club.
  - Re-provision of office space for the Lancaster West Housing Team.
  - Smoke/fire safety and ventilation works
  - Redecoration of the communal areas of the building.

- Demolition of specific ramps and staircases to improve access through the site.
- Associated environmental works
- Delivery of seven new hidden homes in the lower areas of the building comprising of; 1 x 1 bedroom, 2 x 2 bedroom , 1 x 3 bedroom (wheelchair unit) and 3 x 4 bedroom flats.

2.5 A subsequent decision was made to convert the proposed KCTMO Office into two additional flats. This was approved and the costs of this change have been incorporated into the budget.

### 3. Update

3.1 Spend to date is £6,148,096.34 (incl fees).

3.2 Current Projected spend is £10.3m. The project contingency has been reduced from £600k to £260k.

3.3 The project is currently scheduled to complete by the end of October 2015.

### 4. Risks

4.1 **Delay:** Delay in the programme could result in additional cost to the contract. Some delay has been incurred to date relating to:

- Demolition works
- Planning amendments (for windows and additional flats)

Access difficulties could result in further delay and could result in additional costs relating to prolongation or out of sequence working.

4.2 **Unforeseen Works:** With a further six months of work remaining, there remains a risk of additional, unforeseen costs. It is therefore recommended that the contingency is maintained at the current level until the risk of unforeseen works is reduced.

4.3 **Additional Works:** There are a number of areas where residents have requested additional work:

#### 4.3.1 Boxing in of exposed pipework:

The current proposal is to offer residents a choice of route for pipework.

Low level pipes to be painted (or a decoration allowance to be paid).

High level boxing to be enclosed in plastic ducting.

This proposed approach has been shown to residents in the show flat since November 2014. No significant negative feedback has been received until recently. The issue of boxing of pipework was not raised at the recent meeting with Victoria Borwick MP.

The estimated cost of enclosing all exposed pipework in plastic ducting would be in the region of £40k.

Enclosing pipes in a purpose – made MDF boxing would cost more than twice that amount. A budget of £100k would be recommended.

#### **4.3.2 Location of HIU's**

The cost of locating the remaining HIU's in the kitchen cupboard should incur limited additional cost. The main issue against this location relates to practicalities, such as maintaining hot and cold water services for residents for the duration of the works, prolonged disruption inside their homes and access to the HIU for future maintenance.

Relocation of Heat Interface Units (HIU's) that have already been located in hallways would incur considerable additional cost. Rydon currently estimate this at £2.5k per unit – this would result in additional costs in excess of £200k.

### **5. Additional Works to be Instructed through the Rydon Contract**

We have agreed that we will instruct Rydon to complete some of the landscaping works associated with the KALC project. This will include the installation of the play equipment in the adjacent play area. This additional work will be funded by RBKC and will be completed at the end of the main Grenfell Tower project. This will have an impact on the final completion date of the contract.

### **6. Proposed Way Forward**

The following is the current proposed way forward for completion of the Grenfell Tower Project:

- 6.1 Properties where access has been refused to date will be offered the option of the HIU being located in the kitchen, on the proviso that residents agree the additional level of disruption that this will cause.
- 6.2 It is not proposed to offer residents who have already had the HIU the option of relocating it to the kitchen at this time – the priority should be to get all residents onto the new system ahead of the commencement of the heating season in October. However, we will establish whether residents would want their HIU to be relocated at a later date. The most appropriate time to carry out this work would be as part of a kitchen and bathroom renewal programme (currently planned for 2018).
- 6.3 No commitment to be made at the present time to carry out more extensive boxing in of pipework. However, we will get a firmer price for this work and will consider it as an option for any unspent contingency at the end of the contract. Alternatively, this work could be carried out as part of a follow-on contract if it is considered to be a high priority.





## Project dashboard report

## Grenfell Tower refurbishment – CA110040

<b>Report author:</b>	Claire Williams KCTMO Project Manager	<b>Planning contact:</b>	Claire Sheering Senior Planning Officer	<b>Date of next programme meeting:</b>	1 <sup>st</sup> July 2015
<b>Housing contact:</b>	Roger Keane General Needs Housing Commissioner	<b>Legal contact:</b>	Sharon Lauder Solicitor (Planning, Highways and Licensing)	<b>Reporting period:</b>	1 <sup>st</sup> June to 29 <sup>th</sup> June 2015



### Project description

Refurbishment of Grenfell Tower including creation of nine new social rented homes: First floor: 1b/2p x 1, 2b/4p x 3 Second floor: 2b/4p x 1 Third floor: 3b/6p x 3, 3b/4p x 1 (accessible)

