

<b>Item No.</b> 11.	<b>Classification:</b> Open	<b>Date:</b> 9 December 2014	<b>Meeting Name:</b> Cabinet
<b>Report title:</b>		Draper House Works – Independent Investigation, Final Report – Officer Response	
<b>Ward(s) or groups affected:</b>		All	
<b>Cabinet Member:</b>		Councillor Richard Livingstone, Housing	

## **FOREWORD, COUNCILLOR RICHARD LIVINGSTONE – CABINET MEMBER FOR HOUSING**

Cabinet members will be well aware of the problems with the major works at Draper House, where unacceptable delays caused considerable hardship for residents. These unfortunate events have caused tenants and residents at Draper House to lose trust and confidence in the council.

As a consequence, the council agreed that an independent review of these problems should be carried out as a step in the journey to create that trust and confidence. This review reported to the housing and community safety scrutiny sub-committee in September and officers have agreed an action plan to address the issues raised in that report and to also ensure recommendations from that committee's previous review were fully addressed and implemented. This report sets out those actions and responses.

I will be carefully monitoring the outstanding actions set out in this report and holding officers to account to ensure they are delivered.

Finally, I wish to thank Claer Lloyd-Jones for her work on this report, but even more importantly the tenants and leaseholders of Draper House for their co-operation in this important work to ensure that this series of events cannot be repeated.

## **RECOMMENDATION**

1. That cabinet note the actions by officers following the publication of the independent investigation report into the major works contract at Draper House.

## **BACKGROUND INFORMATION**

2. Overview and scrutiny committee received an update report on 14 July 2014 regarding the major works at Draper House and what actions the council had taken, and continued to take, to improve contract management and the communication with residents following the original Scrutiny review in June 2013 and report to Cabinet in December 2013. An update on the recommendations and responses from July 2014 are included in this report.
3. Since that report the independent investigation report commissioned by the Director of Legal Services and Monitoring Officer has now been produced. This was reported to housing and community safety scrutiny sub-committee on 9 September 2014, to Tenants Council on 1 September 2014 and to Home

Owners Council on 24 September 2014.

4. This report sets out the actions by officers to review and implement the recommendations of the independent report as well as the additional recommendations from the sub committee on 9 September and Tenants Council on 1 September.
5. The terms of reference for the independent investigation covered three broad areas:
  - Communications
  - Building Works
  - Governance and Transition
6. The investigation was carried out by Claer Lloyd-Jones and the council received the final report on 16 July 2014. A copy of the report was sent to all the residents living in Draper House, ward councillors, Simon Hughes MP and other interested parties.
7. At the scrutiny meeting on 9 September, the strategic director housing and community services reported that she would take personal responsibility for ensuring that the recommendations of the committee would be implemented fully. She also confirmed that she would meet with the DRA to monitor progress and ensure that actions were kept on track.
8. Since the scrutiny meeting, two meetings have taken place on 19 September 2014 and 6 November 2014 with the chair of the Draper Residents Association (DRA), the strategic director of housing and community services and the independent resident's friend.
9. The first of these strategic meetings agreed with the DRA how council officers would work with them to take forward specific issues around the completion of the major works programme and how communications around major works and other issues would be agreed and signed off by the DRA before being circulated to residents. Overall, this joint working has been positive.
10. Comments have been received from the DRA on the residents' handbook which details information about the defects liability period. At the DRA's request, a fridge magnet is also being produced which includes useful telephone numbers for how to report defects to the contractor, A & E Elkins, and the council.
11. AE Elkins provides an updated tracker each Friday plotting progress and any additional defects reported, but as this shows defects in the common parts only, the DRA has requested information for internal defects, identified by floor if there is an issue with resident confidentiality, so that this information is captured and available to everyone. At the same time, it has been agreed to place a book in the concierge office on the ground floor of the block to capture any individual issues from residents.
12. Where defects are reported to the council affecting common areas, the contractor has been on site quickly, responded directly to residents, and provided photos or videos to show that the defect has been corrected.
13. The residents' survey was compiled jointly with the DRA and the council's community engagement team to ensure that it asked the questions which

residents felt should be asked to properly gauge the experience of every resident during the major works. The survey was hand delivered to all residents, an incentive was offered to increase the completion rate, door knocking was carried out to encourage residents to complete the survey and the deadline extended. There were 40 returns and the analysis of the results of the survey is included at Appendix 2.

14. The strategic meetings also covered wider communications with residents, over and above the major works. The current plans for the redevelopment of the Castle Day Centre is an important concern for the residents of Draper House and a pre planning application meeting has been arranged with council officers to discuss what will happen and when. The contractor for the redevelopment, Osbourne, has contacted the DRA directly to discuss how residents should be kept informed and the independent resident's friend has organised a session on 20 November with the DRA to go through the planning process.
15. As part of the redevelopment process, residents who rented garages, which are due to be demolished, had to be found alternative locations within the vicinity of Draper House. After an initially disjointed start to this process, the DRA helped the garage team get back on track with this project and every garage renter has now been found alternative accommodation.
16. The head of community engagement is leading the review of the consultation process for Putting Residents First, and a nomination from the DRA alongside nominations from Home Owners Council and Tenants Council will be included in the review group. The DRA is also being involved in agreeing the terms of reference for this review.
17. The Southern Gas Works are progressing and SGN and the DRA met on 30 October 2014 to discuss the new gas meters and the positioning of the scaffolding. There has been some confusion over the works with some residents concerned that the works are due to damage caused by the scaffolding erected to carry out the major works and not part of a planned maintenance regime. The strategic director of housing and community services agreed at the meeting on 6 November that the council would seek confirmation in writing from SGN about why these works are required.
18. These strategic meetings have been very useful in monitoring progress on each of the action points and it has been agreed that they should continue.

