

Housing Scrutiny Commission

Monday 28 July 2025

7.00 pm

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

Membership

Councillor Jason Ochere (Chair)
Councillor Emily Tester (Vice-Chair)
Councillor Barrie Hargrove
Councillor Ketzia Harper
Councillor Richard Livingstone
Councillor Catherine Rose
Councillor Jane Salmon
Bassey Bassey (Co-opted Member)
Ina Negoita (Co-opted Member)
Althea Smith (Co-opted Member)

Reserves

Councillor Sunil Chopra
Councillor Ellie Cumbo
Councillor Adam Hood
Councillor Laura Johnson
Councillor Hamish McCallum
Councillor Bethan Roberts
Councillor Kath Whittam

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Contact

Adam Wood on 020 7525 0265 or email: adam.wood@southwark.gov.uk



Members of the committee are summoned to attend this meeting

Althea Loderick

Chief Executive

Date: 18 July 2025



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Housing Scrutiny Commission

Monday 28 July 2025

7.00 pm

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

Order of Business

Item No.	Title	Page No.
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1. APOLOGIES

To receive any apologies for absence.

2. NOTIFICATION OF ANY ITEMS OF BUSINESS WHICH THE CHAIR DEEMS URGENT

In special circumstances, an item of business may be added to an agenda within five clear working days of the meeting.

3. DISCLOSURE OF INTERESTS AND DISPENSATIONS

Members to declare any interests and dispensations in respect of any item of business to be considered at this meeting.

4. MINUTES

1 - 4

To note the minutes of the housing, community safety and community engagement scrutiny commission meeting held on 22 April 2025.

Item No.	Title	Page No.
5.	OUTCOME OF THE REVIEW OF THE CANADA ESTATE 2017/18, FAIR STREET/DEVON MANSIONS 2018/19 AND KIRBY ESTATE 2018/19 QHIP MAJOR WORKS PROJECTS	5 - 185
	To receive and comment on:	
	<ul style="list-style-type: none"> • The outcome of the Task and Finishing Team's internal review of the Canada Estate (Phase 2) 2017/18, Fair Street/Devon Mansions 2018/19, and Kirby Estate 2018/19 QHIP Major Works Projects. • The outcome of the independent external reviews carried out by Pellings. • The action plan submitted by the Director of Repairs and Maintenance in response to the recommendations made in the respective reports of the Task and Finishing Team and Pellings contained at item 6. 	
6.	MANAGEMENT RESPONSE TO THE OUTCOME OF THE REVIEW OF THE CANADA ESTATE 2017/18, FAIR STREET/DEVON MANSIONS 2018/19 AND KIRBY ESTATE 2018/19 QHIP MAJOR WORKS PROJECTS	186 - 207
	To receive and comment on the management response and action plan submitted by the Director of Repairs and Maintenance in response to the outcome of the Task and Finishing Team's internal review of the Canada Estate (Phase 2) 2017/18, Fair Street/Devon Mansions 2018/19, and the Kirby Estate 2018/19 QHIP major works projects.	
	To note the response of the Director of Repairs and Maintenance to specific recommendations made by Pellings in relation to leaseholders.	
7.	HOUSING SCRUTINY COMMISSION WORK PROGRAMME 2025-2026	208 - 212
	To consider the work programme for the 2025-2026 year.	

Date: 18 July 2025



Housing, Community Safety and Community Engagement Scrutiny Commission

MINUTES of the OPEN section of the Housing, Community Safety and Community Engagement Scrutiny Commission held on Tuesday 22 April 2025 at 7.00 pm at Ground Floor Meeting Room G02A - 160 Tooley Street, London SE1 2QH

PRESENT:

Councillor Emily Tester (Chair)
Councillor Barrie Hargrove
Councillor Esme Hicks
Councillor Sunny Lambe
Councillor Jane Salmon

OFFICER

SUPPORT: Adam Wood, Scrutiny Officer

1. APOLOGIES

Apologies were received from Councillor Sam Foster and Co-opted Members Cris Claridge and Ina Negoita.

2. NOTIFICATION OF ANY ITEMS OF BUSINESS WHICH THE CHAIR DEEMS URGENT

There were no items of business which the Chair deemed urgent.

3. DISCLOSURE OF INTERESTS AND DISPENSATIONS.

There were no disclosure of interests and dispensations.

