

Overview & Scrutiny Committee

Wednesday 8 January 2025
6.30 pm

Ground Floor Meeting Room G02A - 160 Tooley Street, London
SE1 2QH

Supplemental Agenda No.2

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6.	Consort Estate, SE15, Major Works - Charges to Leaseholders (Update)	1 - 12
	To receive a progress update on the Consort Estate, SE15 Major Works following the hearing of the matter at the overview and scrutiny committee meeting held on 4 November 2024.	

Note: Appendix 1 will be circulated separately and will only be viewable online. A paper copy of the document will not be produced as the overall document is not legible on A4 size paper.

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Date: 31 December 2024

Meeting Name:	Overview and Scrutiny Committee
Date:	8 January 2025
Report title:	Consort Estate Major Works – Update Report
Ward(s) or groups affected:	Rye Lane
Classification:	Open
Reason for lateness (if applicable):	n/a
From:	Stuart Davis - Managing Director Southwark Construction

Purpose of Report

1. To provide an update on changes made to the scope of works and specifications following the Overview & Scrutiny meeting held on 4 November 2024.

Site Visits

2. Following the submission by the homeowners for the Overview & Scrutiny committee meeting on 4 November 2024, a number of site visits were undertaken to review various elements of the works with a view to optimising the amount of provisional works and/or provisional quantities of works within the scheme.
3. The site visits looked at various elements of work including the lofts / temporary dormers, roofs, soffits and these further surveys have resulted in a reduction in the scope of works to a number of blocks. They also looked at brickwork, concrete repairs, communal flooring and asbestos but these are detailed separately below.
4. A meeting was held with three homeowners' representatives and Councillor Dobson on 19 December 2024 as per the commitment made at the Scrutiny Panel by the Assistant Director of Planned Maintenance.

Temporary Dormers Lofts & Roof

5. The provision of temporary dormers to the roof areas was originally included as it was assumed that some areas did not have compartmentation within the roof spaces between the individual properties. Homeowners feedback plus subsequent surveys of the areas confirmed that breeze block separation between the upper floor properties in the loft spaces do exist, with the exception of 13-15 & 16-18 Hugeunot Square. These works and costs were subsequently adjusted. It should be noted that in 13-15 & 16-18 Hugeunot Square the works do not affect homeowners. There was also a provision to

provide loft insulation due to disturbance during the compartmentation works and given that the compartmentation works are not required and the amount of roof repairs required has been determined not to exceed 25% of the roof areas there is no need to upgrade existing loft insulation to comply with Building regulations. This item of work has therefore been removed in its entirety. Given the review of the roof repairs these works were also reduced.

Asbestos Surveys

6. Further asbestos surveys were also arranged for those soffits on a number of blocks that had provisional sums within the Task Order Price (TOP) for removal. Costs have been omitted where blocks are now confirmed as having no asbestos. Whilst the surveys did show that a number of the blocks did have asbestos, a decision has been made to leave it in situ and neither remove it or encapsulate, it thereby making savings on both asbestos removal costs for those blocks and a reduction in scaffolding costs where there would have needed to be adaptations to carry out the removal.
7. It should be noted that the additional surveys have increased pre-commencement costs for both the surveys and the access arrangements (hire of cherry pickers). The surveys would however always have been a cost on the scheme as they were planned for when the works access scaffold was erected. Overall, it has resulted in a significant reduction in provisional costs in this area in terms of the estimate, which would have been adjusted during the measurement and approval of works as it proceeded.

Reduction in Concrete and Brickwork Repairs

8. *Brickwork repairs* – These work quantities need to remain provisional due to the fact that they cannot be fully quantified until we have full scaffold access to review the entire blocks up close. The provisional quantities have however been reduced following a site survey and have been based on the condition of the buildings visible from ground level.
9. *Concrete repairs* – Again these works need to remain provisional due to the fact that they cannot be fully quantified until we have full scaffold access to review the entire blocks. However, the specification has been changed and the provisional quantities reduced. The previous specification allowed for more extensive repairs and coatings, which would have provided a 10 year warranty. The coatings have now been reduced across all blocks with the exception of 1-203 Wivenhoe, 31-45 Philip Walk and 1-15 Manaton Close with the quantities of repairs reduced to reflect what is visible on site from ground level. There is a slight risk that once hammer testing is undertaken that the extent of repairs required will increase to levels above what has been allowed for. However, this is considered a low level risk and instructions for this element of work will be closely monitored and managed as described below.
10. Management of these provisional allowances – There is an agreed change control process for managing variations on these schemes that the project team will ensure are robustly followed on Consort. This process involves joint site

surveys with the appointed Clerk of Work who will agree areas of repair with the contractor's site manager. These areas are recorded on a drawing with measurements and are formally instructed by the appointed Contract Administrator. These are then used for cost reporting by the Southwark's internal cost consultant (Quantity Surveyor) and used for agreeing the monthly valuations. Record photographs are also taken during the course of the works and at each stage. Full details of these change orders will be shared with the Resident Project Team for each block.