## **KEY ISSUES FOR CONSIDERATION**

19. Section 9 of the independent report covered the key summary of recommendations and conclusion. The three key areas of the recommendations match the terms of reference of the investigation.
  - a. **Communications**, specifically managing communications; managing communications about delays and rebuilding trust and confidence with residents at Draper House.
  - b. **Building Works**, specifically systems and procedures to manage the contractors; what went wrong in the delivery of the project leading to breakdown in relationships, and lessons to be learned by the council, contractors and residents.
  - c. **Governance and Transition** specifically review the governance

arrangements; examine the robustness of the governance arrangements and reviewing the contractual arrangements for the completion of works.

## **WAY FORWARD**

20. The following is the list of the Summary of Recommendations set out in the independent report with officer comments against each. Key specific items contained within the report are also included in the officer comments. The Action Plan attached as appendix 1 summarises the recommendations and actions.

### **Communications**

#### **20.1.a) Managing Communications**

- a) That in order to ensure consistency, openness and honesty, that one senior person in the Council is responsible for and has oversight for ensuring that all communications from Southwark to residents within major works projects are open timely and effective, and that the identity of that person is made known to residents.

#### ***Response***

*Every single major works contract in Southwark now has a single project manager who is suitably experienced and qualified to be able to cope with any big issues, is responsible for ensuring all communications with residents are open, timely and effective including dealing promptly with complaints. Residents are written to at the start of every project to advise who the project manager is. The Design and Delivery Managers review this with each project manager on a regular basis, and the review is also a regular agenda item at Resident Project Team meetings. Resident responses to queries are normally done within ten working days maximum.*

*On Draper House, the strategic director of housing and community services met with the chair and vice-chair of the Tenants and Residents Association on 19 September. At that meeting, she agreed with the DRA how the communications would be managed for the remainder of the project. This included agreeing that the DRA would be fully involved in agreeing the content of communications to residents and that the community engagement team would lead on this for the department.*

*It was suggested that the notice board at Draper House should be used for displaying clear communications and that the design and delivery manager within Major Works, should be the council officer responsible for signing off agreed communications with the DRA.*

- b) That in order to ensure that communications are effective and relevant, that regular soundings are taken through the Tenants and Residents Associations, in this case DRA, and through satisfaction surveys. This will ensure that matters raised by residents are given sufficient consideration. These sounding should also explore residents' preferences for methods of communication, including the use of emails, texts etc. This should be done at a pre-works stage.

**Response**

*For every major works project there is a Residents Project Team (RPT) set up as soon as possible, made up of both leaseholders and tenants with the aim that this is as representative of the residents on the scheme as possible. The core of this project group is representatives nominated by the TRA but officers also work with the TRA to recruit residents who represent the whole area. If this is not possible due to insufficient resident interest then consultation is done via the relevant TRA. Minutes are kept of all meetings and methods of appropriate communication are discussed and agreed with residents. The RPT meetings discuss scope and progress of works, including specifications and a tailored communications strategy which meets the requirements of residents at the particular scheme. Before and after photos can be produced for the RPT/TRA at the end of the project and at specific milestones if required. Email distribution lists for information are also be used wherever possible including copying to local councillors If there is no TRA and no resident interest in an RPT, then regular update letters and newsletters are sent to residents.*

*Satisfaction surveys are routinely carried out on completion of works, and for larger/more complicated projects, a residents survey will also be carried out halfway through the project.*

*The residents' satisfaction survey for Draper House was jointly developed with the DRA and the community engagement team to ensure that the questions fully reflect all aspects of the scheme and are written from a resident's perspective.*

*It was agreed that there should be 4 objectives of the survey:*

- *Customer focus and experience – what was your experience during the major works*
- *Quality of the works – was the work the quality you expected*
- *What were your expectations of the work done to your home and what were your expectations of the work going on in the block (individual and communal)*
- *What went well, what went badly*

*The survey was delivered to every resident by the community engagement team and the returns summary is attached as Appendix 2.*

- c) Where residents' organisations on site have effective communication systems, as is the case with DRA, that consideration is given to producing joint communications. For example the pack to be produced for residents providing advice at the end of the works would benefit from being produced jointly.

**Response**

*Wherever possible, the council agree and/or distribute joint communications with the TRA/Resident Project Team. This has included the production of the residents pack upon completion of works and information letters. At Draper for example a specific meeting with the TRA took place on 18 August 2014 to discuss the ongoing process for handover and defects reporting and follow up procedures.*

*It has been agreed with the DRA that any information which is being sent to residents will be checked internally by the council before being sent to DRA representatives for their input before being communicated to residents.*

- d) That careful consideration is given to the content of communications with residents so that the Council is seen to be joined up, for example information about other work and its impact at Elephant and Castle, to expect information about fireproofing and fire procedures, the impact of subsequent gas meter works, a response to the Council Assembly deputations, an update on the OSC recommendations, an update on complaints.