### Management summary

Summary:	Project status	Milestones	Budget	Risks
This reporting period	Green	Green	Green	Green
Last reporting period	Green	Green	Green	Green

### Summary of progress this reporting period

<b>Project status summary</b>	<ul style="list-style-type: none"> <li>Rydon engaging with residents to install HIU (boilers) to each flat. End April 42 completions/35%</li> <li>Lift works started 7 April, due to complete 20 May. This has meant floors to be renumbered.</li> <li>Internal communal heating works complete to lobbies</li> <li>New boilers delivered to basement due for installation</li> <li>External grid fitted with glassless window frames being fitted from top down – 40% complete</li> <li>External cladding brackets to be fitted prior to cladding installation starting.</li> </ul>
<b>Design overview</b>	<ul style="list-style-type: none"> <li>Outstanding design decisions on flats have been resolved, eg kitchen and bathroom layouts.</li> <li>Contract is design and build</li> <li>Boxing club and nursery both to be invited to meetings to agree client choices eg colours of flooring/walls etc</li> </ul>
<b>Programme overview (progress report no 10)</b>	<ul style="list-style-type: none"> <li>Works in April reported as 5 weeks behind, not affecting contract PC date of 23/10/2015</li> <li>It is not known yet what works/ff Rydon will be asked to pick up works from the Bouygues/KALC contract, awaiting to hear from Vernon Gibbons/Artelia with more information. These works would not be in original contract and could therefore cause a prolongation of the programme; it is presumed it would all be environmental works.</li> </ul>
<b>Risks overview</b>	<ul style="list-style-type: none"> <li>Grenfell Community Unite – meetings have been held, residents paying £26 per household to join</li> <li>Residents not giving access to fit HIU within each home – could lead to legal action which would be last resort</li> <li>Late delivery of the cladding/windows as these are being delivered on an in-time basis</li> </ul>
<b>Budget overview (fin statement no 9)</b>	<ul style="list-style-type: none"> <li>Contract spend is as cost table.</li> <li>Anticipated costs are being negotiated by Artelia, as Client QS and meeting due with Rydon in May.</li> <li>An energy funding grant via EDF is being pursued, and subject to April discussions, is estimated at £93k</li> <li>Cost of 7 flats in tender was £480,000. Projection of spend 9 flats was £617,143. Costs now interpolated as QS email of 1 June 2015 to £877,956.</li> </ul>
<b>Legal overview</b>	<ul style="list-style-type: none"> <li>There is an issue of drainage to the Lanc West housing office, where drains have been blocked since Bouygues work on the playground outside. Bouygues have investigated this and the TMO are awaiting their response.</li> <li>It may be that if residents do not let us in their homes to install new heating and hot water supplies, that legal recourse may be taken. This is not the preferred option, and Rydon are consulting with residents currently.</li> </ul>
<b>Planning / Building Control overview</b>	<ul style="list-style-type: none"> <li>Planning approval was received for the whole scheme on 10 Jan 2014.</li> <li>Subsequent planning approvals received for cladding colours and retaining structural window openings</li> <li>Planning conditions all being addressed</li> </ul>
<b>Communications overview</b>	<ul style="list-style-type: none"> <li>Scheme been under consultation since 2012. A survey in 2013/2014 showed residents preferred individual consultation rather than public meetings (which historically had been poorly attended and often dominated by individual residents)</li> <li>There is a Grenfell Action Blog, and also residents have asked in March 2015 that the Grenfell Community Unite group be recognised. The TMO have since early 2014 noted that there is a Lancaster West RA which the Grenfell residents should be part of.</li> <li>A monthly newsletter goes out to all flats, + is posted to non resident leaseholders. Notices posted as need.</li> </ul>

### Summary of key project milestones (2015/16)

Item ref	Completion of milestone	Baseline	Target	Actual	Variance	RAG Status	Notes
1	HIU installation	20/07/2015	20/07/2015			Green	
2	Achieve practical completion	05/09/2015	23/10/2015			Green	Includes 7 wk EOT claim

### Key stage sign-offs

Description	Approving officer/ member/ decision making body	Date decision required	Progress update
N/A			