4. MINUTES

NOTED:

That a possible typographical error in the draft Minutes for 18 September 2024 was confirmed and corrected in the approved Minutes as the Commission had previously agreed it should, were an error to be found.

RESOLVED:

That the Minutes of the meeting held on 25 November 2024 be approved as a correct record.

5. CABINET RESPONSES TO THE COMMISSION'S "REVIEW OF HOUSING ALLOCATIONS, HOMELESSNESS, AND HEATING & HOT WATER OUTAGES, FIRE SAFETY AND POLICING IN SOUTHWARK" REPORT

The Chair informed Members that the opportunity to note Cabinet's responses to the Commission's report was the last stage of the recommendation process.

Further formal responses from the Commission back to Cabinet were not possible although the Commission's comments could be noted and brought to the attention of relevant Officers and Cabinet Members.

In response to Recommendation 7 (Heating and hot water performance - confirming validity of data), the Commission's original recommendation had advised probing discrepancies (believed to be ongoing) between residents' self-reported experiences of heating and hot water, and the performance indicated by centrally held data. There may have been a misunderstanding in the Cabinet response to this recommendation. Rather than the Commission proposing a resource-intensive, consultative exercise, instead, the Commission's recommendation proposed targeted work on understanding and explaining why this gap continues to exist - if it continues to do so. Such work - a pinpoint analysis on one or two estates - should not be particularly resource-intensive. Further, while the Commission welcomed the reimplementation of the Heat Networks Governance Board, if the data it relies on do not agree with residents' data, the efficacy of its scrutiny might not be as great as it could be.

In response to Recommendation 9 (Heating and Hot Water outages – compensation scheme payments - confirming data validity), the Commission welcomed the work to digitise and clean the data. It added that efforts (in line with the comment above regarding the response to Recommendation 7) should also be made to confirm the validity of the data to be cleaned i.e. that resident-reported heating and hot water performance data agree as far as possible with centrally held data.

In response to Recommendation 10 (Reviewing heating and hot water compensation payment scheme to include private tenants of council leasehold properties), the Commission noted and welcomed the Cabinet Member's agreement with the Recommendation's objective that compensation be paid to those living in homes affected by the outages. It also recognised the legal and logistical challenges involved given that homeowners who are responsible for paying service charges and therefore they who are due any compensation. The Commission suggested that the Council, through its Liaison Boards or similar, might communicate to private renters who have had heating outages and who pay for hot water and heating in their rent that they could consider asking their landlords for refunds.

NOTED:

Cabinet responses to the Commission's recommendations contained in the report, "Review of housing allocations, homelessness, and heating & hot water outages, fire safety and policing in Southwark".

6. INTERIM REPORT ON TENANT STRUCTURES

The Chair explored next steps for the Commission's Interim Report on Tenant Structures. This was a draft report circulated to Members and which gathered the recommendations they had made at the 25 November 2024 meeting in response to their hearing from residents and tenant organisations during that and the previous meeting.

The Chair drew Members' attention to a Briefing Note (Supplemental Agenda No.1, page 6) providing an update to the Council's work on the Draft Resident Involvement Strategy, prepared by Abi Oguntokun, Director of Landlord Services.

The Chair then asked if the Commission wanted to agree the draft report and make the recommendations to Cabinet and, if so, with what (if any) changes.

Discussion focused on whether expanding Recommendations to include TMOs would be useful. However, given the need for a more complete scope of what should be asked about TMOs and resident experiences, this was moved to the Work Programme as a suggested dedicated topic for next year (see Item 7).

AGREED:

That the Interim Report on Tenant Structures be sent to Cabinet.

7. WORK PROGRAMME 2024-2025

This was the last meeting of the 2024 to 2025 municipal year hence discussion focused on suggesting potential topics for next year's Commission to take up and

investigate. The updates and/or topics listed below are in addition to those given in the “Agenda Items yet to be scheduled” section of the Work Programme:

- checking whether the proposed activities given by Cabinet under “Post Decision Implementation” in its response to Recommendations 5 to 10 of the Commission’s “Review of housing allocations, homelessness, and heating & hot water outages, fire safety and policing in Southwark” had been completed
- TMOs – scope the state of knowledge about them and their performance; explore their structures, financing, and accountability to residents and the Council, as well as broader ways they work; review how the Council supports TMOs; hear from residents about their experiences with TMOs
- Repairs – the Commission would benefit from revisiting this and hearing on progress of the Repairs Improvement Plan
- Heating and Hot Water outages – getting an update on the status of work
- Leaseholder charging
- Anti-social Behaviour and Rough Sleeping
- Homelessness and Void Properties – the potential of the latter to help with challenges here
- New Allocations policy – (later in the year) review work here and see what a difference the new policy is having

Meeting ended at 7.32pm.