Window Repairs

11. The original Task Order Price (TOP) had included an allowance for a repair or an overhaul to every window across the estate. Feedback from a number of residents was that their windows were in good condition with no repairs needed at all and therefore the allowance that had been made appeared excessive.
12. As these windows were installed over 10 years ago, in terms of planned maintenance it would be best practise to overhaul them at this time when we are on site with a major works/planned maintenance scheme. However, we also understand the financial burden for homeowners and note that the general condition of the windows is good. It was therefore decided that the quantity of overhauls and repairs would be reviewed and a survey was therefore sent out to all households asking for their feedback on repairs that were needed.
13. Seventy one residents responded to the survey and the repairs identified will be quantified within the Task Order Price (TOP).
14. There will however also remain a risk/contingency sum for this element of work for each block based on the fact that during the time that the scheme is on site there may be further failures which will need to be addressed. This is highly likely and based on previous experience. This provisional sum also needs to take account of the fact that not everyone does respond to written surveys so there may be some residents who do have windows that need repair at present that didn't respond to the survey.
15. As with the brickwork and concrete repairs, there will be a strict auditable change management process for these, albeit we would not be able to share address details with the Resident project team when providing details of Change Orders.

Change to Communal Flooring Specification

16. Homeowners asked the council to review the specification for the communal flooring included in the scheme. The previous brief looked at renewing this element with materials that provided an extended life and warranty. For this reason, a resin flooring was specified.
17. To reduce costs the specification for the flooring has now been changed to a vinyl flooring, to match the existing floor. It is still fit for purpose although it

should be noted that this will likely require renewal earlier than the resin coating would have.

Balcony Repairs/Coatings

18. The previous specification looked at carrying out full waterproof coatings to the private balconies as a planned preventative repair. However, feedback from residents and a further review of the repairs history showed that there wasn't currently a significant history of failures and therefore the specification could be reduced to only carrying out isolated repairs and renewals where there are leaks and/or clear areas of asphalt failure. This change of specification has significantly reduced the provisional costs for this element of works.

Additional Works due to new FRA

19. The Fire Safety Team produced a recently update fire risk assessment report for 17-51 Manaton Close. The report recommended that due to the length of the corridors that three cross corridor door sets should be installed at specific locations within the block and a permanently open vent installed at the head of the communal staircase. These works are similar to that required as part of the London Fire Brigade enforcement notice issued for 1-203 Wivenhoe Close. Therefore, these additional works have now been included within the priced schedule of works.

Reduction of Internal Works to Tenanted Properties

20. The main reduction to the internal works to tenanted flats and costs relate to condensation, damp and mould works which have been reduced to 2 number rooms per property, based on the experience of similar works at Kingswood Estate

Outcome of Homeowners Representative Meeting – 19 December 2024

21. The revised scope of works and Task Order Price (TOP) was issued to the Homeowners representatives on 16 December 2024, with a further update on 18 December. The homeowners replied with a number of queries which were discussed at the meeting held on 19 December 2024 with three homeowners' representatives and Councillor Dobson, as offered by the Assistant Director of Planned Maintenance at the Scrutiny Panel. They are listed below with the Councils response in *italic* font;

Scaffolding

- Cost reduced due to asbestos adaptations being omitted but number of weekly inspections remains the same, which suggests time was not reduced. Now that scope has reduced (no loft works, no balcony works etc) can programme / time not also reduce and scaffold costs further too.
- *Weekly Inspections have now been reduced in line with the adjusted programme*

Roof

- Leaf guard not explicitly noted. When I asked QS at consolation whether this has been considered I was told they always add - but should be stated in scope of works.
- *The Description has been updated and now includes leaf guards*

Windows

- Still shown as a provisional sum in TOP which is unnecessary because occupant surveys have been carried out.
- *Adjusted as per LBS window survey returns. 71 returns – 23 no issues (28 homeowners – 9 with issues) (43 tenants 39 with issues) – we have included under item J – Risk for works to windows that may be identified or notified of once on site £2,500 per block*
- Are works charged to dwelling or shared across block?
- *Costs shared across the individual blocks*