### Summary of costs against budget to 30<sup>th</sup> April 2015

Item Ref.	Cost Item	Current Approved Budget	Actual Net Expenditure	Forecast Expenditure	Variance	RAG Status	Notes
1	Construction incl. prelims, OH&P and contractor's design	£8,556,133	£3,459,314	£8,966,000	£409,867	Green	Based on act spend v proj spend fin state no 9 – incs £219k prov.
2	Professional fees inc expenses	£713,867	£850,635	£1,127,801		Green	£90k abortive fees after Leadoffter negs
3	Surveys	£80,000	£	£		Green	Inc in prof fees
4	Legal and s106	£100,000	£	£		Green	Inc in prof fees
5	Statutory fees (planning, building control etc.)	£100,000	£	£		Green	Inc in prof fees (bldg control part of contract)
6	Inflation	Incl.	Incl.	Incl.		Green	
7	KCTMO internal costs	£150,000	£80,401	£150,000		Green	
8	Sub-total excl. VAT	£9,700,000	£	£10,300,000		Green	
9	Project contingency	£600,000	£600,000	£		Green	
10	Total project cost excl. VAT	£10,300,000	£4,990,350	£10,300,000		Green	Note - April vahn 11 not paid because probs RBKC new fin system

### Key project risks

Item Ref.	Description:	Mitigation:	Status	RAG status	Owner
1	No access from residents for HIU installation	On programme at end of April. Rydon carrying out individual consultation, to explain the technical aspects of installation. TMO working on PR w councillors and RBKC in light of Grenfell Community Unite action.		Green	KCTMO/Rydon
2	Late delivery of windows and cladding	Rydon keeping a check and reporting		Green	Rydon
3	Picking up works from the Bouygues site – will impact on cost and may effect programme			Green	RBKC – extent to be established.
4					

### Project RAG status

	Milestones	Budget
Red	Over 4 weeks delay	Over 10% variance
Amber	Up to 4 weeks delay	Under 10% variance
Green	On target	On budget

## MONTHLY PI REPORT June 2015

## Capital Programme - Grenfell Tower / Hidden Homes Initiatives



	Data Owner	Responsible Manager	Mar-15	Apr	May	Jun	Q1 Target	Jul	Aug	Sep	Q2 Target	Oct	Nov	Dec	Q3 Target	Jan-15	Feb	Mar	Q4 Target	S	T	Target
Grenfell Tower - £8.3m																						
PI1	Time - % Of Works Completed Against Agreed Programme (Monthly)	C Williams	D Gibson	95%	88.0%	58%	TBC															
PI2	Expenditure - % Of Actual Expenditure Against Projected Expenditure (Monthly)	C Williams	D Gibson	67%	95.0%	110.0%	54.8%															
PI2a	Cost - Projected Final Cost within agreed budget	C Williams	D Gibson	Yes	Yes	Yes	Yes															
PI3	Quality - Clerk of Works Quality Assessment (Score out of 10) (Monthly)	C Williams	D Gibson	7.0	7	7	7														7	
PI4	Safety - Number of reportable incidents RIDDOR and Near Misses (Monthly)	C Williams	D Gibson	n/a	0	0	1														0	
PI5	Resident Satisfaction - Questionnaire Response Rate	C Williams	D Gibson	n/a	n/a	n/a	n/a														TBC	
PI6	Overall Customer Satisfaction as a %	C Williams	D Gibson	n/a	n/a	n/a	n/a														TBC	
Hidden Homes Initiatives - Whistler Walk																						
PI1	Time - % Of Works Completed Against Agreed Programme (Quarterly)	S Girling	D Gibson	n/a		40%	70%															
PI2	Cost - % Of Actual Expenditure Against Projected Expenditure (Monthly)	S Girling	D Gibson	n/a		59%	77%															
PI3	Quality - Clerk of Works Quality Assessment (Score out of 10) (Monthly)	S Girling	D Gibson	n/a		8	8														7	
PI4	Safety - Number of reportable incidents RIDDOR and Near Misses (Monthly)	S Girling	D Gibson	n/a		0	0														0	
PI5	Resident Satisfaction - Questionnaire Response Rate	S Girling	D Gibson	n/a		n/a	n/a														80%	
PI6	Overall Customer Satisfaction as a %	S Girling	D Gibson	n/a		n/a	n/a														90%	
Index																						
S (status)		Comparison of the most recent value of the PI against target (see below)																				
T (trend)		Comparison of the most recent value of the PI against previous performance reported (see below)																				
J Borra		Colour		Status				Trend														
Policy & Compliance Manager		Green		PI within target range				Improvement compared to previous month/quarter or maximum target reached														
Assets & Regeneration Department		Yellow		PI outside target range				No or small variation (within a 10% tolerance) compared to previous month/quarter														
July 2015		Red		PI significantly at variance from target				PI has fallen (greater than a 10% tolerance) compared to previous month/quarter														

## Comments/Accompanying Narrative



## Grenfell Tower

## PI1 Time

Rydon have issued a new works programme to reflect the issues with the delayed demolition resulting in a slow start to the south elevation. The work programme has been extended from 66 to 73 weeks (extension of time granted) and is now programmed to complete on 23rd October 2015.