CHAIR:

DATED:

Meeting Name:	Housing Scrutiny Commission
Date:	28 July 2025
Report title:	Outcome of the Review of the Canada Estate 2017/18, Fair Street/Devon Mansions 2018/19 and Kirby Estate 2018/19 QHIP Major Works Projects
Ward(s) or groups affected:	Rotherhithe London Bridge and West Bermondsey
Classification:	Open
Reason for lateness (if applicable):	No
From:	Paul Murtagh, Interim Design and Delivery Manager

RECOMMENDATION

This paper recommends:

1. That the Housing Scrutiny Commission:

- notes and comments on the report on the outcome of the Task and Finishing Team's (TFT) Internal Review of the Canada Estate (Phase 2) 2017/18 QHIP Major Works Project, Fair Street/Devon Mansions 2018/19 QHIP Major Works Project and the Kirby Estate 2018/19 QHIP Major Works Project
- notes and comments on the reports on the outcome of the independent external reviews, carried out by Pellings, on the Canada Estate (Phase 2) 2017/18 QHIP Major Works Project and the Fair Street/Devon Mansions 2018/19 QHIP Major Works Project
- notes and comments on the report and Action Plan submitted by the Director of Repairs and Maintenance in response to the recommendations made in the respective reports of the TFT and Pellings

BACKGROUND INFORMATION

2. In November 2023, the Overview and Scrutiny Committee (OSC) considered reports on the Canada Estate 2017/18 and the Fair Street/Devon Mansions 2018/19 QHIP Major Works Projects following concerns raised by residents and local councillors with the quality of the works undertaken and the significant increase in cost of the works.

3. The OSC subsequently received and approved an Action Plan that set out the Council's proposals to address the concerns highlighted within the reports. The proposals approved by the OSC included the following key tasks:
 - The establishment of a TFT to carry out an internal review of the two projects focusing mainly on internal processes and procedures to identify any weaknesses and compliance issues, lessons to be learned and areas for improvement to avoid future issues and inform future projects
 - The appointment of a specialist consultant to undertake an independent review, focusing on the management and delivery of the two projects, with specific regard to the cost and quality of the works and the time taken to complete them
4. The Kirby Estate 2018/19 QHIP Major Works Project was not called in by the OSC however, in January 2024, due to similar concerns raised by the local MP, residents and local councillors about the quality and cost of the works, senior management and members agreed that the TFT would also carry out an internal review of this project.
5. This report sets out the findings and recommendations of the TFT and Pellings, following completion of their respective reviews of the three major works projects.

CONSIDERATIONS

6. The TFT has completed its review of the Canada Estate (Phase 2) 2017/18 QHIP Major Works Project, Fair Street/Devon Mansions 2018/19 QHIP Major Works Project and the Kirby Estate 2018/19 QHIP Major Works Project. The report of the TFT is attached as Appendix 'A' to this report.
7. It should be noted that the work of the TFT has been substantively complete for some time and the team was disbanded several months ago.
8. Unfortunately, and disappointingly, it has taken much longer than expected and scheduled for Pellings to complete the independent external reviews of the Canada Estate (Phase 2) 2017/18 QHIP Major Works Project and the Fair Street/Devon Mansions 2018/19 QHIP Major Works Project.
9. Pellings has very recently completed its external reviews and submitted its final reports which are attached to this report as below:
 - Appendix 'B' - Pellings report for the Canada Estate (Phase 2) 2017/18 QHIP Major Works Project
 - Appendix 'C' – Pellings report for the Fair Street/Devon Mansions 2018/19 QHIP Major Works Project

Management Response

10. As stated previously, the work of the TFT has been substantively complete for some time and, emerging themes and areas for improvement from the review

were shared at an early stage to help develop a Management Action Plan and, wherever possible, to start work as soon as possible on the recommendations made by the TFT.

11. The report setting out the management's response to the findings and recommendations of the TFT, along with the updated Action Plan, is included as a separate agenda item for this meeting of the Housing Scrutiny Commission.