Communal windows

- Have these been surveyed to eliminate provisional sum from contract? Accessed internally so no need to it to be a provisional sum.
- *Communal Window renewals are as frameworks rates and only required at specific locations where they exist e.g., 49-60, 30-32, 33-48, 61-68 Galatea Square, 14-29 Vivian square (individual property no 21/22). Wooden windows also at 1-203 Wivenhoe Close leading onto communal balconies refuse storage areas*

Concrete cleaning

- Works seem unnecessary. As highlighted in scrutiny committee presentation, concrete repairs was not proposed in feasibility. Where did need come from?
- *This forms part of our standard works brief to our contractors, feasibilities did not pick this up and the contractors were advised to include as part of their design. There is evidence across the estate in isolated locations, Wivenhoe, Manaton, Philip Walk where concrete repairs are required due to cracking and spalling. Furthermore around 80% of the concrete surfaces across the estate show sign of the rebar grinning through the existing concrete surfaces (visible rust marks from the rebar within the concrete). The majority of the rainwater downpipes that penetrate from balconies above require concrete or repairs on the underside of the balconies and around the downpipes*
- Why is this still a PS? Concrete soffits are accessible without scaffold.

- *As discussed at the meeting we must still retain a fair and reasonable amount in the provisional sums for these works, bearing in mind these are surveyed, measured and instructed once on site and should the provisional sums have to be used*
- How does jet washing work when heating pipes are in the way?
- *We do not envisage any jet washing to those areas at ground floor level or where any heating pipes may be in the way, as the majority of these in any case are enclosed in containment. The jet washing will only be in the areas where concrete repairs are required. Once the failed concrete has been removed, the surfaces have to be jet washed to ensure they are clean to allow the repair substrate to bond to the existing cleaned surface*
- Quantities have been reduced, (eg hairline cracks reduced from 60lm to 20lm) but exposure through PS still present.
- *As discussed at the meeting we must still retain a fair and reasonable amount in the provisional sums for these works, bearing in mind these are surveyed, measured and instructed once on site using the procedure outlined earlier should the provisional sums have to be used*

Bricks

- Can see number of defective bricks reduced but still remains as a provisional sum.
- *We must still retain a fair and reasonable amount in the provisional sums for these works, bearing in mind these are surveyed, measured and instructed once on site and should the provisional sums have to be used*
- What is the protocol for monitoring quantity repaired?
- *Contractor and Consultants, Clerk of Works and or Building Surveyor will validate the measures, agree costs with the client Quantity Surveyor before issuing an instruction to proceed with the works*
- Is this work at all necessary?
- *Yes, but the brickwork across the estate is minimal, there is evidence of hairline cracks ground to balcony level in two locations at 1-203 Wivenhoe Close, within the enclosed green area. Other isolated brickwork repairs across the estate at low level and where brickwork piers between the garages Wivenhoe, Manaton etc*
- What is the brief for these works, and what defines a 'defective brick'?
- *A defective brick would be where it is cracked or possibly a section missing, this is evident in a few of the brickwork piers between the garages at Wivenhoe and Manaton Close*

- Has previous mis-matched coloured mortar repairs been omitted from scope?
- *This was never included in the scope, was a reference in the feasibilities. However, when undertaking any brickwork repairs we would look to match with existing mortar or brick colours as close as possible*

Walkways and balconies

- What flooring product has been priced? Can proposed supplier and product be named to review quality and market test rate for supply and install.
- *Specification has been provided to the homeowners representatives*

Painted surfaces

- Window frames are PVC these don't need to be painted - one row removed but it appears twice?
- *This has now been omitted*
- Clarify reference to bracket.
- *To balustrade*
- Doors comes up twice too. Balcony doors are also PVC so don't need painting.
- *These refer to the wooden communal doors and windows to refuse communal balcony areas at 1-203 Wivenhoe Close*
- What is 'frame' and 'frames'?
- *Each of these descriptions will relate to the door description above in each block*

Rainwater goods

- Can a square section downpipe be used to match existing?
- *Yes it can*

FED

- What is the plan for FEDs can see they were all omitted (for Scylla Road block)?
- *Only works or replacement FEDs identified within the FRA reports are having works undertaken*

FRA works

- ‘Provisional allowance for additional firestopping to existing fire breaks and service penetrations’. What is this referring to? Risers had fire stopping installed recently.
- *This only relates to penetrations to the existing fire breaks within the loft spaces. A full survey of the fire breaks will need to be carried out in order to schedule out these penetrations hence the provisional allowance*

22. Furthermore, at the meeting held on the 19 December with the homeowners representatives and Ward Councillor Esme Dobson, several further queries were raised, which officers responded to at the meeting with some action points for officers to provide further responses to in January 2025. Homeowners raised a query at the previous overview and scrutiny meetings in relation to external consultants fees. This was discussed and explained the meeting and a table of the fees presented. See appendix 2 for the fee % breakdown.