## PI2a Cost

Net valuation number 13 carried out in June 2015 is 45% below the revised anticipated project expenditure. The Contractor is reporting that they are 12 weeks behind programme due to the window manufacturer producing window units out of sequence, frame delivery delay, late installation of mast climbers, poor performance in demolition and steelwork and delays in the walkway bridge installation.

## PI4 Safety

Near Miss reported - Small piece of insulation fell from a Mast climber (2 pylons with a platform, in lieu of scaffolding). To prevent any repetition, platforms have been netted.

## Hidden Homes Initiative

Whistler Walk scheme for 7 new units. Award to Keepmoat approved and confirmed in December 2014. Contract is for design & build. Start on site 16th March 2015 with a programme of 24 weeks and completion in August 2015. Design matters agreed on 13th June and works are now progressing well. Keepmoat have confirmed that works will complete by the programmed date of 28th August 2015. Three further feasibility studies at Henry Dickens Court (3 units), Elm Park House (1 unit) and Longlands Court (1 unit) have been completed and await RBKC approval. RBKC approval has been pending since August 2014. RBKC are currently re-considering their delivery approach to these opportunities. Holmefield House Community Room; planning approval pending. Works will be delivered via the Framework.



## KENSINGTON & CHELSEA TENANT MANAGEMENT ORGANISATION

### Programme Board - 29 July 2015

**Present:** Robert Black  
Sacha Jevans  
Barbara Matthews  
Yvonne Birch  
Nick Rendle  
Peter Maddison (part)  
Teresa Brown (part)  
Clare Davis (part)  
John Parrott (part)  
Janet Seward (part)  
Gill Petford (Note taker)

Item No		Action by
1.	<p><u>Minutes and actions from the meeting on 8<sup>th</sup> June 2015</u></p> <p>The minutes were agreed as an accurate record of the meeting. There were no outstanding actions.</p>	
2.	<p><u>Discussion on Programme Board Process &amp; Documentation</u></p> <p>Nick Rendle noted that on his return to work and meeting with Robert Black to discuss Programme Board, he has been looking at the most appropriate way to organise and re-launch the Programme Board. Gill Petford will assist Nick with the Programme Board administration.</p> <p>Nick agreed with ET that the process and documentation had got sloppy and this will be tightened up. All papers will be reviewed by Nick and Gill prior to any Programme Board meeting to ensure the format and content are appropriate. A timetable will be put together so that everyone knows when papers have to be submitted. This will hopefully ensure that Programme Board have adequate time to read the papers before meetings.</p> <p>A discussion was had on the merit of separating the Business Change projects from the A &amp; R projects and having two separate meetings. It was agreed that there would just be one meeting but the items on the agenda would be grouped. All the Business Change projects</p>	

	<p>would continue to use the Prince 2 report template, but it was felt that the A &amp; R Projects should use a different format. Programme Board liked the format of the Grenfell Tower report for Capital Projects as this is used for reporting to RBKC. It was agreed that this format would be used going forward. Nick and Gill to ensure that templates are available.</p> <p>It was agreed that in the past reporting on Programme Board to SMT had been haphazard. Programme Board looked at a Project Register spreadsheet that Barbara Matthews had used in a previous job and it was agreed that this could be amended for Gill to update SMT after each meeting.</p> <p>Robert Black noted the need going forward for consistency in the format of reports and Gill will speak to Fola Kafidiya about this.</p>	<p><b>NR/GP</b></p> <p><b>GP</b></p>
3.	<p><u>Hidden Homes &amp; Grenfell Tower</u></p> <p><u>Grenfell Tower</u></p> <p>Peter Maddison attended for this item and noted the following:</p> <p>Cabinet &amp; Board approved a total budget of X [Gill P to confirm] when agreeing to let the contract for the refurbishment, to Rydon Construction Ltd. This included £600k contingency sums</p> <p>To date £6m has been spent with another £1m of spend due by the end of the week.</p> <p>Risks – concern that there could be delays with demo and planning that could result in additional costs, breaching the total agreed budget:</p> <ul style="list-style-type: none"> <li>○ Unforeseen works could be a risk so the contingency needs to be kept at the current level until this risk is reduced.</li> <li>○ Additional works – a small number of residents have requested their pipework be boxed in. If all residents request this the cost implication could be £40k if it is done in plastic or £100k if done in MDF. It was agreed that we wait to see what demand there is for this. Going forward boxing in will be included in the budget.</li> <li>○ HIU's – a commitment has been made to</li> </ul>	