BACKGROUND DOCUMENTS

Background Papers	Held At	Contact
None		

APPENDICES

No.	Title
Appendix A	Outcome of the Task and Finishing Team's (TFT) Internal Review of the Canada Estate (Phase 2) 2017/18 QHIP Major Works Project, Fair Street/Devon Mansions 2018/19 QHIP Major Works Project and the Kirby Estate 2018/19 QHIP Major Works Project
Appendix A1	Pellings Window Study Columbia and Regina
Appendix B	Independent external reviews, carried out by Pellings, on the Canada Estate
Appendix C	Independent external reviews, carried out by Pellings, on the Fair Street/Devon Mansions 2018/19 QHIP Major Works Project

AUDIT TRAIL

Lead Officer	Hakeem Osinaike, Strategic Director of Housing	
Report Author	Paul Murtagh, Interim Design and Delivery Manager	
Version	Final	
Dated	18 July 2025	
Key Decision?	No	
CONSULTATION WITH OTHER OFFICERS / DIRECTORATES / CABINET MEMBER		
Officer Title	Comments Sought	Comments Included
Assistant Chief Executive, Governance and Assurance	Yes	No
Strategic Director of Resources	No	No
Cabinet Member	No	No
Date final report sent to Scrutiny Team		18 July 2025

Internal Review of the Canada Estate (Phase 2) 2017/18 QHIP Major Works Project, Fair Street/Devon Mansions 2018/19 QHIP Major Works Project and the Kirby Estate 2018/19 QHIP Major Works Project



Report of the Task and Finishing Team

June 2025

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1. Task and Finishing Team

Scope

- 1.1 The Task and Finishing Team (TFT) is an internal team of officers that was established to review the overall management and performance of specific 'high-risk' major works projects undertaken by the London Borough of Southwark's (LBS) Housing Asset Management Major Works Team (which is now known as the Planned Maintenance Team).
- 1.2 It was intended that the TFT would primarily focus on internal processes and procedures to identify any weaknesses and compliance issues, lessons to be learned and areas for improvement to avoid future issues and inform future projects.
- 1.3 The role of the TFT also included reviewing feasibility studies and design criteria for future major works projects to ensure, as far as possible, that they are robust, accurate and fit-for-purpose.
- 1.4 It should be noted that, in addition to the work of the TFT, the LBS also commissioned an independent external review of the Canada Estate (Phase 2) 2017/18 QHIP and Fair Street/Devon Mansions 2018/19 QHIP Major Works Projects. Pellings LLP was subsequently appointed to look at the delivery and quality of the works on site and value for money.

Objective

- 1.5 The primary objective of the TFT was to provide professional support to the Major Works Team, to help address the concerns of residents and Councillors with the level and quality of services provided through the major works projects and to avoid potential future reputational damage.

Role and Responsibilities of the TFT

- 1.6 The role and responsibilities of the TFT included, but were not necessarily limited to, the following:
 - To review internal processes and procedures used in the procurement and delivery of specific 'high-risk' major works projects to ensure compliance with:
 - LBS Standing Orders
 - LBS Financial Regulations
 - LBS Contract Regulations
 - Other relevant LBS policies and procedures
 - Provisions of the contract
 - Best practice.

- To identify any failures/weaknesses in the internal processes and procedures used in the procurement and delivery of specific 'high-risk' major works projects.
- To identify areas for improvement in the internal processes and procedures used in the procurement and delivery of specific 'high-risk' major works projects.
- To work with existing staff to identify any issues with the LBS' internal processes and procedures that may prevent or hinder the diligent and successful delivery of major works projects.
- To consider the concerns raised by residents with the quality, timing and cost of major works to establish if these have been adequately managed and addressed in the delivery of the major works projects.
- To develop a subsequent Action Plan for delivering any changes, improvements to existing internal processes and procedures within specific timescales.
- To carry out detailed reviews of feasibility/design proposals for future major works projects to ensure, as far as possible, that they are robust, accurate and fit-for-purpose.
- To assist in the development of new, or changes to existing internal processes and procedures for the procurement and delivery of major works projects.

The Team

1.7 The work of the TFT was always intended to be time limited, lasting up to twelve months. The TFT comprised the following four roles, all of which were filled by independent officers (appointed on an interim basis):

- TFT Lead Officer
- TFT Discovery Lead
- TFT Building Surveyor
- TFT Clerk of Works

None of the officers appointed to the above TFT roles had any previous involvement in the delivery of the Canada Estate (Phase 2) 2017/18 QHIP Major Works Project, the Fair Street/Devon Mansions 2018/19 QHIP Major Works Project or the Kirby Estate 2018/19 QHIP Major Works Project.