This illustrates that the consultant does not gain from the costs rising. The fees are lower, the higher the project cost bands rise.

23. A detailed response to the matters raised by the homeowners has been provided separately to the homeowners representatives.

Homeowners Section 20 estimates

24. The changes that have made to the Task order Price has resulted in a significant reduction in the estimated service charges to homeowners for the Major Works.

25. Previously the estimates ranged from £15,096 and £51,252. Based on the current TOP the estimates range from £3,027 to £25,215 with the average estimated recharge being £14,000. See appendix 3 for the breakdown, which includes a comparison between the previous Section 20 costs and the revised costs as well as a breakdown by the number of homeowners effected.

General

26. At the meeting it was agreed that there would be monthly meetings with the Resident Project Team where results from the pilot block will be shared once the scaffold is up and inspection of the items which are provisional has been undertaken. This will form the basis of the rest of the contract although each block will still be assessed on its own merit in terms of repairs.

27. Residents have been encouraged to nominate themselves to be block representatives so they can be consulted during the works. Five residents have put their names forward and we will be encouraging more to nominate themselves.

28. Officers will share further information requests from the RPT as and when

requested in the spirit of transparency.

APPENDICES

No.	Title
Appendix 1	Task Order Price – priced schedule of works – Version 1
Appendix 2	Consultants Partnering Fee Percentages
Appendix 3	Contract Stats Proforma – S20 estimate breakdown

AUDIT TRAIL

Lead Officer	Stuart Davis, Managing Director Southwark Construction	
Report Author	Sayed Kadir, Assistant Director, Planned Maintenance	
Version	Final	
Dated	27 December 2024	
Key Decision?	No	
CONSULTATION WITH OTHER OFFICERS / DIRECTORATES / CABINET MEMBER		
Officer Title	Comments Sought	Comments Included
Assistant Chief Executive, Governance and Assurance	No	No
Strategic Director, Finance	No	No
Cabinet Member	No	No
Date final report sent to Scrutiny Team		27 December 2024

APPENDIX 2

Consultants Partnering Contract Fee Rates

Partnering Contracts (Multi-disciplinary) where Building Surveyor is Client Representative*

Project Value Band	Fee Percentage (By Discipline)										Combined Fee***
	Building Surveyor	Architect	Landscape Architect	Cost Consultant (Quantity Surveyor)	Project Manager/Client Representative	Employer's Agent	Building Services Engineer	Structural Engineer	CDM Co-ordinator	Clerk of Works	
£0 - £249,999	✓			✓	✓				✓	✓	10.10%
£250,000 - £999,999	✓			✓	✓				✓	✓	7.20%
£1,000,000 - £4,999,999	✓			✓	✓				✓	✓	4.25%
£5,000,000 - £14,999,999	✓			✓	✓				✓	✓	2.79%
>£15M	✓			✓	✓				✓	✓	2.23%

* Please refer to the Consultant Service Schedules at Schedule 2 - Scope of Service of Volume 2 - Consultant's Agreement.

** The combined fee represents the services of all of the disciplines stated

*** Dependant on whether the predominant element is M&E or Building, the Building Surveyor or Building Services Engineer will act as Lead Consultant

Band	Number of LH Flats in revised TOP
Below £10,000	4
£10,001-£15,000	46
£15001-£20,000	28
£20,001-£25,000	4
£25,0001-£30,000	2
£30,0001-£35,001	-
£35,0001-£40,001	-
£40,0001-£45,001	-
£45,0001-£50,001	-
£50,0001-£55,001	-

Total Number Of LH's in contract	84
Total Recharge recovery from all LH Flats	£1,201,101.16
Highest individual LH Recharge	£25,215.08
Lowest individual LH Recharge	£3,027.70
LH Average Recharge	£14,298.82
Median Average Recharge*	£14,231.42
*recharge list organised smallest to largest smallest for comparison	
Total Contractor TOP value	£14,103,694.79
Value of TOP items which are not rechargeable to LH's	£8,241,915.08

Number of flats in original TOP	Comments
3	LH's recharges limited either by RTB offer or Shared Ownership part equity in flat
-	
33	
18	
1	
2	
9	
3	
3	
1	

73	Due to addition of two blocks missed from the original speciation
£1,772,322.81	
£51,252.66	
£4,772.68	
£24,278.39	
£21,693.11	
£17,238,251.18	NB there is a discrepancy between the figure here & the TOP as we are adjusting it as we find any items to adjust. This is a snap shot.
£8,668,113.13	

OVERVIEW AND SCRUTINY COMMITTEE

MUNICIPAL YEAR 24/25

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