**Response**

*Wherever possible, the council uses the Resident Project Teams for major works schemes as an opportunity for residents to raise issues outside of the actual contract, and if necessary invite the appropriate council officer to attend to discuss specific topics. At Draper for example, British Gas have attended the RPT to discuss the future gas meter works.*

- e) That Ward Councillors are pro-actively briefed on progress on major works in their ward by officers on a regular (weekly or fortnightly) basis.

**Response**

*Ward councillors were receiving a weekly update on the major works at Draper House at the latter stages of the contract. We will ensure on future major works schemes that local councillors receive copies of every letter, newsletter, invites to meetings and notification of drop in sessions and are provided with regular updates on overall programmes.*

- f) That a copy of this report is distributed to all Draper House residents.

**Response**

*A copy was sent to all residents immediately following publication of the report.*

**20.1.b) Managing Communications about delays**

- a) My recommendations in relation to communications generally in 6.10(in the report) above will assist in dealing with any further delays on the project.

**Response**

*These points are covered in 20.1a above.*

- b) In explaining delays to major works projects it is important for the Council to look at the issue from the residents' point of view and inform residents as soon as possible and preferably before the delay occurs. An apology should start the communication. The Council will need to explain why the delay occurred, why it was not avoidable, how long it will last, the impact on residents if any, and the impact on the rest of the programme.

**Response**

*This will be done on all future projects where there are any delays. The Council closely monitors each contractor's programme and resources however to ensure that delays are kept to a minimum.*

### 20.1.c) **Rebuilding Trust and Confidence with residents at Draper House**

- a) A senior Council presence to be available on site equipped and empowered to deal with queries and snagging problems personally.

**Response**

*Southwark had a full time project manager on site for Draper House empowered to deal with all queries and snagging issues and will continue to do so for all future major refurbishment schemes, such as High Investment Needs Estates(HINE).*

*It has been agreed with the DRA that when the current project manager leaves in January 2015, the council will work with the DRA to agree handover arrangements.*

- b) Transition arrangements once the works are finished should be via a single point of contact. The Housing Management Team has a vital role to play here given that they had the major relationship with the residents before the major works started, and will do so once the contractor and major works team leave Draper House. In order to establish this a build ownership of the solution a meeting of all relevant parties should be held soon to include DRA, MWT, Housing management, Elkins, Mace, Ward Councilors, and Complaints. The aim of the meeting will be to establish clear arrangements during the 12 months defects liability period and beyond.

**Response**

*A meeting took place with Draper TRA on 18<sup>th</sup> August 2014 to discuss transition arrangements, including having a single point of contact within Southwark for Draper residents.*

*The meeting between the strategic director of housing and community services and the chair and vice-chair of the DRA on 19 September agreed that there should be quarterly update surveys to identify defects liability works outstanding jointly agreed by the DRA and the council up to the end of the defects liability period. This means that surveys will take place in January, April and August.*

*The council will provide a complete log of individual resident defect liability surveys completed to date and the results will be available to both the council and the DRA.*

- c) Establish a single point of contact for emails and correspondence and stick to it, other officers and Members can respond that the point of contact will be dealing with the correspondence within a certain time scale.

**Response**

*The key lead Southwark person for contact on each scheme is the project manager, and in the case of Draper, it was the full time on site project manager.*

## 20.2 Building Works

### 20.2.a) Systems and procedures to manage the contractors

- a) That the recommendations from the OSC review of Draper House are fully implemented and the results published to residents.

**Response**

*This report sets out the proposals for dealing with all the recommendations in the report. The council has already appointed an independent residents' friend to work with the DRA. The resident's friend has brokered meetings to discuss how the council and the DRA will work together in the future and to ensure that the recommendations are fully implemented.*

- b) That prior to determining the staffing arrangements for Major Works projects, that a risk assessment is carried out to determine whether additional attention or resource may be required on that site. Where it is required, the Council should deploy an appropriate employee with sufficient authority to attract respect and whose decisions in relation to design and spend on the project would be binding.

**Response**

*For every significant major works project, the Head of Major Works makes an assessment as to whether additional staff resources and particular skills are required on site for that particular scheme in addition to the usual project manager and his/her project team. A recent restructure in the Major Works section means that the project managers have additional senior support with two Design and Deliver managers now in place.*

*The project manager's responsibilities include ensuring all pre-contract activities such as obtaining licenses and ensuring a risk register is in place and that the contractors have all the information they require to start on site, including information from any previous contractors.*

- c) That Southwark reviews the effectiveness of 'Putting Residents First' by using resident surveys during works as opposed to afterwards, and looking at best practice policies elsewhere. This includes reviewing the effectiveness of the Draper House RPT.