	<p>review the relocation of HIU's but this will be done once the current work is complete and the budget position known as there is a cost of approx. £2.5k per unit plus the lack of facilities for the resident while this work is ongoing. It was suggested that this work could be incorporated into the next round of kitchen replacements</p> <p>It was agreed that a lessons learnt session would be very useful for Peter's team once the contract is complete.</p> <p><u>Trellick Tower</u> Peter noted that this is now back with the Cabinet Member for decision,</p> <p><u>Other Matters</u> Robert thanked Peter and his team for all the work with the LVT Tribunal which ruled in our favour.</p>	
4.	<p><u>Parking Review/Commercial Workstream</u></p> <p>Nick Rendle noted that the business case for spend on works needed approval. It was agreed with Peter Maddison that we could re profile and take £370k from next year. Peter will speak to David Gibson's team to establish if there is capacity for someone to Project Manage this, if not we will go externally.</p> <p><u>Lowerwood Court</u> Robert and Yvonne met with the Cabinet Member, who was very positive about the Drum proposal but requested that Second Home also be invited to bid. Nick was asked to prepare a formal options appraisal, covering both parties and a 3<sup>rd</sup> option of RBKC directly-funding.</p> <p>Nick and Sacha Jevans to discuss A&amp;R impacts outside of the meeting and Nick to update Peter Maddison and Alex Bosman.</p> <p><u>World's End</u> This is going forward with an area for storage. Storage agents will be involved.</p>	<p>PM</p> <p>NR</p> <p>NR/SJ</p>
5.	<p><u>Housing Regeneration Programme Update</u></p> <p>Teresa Brown attended for this item. Teresa noted the following:</p>	

	<p><u>14/15 Programme</u> The entire 2014/15 programme was complete, with the exception of Balfour of Burleigh Clubroom, where works are now on-site, due to complete in Sept.</p> <p>Robert commended this work and noted that the sites at Sir Thomas More &amp; The Sandhills were very impressive.</p> <p><u>15/16 Programme</u> These were all approved in April 2015. The consultations have started and the schemes have been tendered, prior to sign off in October. Teresa noted that the revised process has helped greatly.</p> <p><u>13/14 Programme</u> Deferred works to the Cremorne Estate from the 2013/14 programme have now started on-site, with completion expected in September.</p> <p>Yvonne Birch raised concerns re the reporting format, but these maybe addressed by the template revisions noted above in item 1. Yvonne and Nick to speak to Teresa outside of this meeting regarding content of the report going forward.</p>	YB/NR
6.	<p><u>EDRMS Project</u></p> <p>Clare Davis attended for this item. Clare noted the following:</p> <p>Voids – this will go live in October once the stakeholders have seen it. Testing will begin with Moira Macdonald in two weeks.</p> <p>Security Audit – currently moving forward with the changes and will be handing over to the Business Improvement Team.</p> <p>Parking – this will come into force late September.</p> <p>Clare left the meeting and the closure of the project was discussed, including implications for ending Clare's contract. Yvonne to instruct Clare to formally prepare a project closure report.</p>	YB



7.	<p><u>Parking Review/Enforcement and Operations</u></p> <p>John Parrott attended for this item. John noted the following:</p> <p>Official go live date of 28 September, but it will be a soft launch with RBKC traffic wardens using legal warning 'shadowing' notices for the first two weeks.</p> <p>Interface on traffic warden's handhelds on the old system are out of contract and we have to wait for the new system 7 September but we have verbal assurance that this will be seamless.</p> <p>Lining &amp; Signing contract – Fola Kafidiya does not have the technical expertise so Eurovia have advised on this. Eurovia has a back log of 3 + weeks on signs.</p> <p>Sacha Jevans and John to have a discussion with John Parrott outside of the meeting about a briefing note that will highlights the risks and things that could go wrong.. Briefing note to also go to ET with the Key Risks.</p>	SJ
8.	<p><u>Community Centres Review</u></p> <p>Janet Seward attended for this item. Janet noted that a full report is going to the Operations Committee on 30<sup>th</sup> July 2015.</p>	
9.	<p><u>Date of next meeting</u> 3<sup>rd</sup> September 2015</p>	