1.8 The work of the TFT is now substantively complete and the team has been disbanded.

2. **Background**

Canada Estate

2.1 Canada Estate (Phase 2) was part of the 2017/18 Quality Homes Investment Programme (QHIP) and the original scope of works included the following:

- Scaffolding (full perimeter and hoist)
- Fabric repairs (concrete, brickwork, asphalt, roof)
- Rainwater goods
- Window replacements (dwellings and communal)
- Front entrance door replacements
- External decorations
- Kitchen, bathroom and WC replacements (Edmonton Court)
- Asbestos removal
- Conversion works (Hidden Homes)
- Electrical upgrades and repairs (leasehold and tenanted).

2.2 A Gateway 2 Report was approved on 23 June 2020, awarding the contract to Durkan Limited (Durkan) for a period of 60 weeks for the sum of £4,228,512. Unfortunately, due to changes in the scope of the works and significant unforeseen (and costly) delays, the project was extended by a further 72 weeks, with a revised completion date of 28 April 2023 when, Practical Completion (PC) for the works was issued.

2.3 In addition to and, largely because of the extension to the project by a further 72 weeks, the overall cost of the project has increased significantly by £2,145,740 (from £4,228,513 to £6,374,253).

Fair Street/Devon Mansions

2.4 Fair Street/Devon Mansions was part of the 2018/19 Quality Homes Investment Programme (QHIP) and the original scope of the works included the following:

- Scaffolding and external works
- Kitchen, bathroom and WC replacements
- Concrete works / brickwork repairs
- Mechanical and electrical works
- Windows and doors
- Asbestos removal
- Fire safety improvement works
- External redecorations
- Remedial roof works and renewals.

2.5 A Gateway 2 Report was approved on 6 April 2020, awarding the contract to Engie Regeneration Limited (subsequently Equans) for a period of 62 weeks for the sum of £5,622,382. Unfortunately, due to significant changes in the scope of the works and unforeseen delays, the project was extended for 102 weeks, with a forecasted completion date of 20 October 2023. It should be

noted, that at the time of writing this report, although the works in this project are substantively complete, PC has still not been issued.

2.6 In addition, the overall cost of the works has increased by £4.1million, due in part, to the extension to the project of 102 weeks, but mainly, because of the significant variation in the scope of the works from what was originally identified.

Kirby Estate

2.7 The Kirby Estate was part of the 2018/19 Quality Homes Investment Programme (QHIP) and the original scope of the works included the following:

- Scaffolding and external works
- Kitchen, bathroom and WC replacements
- Brickwork repairs
- Mechanical and electrical works
- Asbestos removal
- Window replacements
- External redecorations
- Remedial roof works.

2.8 A Gateway 2 Report was approved on 21 May 2019, to award the framework contract to A&E Elkins Limited for a period of 30 weeks for the sum of £1,184,822. Additionally, there was a 5% risk contingency fund provision of £59,241 and fees of £101,482, giving a total scheme cost of £1,345,545.

2.9 Unfortunately, due to changes in the scope of the works and unforeseen delays, the project was extended by 29.5 weeks and, the cost of the project increased by £167,241 (from £1,345,545 to £1,512,786). More significantly however, as set out later in this report, the scope of the works varied considerably from what was originally specified.

Overview and Scrutiny Committee (OSC)

2.10 Due to the serious concerns raised by residents and local councillors with the quality of the works carried out under the Canada Estate (Phase 2) 2017/18 QHIP and Fair Street/Devon Mansions 2018/19 QHIP Major Works Projects and, the significant increase in cost of the works, the Council's OSC 'called-in' both projects.

2.11 In November 2023, the OSC considered reports from officers on the two major works projects and subsequently approved an Action Plan that set out the Council's proposals to address the concerns highlighted within the reports. The proposals approved by the OSC included the following key tasks:

- The establishment of a Task and Finishing Team (TFT) to carry out an internal review of the two projects focusing mainly on internal processes and procedures to identify any weaknesses and compliance issues, lessons to be learned and areas for improvement to avoid future issues and inform future projects.

- The appointment of a specialist consultant to undertake an independent review, focusing on the management and delivery of the two projects, with specific regard to the cost and quality of the works and the time taken to complete them.