**Response**

*For all large major works projects in future, a residents' satisfaction survey will be carried out half way through the project as well as at completion stages. A separate review will be undertaken by the Head of Community Engagement into the PRF process which will include a representative from Draper TRA and other residents and leaseholders. The Head of Community Engagement will also look at best practice elsewhere as part of this review.*

- d) Resident liaison becomes a stronger selection criterion in future procurements, and is given greater priority in the decision whether to extend the existing three partnering contractors contracts.

*Resident liaison is a key factor in the selection of contractors for the new framework contracts and to ensure this, both a representative from Tenants Council and Home Owners Council are on the Project Board. All operatives*



*will be expected to have been trained in customer care and this will be fully tested during the contract evaluation stage.*

*Resident satisfaction will be one of the key criteria used as one of the Key Performance Indicators (KPI's) in deciding whether to recommend to Cabinet to extend the current partnering contracts.*

**20.2.b) What went wrong in the delivery of the project leading to breakdown in Relationships.**

- a) That a programme of works is produced by the contractor for the RPT, the project team and residents in major works sites. That the programme shows work to communal areas as well as works to individual properties.

**Response**

*For all major works projects, programmes are being produced for both internal and communal works and prominently displayed as well as being discussed at each RPT. These include 'mini programmes' for internal works to residents' homes. Residents will be given notice of when access is required and how long for. Contractor newsletters will be used to clarify this information.*

**20.2.c) Lessons to be learned by the council, contractors and residents**

- a) That before practical completion on each major works site that the RPT conducts a facilitated review of the project. That the outcome of the review is published to residents and is given recorded consideration by the management team of the Major Works department.

**Response**

*The Head of Community Engagement is reviewing this as part of the review of the PRF process.*

**20.3 Governance and Transition**

**20.3.a) Review the governance arrangements**

- a) That in assembling project teams, the skills and experiences of its members is carefully examined in advance. Sufficient experience and expertise of both construction work and customer service are essential.

**Response**

*The Head of Major Works ensures this is carried out concurrently with an appropriate training programme for all staff. A recent training programme has just been completed for contract managers in the Major Works team, carried out by Baker Tilley. In addition a rolling training programme for the whole Major Works team also currently underway on customer service issues and every member of the team is either in the current training programme or will start shortly..*

**20.3.b) Examine the robustness of the governance arrangements**

- a) That clear written explanations of the roles and responsibilities of project teams are published along with contact details, and that future project

teams do not have two project managers.

**Response**

*Clear written roles and responsibilities were presented to residents at Draper. This will be done for major future projects also as a standard document.*

*Each project only has one project manager, with the sole exception of Draper, where a specific on site project manager was appointed after the Breyer contract was mutually ended, as it was felt a higher level of project management and liaison with residents was required. The overall project manager has been kept to ensure overall continuity on the scheme, and to deal with queries related to Breyer work, but the vast majority of residents contact has been with the on site project manager.*

- b) That decision- making is delegated to Project Managers at on-site level.

**Response**

*This has always been the case within the boundaries of the contract and council policies such as Warm, Dry and Safe. (WDS)*

- c) That Southwark provides clear methodology for how accountability to both residents and Councillors will work in future major projects

**Response**

*The Council has clear guidelines for consultation with residents in it's 'Putting Residents First' agreed as part of the 'Local Offers' process and policy with residents including Area Forums. These is being reviewed as part of the overall review process of PRF by the Head of Community Engagement. Details of the whole Major Works programme are also available on the Southwark website. The council is also currently consulting residents on a charter of principles for engaging people in the new homes building programme and the outcome of this will inform the review of PRF.*

**20.3.c) Review the contractual arrangements for completion of the works**

- a) Transition arrangements- see proposal under rebuilding trust and confidence.

**Response** – See 20.1.c) – b. above

- b) Adoption of resident sign off for future works projects in residents homes.

**Response**

*All residents were asked to sign off the works carried out to their own homes at Draper and this will continue. Where the works are of a technical or concealed nature, residents are given a clear explanation of the works carried out and the impact of such works. residents should be asked to sign off based on the expected outcome of the works'.*

**Further recommendations from housing and community safety scrutiny sub-committee 9 September 2014**

- 21. That the Housing department produces an action plan with timescales and milestones to implement the recommendations.

**Response**

*This is appendix 1 attached to this report*

22. A monitoring group should be established consisting of members of Tenants Council, any members of Housing and Community Safety SSC, the Cabinet member, Councillor Maisie Anderson or Eleanor Kerslake, members of the DRA and Housing officers. The monitoring group should also receive a written response to the DRA's question about whether further points can be raised on works that have previously been signed off by the clerk of works.

**Response**

*The Head of Community Engagement has set up a monitoring group specifically for Draper House and this group will report back to Draper TRA until the end of the defects liability period.*

23. That the housing scrutiny sub-committee should undertake a short review regarding the role of TRA's and how residents are consulted by the council.

**Response**

*This issue will be covered by the review group for the 'Putting Residents First' consultation process. (see Point 28 below.)*

24. That the Director of Corporate Strategy should consider how the flow of information to ward councillors can be improved – e.g. a ward bulletin

**Response**

*The officer member protocol states that officers have a duty to keep members of all political groups fully informed about developments of significance in relation to council activities and the role of officers is to assist members in discharging their role as members of the council for council business and in their role as advocates for local communities. The communications protocol also says that ward councillors will be invited to attend public meetings and events organised by the council to consider a local issue and will also be kept informed of consultative exercises on local issues.*

*In this context, it is recommended that a notice is placed on The Source, reminding service managers that it is good practice to alert ward members to issues of significance in their wards, and that ward members should be copied in to correspondence about council activity that affects a large number of residents, for example major works or other significant activity on any given council estate. A service that commissions public consultation in a particular locality should also ensure they alert relevant ward members at the same time as residents are contacted.*

25. That officers answer questions outside of the meeting regarding the legal advice received by the council throughout the refurbishment of Draper House.

**Response**

*The Director of Legal Services has provided written replies to specific questions raised by members and held a meeting with members on the 20th October. There remains one outstanding question which the Director of Legal*

*Services is seeking to clarify with the external legal advisers*

**Further recommendations from tenants council 1 September 2014**

26. That the recommendations set out in paragraph 9 (summary of recommendations) of the Independent report be fully adopted (Claer Lloyd-Jones report – Draper House Refurbishment)

**Response**

*All the recommendations in the report are covered within this report.*

27. That Tenants Council fully endorse paragraph 10 (Conclusion of report) relating to the conclusion of the report.

**Response**

*Noted.*

28. Tenants Council notes the policy document “Putting Residents First” be revisited to incorporate the recommendations in the independent report and the comments and recommendations of officers be made known.

**Response**

*The Head of Community Engagement has drafted a Terms of Reference for a group consisting of a single representative each from SGTO, Tenants Council, Homes Owners Council and Draper TRA and other two individual representatives who have experience of major works elsewhere in the borough that have expressed an interest in being involved through the resident involvement survey that was sent to all residents in council property It is proposed that this is a short task and finish group that will have three meetings on the following topics:*

- a. The group hears and considers evidence of experience of PRF from those who have had works consultation using PRF and of best practice examples elsewhere.*
- b. The evidence will be examined and proposals made for how to adapt and /or change PRF as required.*
- c. Sign off of final document.*

29. That the work in redrafting the policy “Putting Residents First” should be carried out by a working party of tenants and homeowners nominated from tenants council.

**Response**

*The task and finish group will have representatives of both Tenants and Home Owners Council included on it, as in point 16 above.*

30. Tenant Council seeks assurances that when the template (Putting Residents First) is applied, it is applied equally across the board and flexible

**Response**

*Covered in Point 28 above.*

**Updated recommendations and responses from overview and scrutiny committee 14 July 2014**

**31. Termination at will clauses:**

All major works contracts issued by Southwark council should contain, termination at will clauses.

**Response:**

*The Major Works team has included a termination at will clause in the new contractors' framework which is currently being procured. The new contractors' framework will come into effect in 2015.*

*With regard to other contracts, there is provision in the council's standard template documents to include such a termination provision, but this is considered on a case by case basis, as the effect of including this clause (particularly for contracts which require investment by the contractor) is that contract costs can increase.*

**32. Default notices:**

Default notices should be considered a primary tool for escalating poor performance at the earliest opportunity. Project managers should be encouraged to use them as a matter of course as soon as substandard performance becomes apparent.

**Response:**

*Since the OSC review, there has been an increased use of default notices across the partnering contracts. Eight have been served on the major works partnering contractors in the past twelve months. These have been issued immediately where it has been identified that performance does not meet expectations and these have been supplemented with partner contractor meetings with the Head of Major Works and Investment Manager. Default notices have been adopted as a new Key Performance Indicator (KPI) in the current contracts.*

*In addition, since the OSC review, a formal core group has been put into place, chaired by the cabinet member for housing. This is a regular contract review meeting attended by all three major works contractors, officers and resident representatives. It is a formal challenge session on the performance of each contract area which is minuted.*

*With the reduction of the partnering contractors from 5 to 3 the partnership has grown in strength. There have been a range of community initiatives by each partner contractor for local residents, for example in the recruitment and training for local residents. The current partners work well together as evidenced by the joint supply chain set up to reduce costs. There is a willingness and desire to work with the council to deliver the programme in true partnership with programmes brought forward in the last two years as additional resources become available and reductions in site setup costs as a result.*

*An intensive training programme has been carried out by the council's internal auditors, Baker Tilly, for members of staff in the major works and repairs and compliance divisions. This training is intended to improve the quality of contract management overall and understanding of the contractual tools available to hold*

*contractors to account.*

33. **Payment of sub-contractors:** In all future contracts the council should stipulate an acceptable period within which the primary contractor must pay sub-contractors for completed work.

**Response:**

*This is being included in the new framework contracts being procured currently.*

34. **Breyer:** The sub-committee is aware that, due to EU Procurement law, the council must consider all future bids from Breyer Group Plc for work in Southwark. However, the sub-committee recommends that the conclusions of this scrutiny report be kept at the forefront of officers' minds in considering these future bids. We hope that the implications of this recommendation are clear.