2.12 The Kirby Estate 2018/19 QHIP Major Works Project was not called in by the OSC however, in January 2024, due to similar concerns raised by the local MP, residents and local councillors about the quality and cost of the works, senior management and members agreed that the TFT would also carry out an internal review of this project.

2.13 The TFT has completed its review of the Canada Estate (Phase 2) 2017/18 QHIP, the Fair Street/Devon Mansions 2018/19 QHIP and the Kirby Estate 2018/19 QHIP Major Works Projects. This report sets out the key findings of the TFT from its review of the three projects including the lessons to be learned and the TFT's recommendations for improvement.

3. Key issues

3.1 Based on a combination of feedback from residents, information gathered by the TFT Discovery Lead from the contract files and discussions with relevant stakeholders, staff and the two respective consultant Contract Administrators (CA), Potter Raper (Canada Estate) and Calfordseaden (Fair Street/Devon Mansions and Kirby Estate), the key issues that emerged from the review of these projects were:

- suitability, quality, and accuracy of the original feasibility studies carried out by the CA's.
- quality and suitability of the original specification for the works.
- quality of some of the works that were completed under the projects.
- overall quality of the management of the projects (internally and externally).
- Significant increase in cost of the projects (two at more than 50%).
- quality and timeliness of the decision-making process.
- impact of COVID-19.
- absence of robust and reliable stock condition data.
- communications.

3.2 All of the above identified key issues have been investigated, and the respective findings and recommendations are included later in this report.

3.3 The LBS has also commissioned an independent external review of the Canada Estate (Phase 2) 2017/18 QHIP and Fair Street/Devon Mansions 2018/19 QHIP Major Works Projects. Pellings LLP, a specialist provider of integrated design, property, and construction consultancy services, with considerable experience and expertise in social housing, was appointed to carry out these reviews.

3.4 Pellings LLP was appointed specifically to look at the administration of the two projects, the delivery and quality of the works on site, value for money and, the reason for the significant escalation in costs. It is strongly recommended that the Pellings reports are read in conjunction with this report of the TFT.

4. Common Findings

General

4.1 Many of the findings from the TFT's review of the Canada Estate (Phase 2) 2017/18 QHIP, the Fair Street/Devon Mansions 2018/19 QHIP and the Kirby Estate 2018/19 QHIP Major Works Projects are common across the three projects. These are set out below.

Governance/Internal Processes

4.2 Procurement

4.2.1 All three projects were procured via the LBS' Major Works Constructor Framework Agreement. This framework provided for a mini-competition arrangement to tender the works to the framework contractors.

4.2.2 The Tender Evaluation Methodology used to assess the tenders submitted and ultimately, to award the contract for the three projects, was based on the 'Most Economically Advantageous Tender'. Usually, this means that tenders are assessed on a combination of price and quality (for example, 60% price and 40% quality). For these projects however, the quality aspect of the tender analysis was a simple 'pass or fail' assessment based on method statements submitted by the tenderers in response to specific questions set by the LBS relating to:

- Resources and management of 'Call-Off' Contract.
- Management of sub-contractors.
- Health and Safety proposals for the 'Call-Off Contract'.
- Access provisions.
- Design.

4.2.3 It could reasonably be expected that any contractor on the Major Works Constructor Framework Agreement would 'pass' the quality assessment easily. As such, the award of this contract was essentially based on price only. Whilst this is not uncommon or unreasonable, it does mean that the LBS loses the opportunity to assess and value how tenderers will deliver important aspects of the project such as:

- communications with residents.
- value for money.
- quality in delivery.
- timely delivery.
- dealing with residents (including vulnerable residents).
- adequacy of resources for the project.
- dealing with complaints.
- social value.

4.2.4 The procurement process used in the award of these contracts was **compliant** and in accordance with LBS Standing Orders, Financial Regulations, Procurement and Contract Regulations and relevant LBS policies and procedures.

Recommendation 1:

Future tenders should be awarded on the basis of the 'most advantageous tender' (MAT) where, the award criteria include a 'true' assessment of quality which, forms an integral part of the tender evaluation and subsequent award of the contract.

4.3 Contract

Form of Contract

4.3.1 The contract used for all projects was the Model Form of Call-Off Contract JCT Intermediate Contract with Contractor's Design 2011. This form of contract is common and, is deemed suitable and appropriate for a project of this type.