**Response:**

*The council is subject to the EU Procurement Regulations, and therefore is required to consider bids from any provider who satisfies the council's selection requirements, unless there are specific grounds to exclude under Regulation 23 (for example insolvency/criminal convictions). The officers and panel members who have been appointed to oversee the new Contractors' framework currently in procurement will ensure that the selection and award criteria are appropriate to the contract in question so that only suppliers who have the economic/financial standing and the technical/professional ability are invited to tender, and the evaluation methodology is set so that only providers who can satisfy the council's requirements for the contract are selected. It should be noted that neither Breyer nor Wates submitted an application for the new contractor framework. A Project Board is in place with resident representatives to oversee the whole procurement process for this framework.*

35. **Complaints logs:**

During all major works projects, detailed complaints logs are to be kept and reviewed on a regular basis to prioritize issues which need to be resolved for the benefit of residents.

**Response:**

*All projects now have in place a complaints log which is kept on site and is reviewed at every monthly site meeting. The complaints log is also updated to include issues raised relating to the scheme through emails and other forms of communication, not just those recorded on site. The number of complaints is decreasing and these are being dealt with quickly and efficiently and resident satisfaction is rising.*

36. **Leaseholder charges:** No leaseholder in Draper House should be forced to pay for more than the value of the original notices on which they were consulted. It is understood that this is already the intention of council officers, but the sub committee felt it was important to underline this approach in our recommendations.

**Response:**

*No Leaseholders in Draper House will be charged more than the value of the original notices on which they were consulted.*

37. **Sharing Information:** Southwark procurement team should investigate setting

up a formal network with other London Councils to share information regarding the performance of construction contractors.

**Response:**

*The Southwark procurement team are already members of a number of existing procurement networks, including South East London Procurement Group and London Heads of Procurement function, where matters like this can be raised.*

*The council's approved list function has a facility for users to record information regarding the performance of construction contractors. Monitoring the performance of contractors on the approved list should be conducted in accordance with approved list procedures, including the completion of quarterly control forms for all approved list contracts. Performance information can then be supplied to other officers who intend to use the Approved List of Works Contractors and Consultants.*

*However, in larger projects (over EU threshold of £ 4.3m) a quality evaluation must be undertaken, which requires each applicant (potential contractor) to be treated equally, and scored in a consistent, non discriminatory and fair manner. At Pre-Qualification Questionnaire (PQQ) stage this must be done only on the information contained in the PQQ returns (with the exception of objective information which has been obtained, e.g. an external credit report). References can be requested at this stage however any other information received by any means including personal knowledge or experience of the applicant cannot be taken into account. The criteria that are used at PQQ stage have been reviewed and tightened to ensure that the successful short listed contractors are able to deliver a high quality service to residents.*

*The best way to secure good performance from a contractor is to have effective contract management and monitoring arrangements in place. Closer management of supplier performance against contract specifications enable comparison across contracts and business units. This helps identify efficient and inefficient contracts and suppliers, and helps achieve best value by ensuring best quality services are delivered while maintaining or reducing costs. Project managers can then deal with poorly performing contractors using the tools within the contract, which will target interventions to those contracts and or suppliers where improvement is necessary. Documentary evidence of performance can be used to resolve any disputes and agree actions, and ensure that any performance bond and/or parent company guarantees are executed to protect the council from risk.*

*Guidance to officers also includes information about liquidated damages which can be used in contracts to establish in advance a set amount of loss per week which can be claimed by the council for delay in completing a project. Liquidated damages will be included in the new framework contracts being set up.*

38. **Appointing project management teams:** Officers should review how the original project management team for Draper House was appointed. Project management teams should not be appointed to complex projects unless senior managers are absolutely certain that the individuals have the training, qualifications and skills required to deal with the project. Measures should be put in place by senior officers to ensure this is the case in future.

**Response:**

*For all schemes which prove very complicated then additional project management resources will be put in to the scheme. In Major Works there is training for the whole project management team as well as individual assessments done on an ongoing basis. This allocation of staff and review of training requirements is overseen by the Head of Major Works. Specific and bespoke additional training has also been provided for contract managers, including the contract management training referred to earlier.*

*Following the mutual termination of the Breyer contract at Draper House and the appointment of the new contractor, AE Elkins, the Head of Major Works changed the day to day project team. This included appointing a dedicated on-site project manager and clerk of works.*

*This approach has been replicated and adapted at other specific projects where the size and nature of the work needed a greater presence than the normal project management team arrangements, for example at Four Squares Estate.*

*In addition, there has been a recent restructure in the Major Works division to further strengthen the contract management arrangements. An additional Design and Delivery Manager has been appointed to provide extra management and support for more complicated projects. There has also been a change in some patches and a reallocation of work between the project managers.*

39. **Communications with residents:** The scrutiny sub-committee did hear evidence from officers that new procedures for ensuring residents are communicated with during major works have been put in place. These procedures should be strictly followed and failure to do so should be treated as a serious matter by senior managers.

**Response:**

*For all new schemes within the Warm Dry Safe programme, a process has been put in place that will ensure residents are kept up to date during the project. The 'Putting Residents First' consultation process has generally proved very successful and popular across the WDS programme although it is currently being reviewed.*

*Residents receive the names and contact details of the Project Team who will be delivering the works to their homes well in advance of any works being carried out. This process has also been extended to those homes being brought forward from future years. This information is also available on a specific Major Works section on the council's website.*



## BACKGROUND DOCUMENTS

Background Papers	Held At	Contact
Report into Major Works at Draper House (Housing, Environment, Transport and Community Safety Scrutiny Sub-Committee) 1 May 2013	160 Tooley St SE1 2QH	Paula Thornton 020 7525 4395
<b>Link:</b> <a href="http://moderngov.southwark.gov.uk/documents/s37393/Draper%20House%20Report.pdf">http://moderngov.southwark.gov.uk/documents/s37393/Draper%20House%20Report.pdf</a>		
Reports to Cabinet 16 July 2013 and 10 December 2013	160 Tooley Street SE1 2QH	Paula Thornton 020 7525 4395
<b>Link:</b> <a href="http://moderngov.southwark.gov.uk/ieListDocuments.aspx?CId=302&amp;MId=4549&amp;Ver=4">http://moderngov.southwark.gov.uk/ieListDocuments.aspx?CId=302&amp;MId=4549&amp;Ver=4</a>		
<b>Link:</b> <a href="http://moderngov.southwark.gov.uk/ieListDocuments.aspx?CId=302&amp;MId=4553&amp;Ver=4">http://moderngov.southwark.gov.uk/ieListDocuments.aspx?CId=302&amp;MId=4553&amp;Ver=4</a>		
Report in to works at Draper House – Overview and Scrutiny Committee 14 July 2014	160 Tooley St SE1 2QH	Paula Thornton 020 7525 4395
<b>Link:</b> <a href="http://moderngov.southwark.gov.uk/documents/s47463/Report%20from%20Head%20of%20Major%20Works.pdf">http://moderngov.southwark.gov.uk/documents/s47463/Report%20from%20Head%20of%20Major%20Works.pdf</a>		
Report regarding independent report to Housing and Community Safety Scrutiny Sub Committee 9 September 2014	160 Tooley St SE1 2QH	Paula Thornton 020 7525 4395
<b>Link:</b> <a href="http://moderngov.southwark.gov.uk/ieListDocuments.aspx?CId=381&amp;MId=4958&amp;Ver=4">http://moderngov.southwark.gov.uk/ieListDocuments.aspx?CId=381&amp;MId=4958&amp;Ver=4</a>		

## APPENDICES

No.	Title
Appendix 1	Summary Action Plan
Appendix 2	Summary of Residents satisfaction Survey

## AUDIT TRAIL

<b>Cabinet Member</b>	Councillor Richard Livingstone, Housing	
<b>Lead Officer</b>	David Markham, Head of Major Works	
<b>Report Author</b>	Ferenc Morath, Investment Manager, Major Works	
<b>Version</b>	Final	
<b>Dated</b>	27 November 2014	
<b>Key Decision?</b>	No	
<b>CONSULTATION WITH OTHER OFFICERS / DIRECTORATES / CABINET MEMBER</b>		
<b>Officer Title</b>	<b>Comments Sought</b>	<b>Comments Included</b>
Director of Legal Services	Yes	Yes
Strategic Director of Finance and Corporate Services	Yes	Yes
Head of Communications	Yes	Yes
<b>Cabinet Member</b>	Yes	Yes
<b>Date final report sent to Constitutional Team</b>	27 November 2014	

## APPENDIX 1

### DRAPER HOUSE INDEPENDENT INVESTIGATION – SUMMARY ACTION PLAN

No.	Recommendation Summary	Owner	Target date	Comment	RAG
20.1.a) - a	A senior officer is responsible for communications with residents.	David Markham	Complete		Green
20.1.a) – b	Communications with residents and Satisfaction surveys	David Markham	Complete		Green
20.1.a) –c	Joint communications with TRAs	David Markham	Complete		Green
20.1.a) – d	Joined up approach in communications	David Markham	Complete		Green
20.1.a) - e	Ward councillors briefed.	David Markham	Complete		Green
20.1.a) -f	Report distributed to Draper residents	David Markham	Complete		Green
20.1.b)-a	General communications issues.	David Markham	Complete		Green
20.1.b)-b	Apologies for delays as soon as possible.	David Markham	Complete		Green
20.1.c) - a	Senior Council presence on site	David Markham	Complete		Green
20.1.c) - b	Transition arrangements upon completion	David Markham	Complete		Green
20.1.c) -c	Single point of contact	David Markham	Complete		Green
20.2.a) -a	Recommendations of OSC implemented	David Markham	Complete		Green
20.2.a) -b	Risk assessments for significant major works projects	David Markham	Complete		Green
20.2.a) -c	'Putting Residents First' Review	Stephen Douglass	January 2015		Amber
20.2.a) -d	Resident liaison include as selection criteria for contracts.	David Markham	Complete		Green
20.2.b) - a	Programmes of work produced	David Markham	Complete		