4.3.2 At the time of writing this report however, the respective contracts between the LBS and the contractors have not been formalised. It should be noted however, that a contract remains legally binding even without formalisation, if both parties followed the terms of the agreement and did not raise any objections to it not being formalised. In this case, both the LBS and the respective contractors clearly followed the terms of the agreement without raising concerns at the failure to formalise the contract. As such, the contracts would still be considered valid between the parties.

4.3.3 Ideally, contracts should be formalised before any work starts on site however, this is not always possible. The formalisation of contracts may only become an issue when there is a dispute between the parties. Even then, it may not necessarily be an issue. However, to eliminate the risk, the LBS should consider how it can improve its performance in formalising contracts.

Recommendation 2:

For future contracts, processes should be put in place to ensure that, wherever possible, contracts are formalised before works commence on site.

Preliminaries

4.3.4 The Preliminaries document used for the projects is a generic, all-encompassing document that is commonly used for works of this nature. The document is generally fit-for-purpose however, it should be reviewed and updated for future projects to reflect:

- the specific aims, objectives, and requirements of the LBS' 'Putting Residents First' Standards.
- new or, changes in legislation, regulations, best practice, British Standards, industry guidance etc.

- proposed changes to the way in which the works are to be managed and delivered including quality, timeliness, value-for-money etc.
- resident involvement in the works.
- lessons learned from COVID-19.

Recommendation 3:

The Preliminaries document used for this project should be reviewed and updated to ensure it remains robust, relevant and fit-for-purpose for future projects of a similar nature.

Specification (Materials and Workmanship)

4.3.5 Different Specification (Materials and Workmanship) documents were used for the three projects which, are generic, all-encompassing documents commonly used for works of this nature. Although generally fit-for-purpose, the documents should be reviewed, updated and standardised for future projects to reflect:

- changes/improvements in specifications.
- changes in requirements for materials and workmanship.
- changes in best practice and British Standards.
- changes in material suppliers.

Recommendation 4:

The Specification (Materials and Workmanship) document should be reviewed, updated and standardised for future projects to ensure it remains robust, relevant, specific to the scope of works, up-to-date and fit-for-purpose.

Schedule of Rates

4.3.6 The Schedule of Rates (SoR) used for the projects is generally sound and appropriate for works included in most QHIP Major Works projects. However, the SoR used for this project is linked and referenced to the LBS' Specification (Materials and Workmanship) document referred to above. Recommendation 4 in this report provides that the Specification document should be reviewed and rewritten to ensure it remains fit-for-purpose. Consequently, to maintain the link to the Specification, the SoR will also need to be reviewed and updated to reflect changes to the Specification document.

Recommendation 5:

The Schedule of Rates (SoR) used for this project should be reviewed and updated for future projects, to reflect the changes made to the LBS' Specification (Materials and Workmanship) document.

4.4 Gateway Process

4.4.1 Contract Standing Orders provide that “a decision to allow a contract variation of £100,000 or more must only be made after consideration of a Gateway 3 report”.

4.4.2 For all three projects included in this report, contract variations exceeding £100,000 have been allowed and, the works contained in the contract variations have duly been completed and paid for.

4.4.3 Although these variations have not been formally approved by way of a Gateway 3 report, officers were able to authorise the payment of the additional costs included in the contract variations to the contractor by submitting a 'one-page' report to the Director of Asset Management (at the time) for approval.

4.4.4 Whilst it was never intended that the 'one-page' report would replace or negate the need for a Gateway 3 report, it appears to have caused some confusion amongst officers and, diluted the need and urgency to seek the necessary approval through the Gateway process. For all three projects, Gateway 3 reports will need to be submitted for retrospective approval to regularise this issue.

Recommendation 6:

On the assumption that it is deemed fit-for-purpose, officers should be instructed that for future projects, the Gateway process must be adhered to. The use of the 'one-page' report should be scrapped to avoid doubt and confusion.

The Works

4.5 Role of the Contract Administrator (CA)

4.5.1 For all three major works projects, external consultants were appointed to carry out the role of the CA. The CA is a crucial role in the management and administration of projects with key responsibilities including:

- reviewing the initial scope of works and producing a bespoke Feasibility Study to ensure the project delivery meets the QHIP objectives and criteria.
- preparing specifications and other relevant documentation required for the procurement and subsequent administration of the works.
- preparing monthly valuations for payment to contractors for works completed each month.
- ensuring that the quantity and quality of the work undertaken and reported by contractors as complete, is acceptable and to the required standards.
- ensuring that there is adequate and appropriate labour on site to ensure that works progress regularly and diligently.
- recording and reporting all delays on the Risk Register, identifying the reasons for, and owners of these delays, and subsequent risks.
- capturing and assessing changes to the scope of the works including presenting their impact in cashflow forecasts and reports.
- monitoring, managing, and reporting on the contractor's performance including, matters relating to health and safety.