<b>No.</b>	<b>Recommendation Summary</b>	<b>Owner</b>	<b>Target date</b>	<b>Comment</b>	<b>RAG</b>
20.2.c)-a	Lessons learned	Stephen Douglass	January 2015	Being covered under 20.2.a)- c	Amber
20.3.a) - a	Ensuring experience in project teams	David Markham	Complete		Green
20.3.b)-a	Explanation of roles and responsibilities of project teams.	David Markham	Complete		Green
20.3.b)- b	Project manager decision making	David Markham	Complete		Green
20.3.b) -c	Accountability within future projects	David Markham	Complete		Green
20.3.c)-a	Transition arrangements	David Markham	Complete		Green
20.3.c)-b	Resident sign off	David Markham	Complete		Green
21.	Action Plan	David Markham	Complete		Green
22.	Monitoring Group	Stephen Douglass	Complete		Green
23.	Review of consultation and TRAs	Stephen Douglass	Complete	Included in PRF review	Green
24.	Information to ward councillors	Robin Campbell	December 2014		Amber
25.	Legal advice	Doreen Forrester-Brown	Complete		Green
26.	All issues covered	David Markham	Complete		Green
27.	Tenants Council endorsement	David Markham	Complete		Green
28.	PRF be revisited	Stephen Douglass	Complete	Covered in 20.2.a)- c above	Green
29.	PRF review group	Stephen Douglass	Complete		Green
30.	PRF applied equally	Stephen Douglass	Complete	Covered in 28 above.	Green
31.	Contracts to contain termination at will clauses.	David Markham	Complete		Green
32.	Default notices	David Markham	Complete		Green
33.	Payment of sub-contractors	David Markham	Complete		Green
34.	Future bids	David Markham	Complete		Green
35.	Complaints Logs	David Markham	Complete		Green
36.	Leaseholder charges.	David Markham/Martin Green	Complete		Green

<b>No.</b>	<b>Recommendation Summary</b>	<b>Owner</b>	<b>Target date</b>	<b>Comment</b>	<b>RAG</b>
37.	Councils sharing formation	David Markham	Complete		Green
38..	Project management teams	David Markham	Complete		Green
39.	Communication with residents	David Markham	Complete		Green

## APPENDIX 2

### SUMMARY OF RESIDENTS' SATISFACTION SURVEY

A customer satisfaction survey has been completed on Draper House. The method was as follows:

The leaflets were all hand delivered to individual properties on 20 October 2014. The covering letter allowed for a postal return or deposit with concierge. Business reply envelopes were included.

On 27 October 2014 community engagement officers called on all properties to remind residents, offer assistance and collect forms if ready. If no one was in a reminder letter was left, also offering the opportunity to speak with an officer at a drop in session in the hall on 29 October.

Draper House has 141 properties; 40 survey forms were received,. 32 from tenants; 8 from leaseholders.

The results have been analysed and the responses to tick box queries are summarised below. The total result is given and also the breakdown between tenants and leaseholders, although some residents did not answer every question

**Q1** Did you feel you had a say in the works throughout the period?

Yes 23 (22 T; 1 L) No 16 (9 T; 7 L)

**Q2** How satisfied are you with the contractors' efforts to keep you informed?

Very satisfied	Satisfied	Neither satisfied nor dissatisfied	Dissatisfied	Very Dissatisfied
7 (7 T)	15 (14 T; 1 L)	7 (4 T; 3 L)	6 (4 T; 2 L)	4 (2 T; 2 L)

**Q3** How satisfied are you with council officers' efforts to keep you informed?

Very satisfied	Satisfied	Neither satisfied nor dissatisfied	Dissatisfied	Very dissatisfied
6 (6 T)	13 (13 T)	9 (7 T; 2 L)	7 (4 T; 3 L)	4 (1 T; 3 L)

**Q4** How satisfied are you that contractors listened to your concerns?

Very satisfied	Satisfied	Neither satisfied nor dissatisfied	Dissatisfied	Very dissatisfied
7 (7 T)	10 (10 T)	7(7 T)	5 (2 T; 3 L)	10 (5 T; 5 L)

**Q5** How satisfied are you that council officers listened to your concerns?

Very	Satisfied	Neither	Dissatisfied	Very dissatisfied
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satisfied

satisfied  
nor dissatisfied

5 (5 T)

13 (13 T)

8 (8 T)

4 (3 T; 1 L)

7 (1 T; 6 L)

**Q6** Were the works what you expected?

Yes

No

17 (17 T)

21 (14 T; 7 L)

**Q7** Thinking about the quality of the actual works at your home, how satisfied are you?

Very  
satisfied

Satisfied

Neither  
satisfied  
nor dissatisfied

Dissatisfied

Very dissatisfied

6 (6 T)

13 (13 T)

4 (4 T)

6 (3 T; 3 L)

11 (6 T; 5 L)

**Q8** Thinking about the quality of the actual works done to the communal areas of Draper House, how satisfied are you?

Very  
satisfied

Satisfied

Neither  
satisfied  
nor dissatisfied

Dissatisfied

Very dissatisfied

8 (8 T)

18 (17 T; 1 L)

7 (5 T; 2 L)

4 (2 T; 3 L)

3 (1 T; 2 L)

**Q9** How satisfied are you with the management of the major works programme overall?

Very  
satisfied

Satisfied

Neither  
satisfied  
nor dissatisfied

Dissatisfied

Very dissatisfied

5 (5 T)

9 (9 T)

5 (5 T)

9 (8 T; 1 L)

11 (5 T; 6 L)