- monitoring, managing, and reporting on all statutory matters included in the scope of the works.
- issuing any 'Pay Less Certificates' (reduction in payment for poor works) and Default Notices (early warning of failures in service delivery such as poor workmanship or the provision of insufficient labour to complete the project on time).

4.5.2 The practice of using external consultants to carry out the role of CA for major works, new-build and other works projects is relatively common in local authority and housing associations. The provision of this external service is required where organisations do not have (often by choice) their own specialist experienced and qualified internal resources to deliver the services themselves.

4.5.3 The Council has for several years now, chosen to outsource the CA role for most of its major works projects, the idea being that the appointed CA's would be overseen and managed by the Council's own limited number of Project Managers.

4.5.4 For two of the three projects (Canada Estate and Fair Street/Devon Mansions), the external consultants appointed to undertake the CA role were also commissioned to provide the Clerk of Works (CoW) service for the projects. The CoW was responsible for managing and approving the quantity and quality of the works carried out under the projects including, inspecting works in progress and on completion, authorising works for payment, identifying defects and overseeing subsequent remedial works.

4.5.5 In general terms, the three projects presented very different operational, administrative, practical challenges and issues, some of which are set out later in this report. However, the TFT's review of the three projects highlighted a major weakness in the way that consultants' fees are calculated. In general terms, if the cost of the works increases, the consultants' fees also increase even when, the failings of the consultant has at least, contributed to these additional costs. As such, there is no obvious incentive for the consultant to challenge and manage the contractors claims for additional costs.

Recommendation 7:

Consultancy contracts should be reviewed and amended to ensure that the consultant is held liable for its failings in carrying out its professional duties. This may be in the form of a prescribed formal contractual default process or, some other legally binding agreement. At worst, the consultant must not be in a position where, it can claim fees against the cost of additional works arising from its own failings.

Recommendation 8:

Future consultancy contracts should be 'incentivised' in a way that the consultant is rewarded for ideas that reduce the cost of the works included in the contract (value engineering options such as alternative design solutions, alternative suppliers/manufacturers etc.)

4.6 Replacement Windows

- 4.6.1 Replacement windows were carried out to all properties included in the Canada Estate (Phase 2) 2017/18 QHIP and the Kirby Estate 2018/19 QHIP Major Works Projects and, to a small proportion of the properties included in the Fair Street/Devon Mansions 2018/19 QHIP Major Works Project.
- 4.6.2 The quality of the replacement windows on the Canada Estate and the Kirby Estate is the single biggest area of dissatisfaction for residents. There are various aspects of the window replacement works that have raised concerns as set out below:

Compliance

- 4.6.3 The new windows needed to comply with the provisions of the specification and Building Regulations. The specification requires that the windows are fitted in accordance with the British Plastics Federation 'Code of Practice' and to BS 8213-4. It should be noted that all replacement glazing falls within the scope of the Building Regulations.
- 4.6.4 The sub-contractor used on the Canada Estate and the contractor on the Kirby Estate, were both FENSA approved window and door installers. FENSA is a government-authorised scheme that monitors Building Regulation compliance for replacement windows and doors. Each FENSA Approved Installer is assessed regularly by FENSA to ensure its compliance to Building Regulations is continually maintained. FENSA will ensure that the work complies with Building Regulations, is energy efficient, and registered with the local council. FENSA will also verify that every FENSA Approved Installer's guarantee is insured.

NB:

The FENSA accreditation scheme applies only to buildings less than 18 metres in height. For buildings exceeding 18 metres, compliance with the Building Regulations must be obtained through the relevant local authority building control, or independently approved inspector.

- 4.6.5 A FENSA approved window and door installer can self-certify its own work, which is what happened in relation to the new windows installed to the low-rise blocks on the Canada Estate and on the Kirby Estate. The window installations to the low-rise blocks on the Canada Estate were certified and registered by FENSA primarily, in December 2022. Those windows installed on the Kirby Estate were certified and registered by FENSA in October 2020. To this extent, the windows are compliant with Building Regulations.
- 4.6.6 Whilst FENSA is a recognised government-authorised certification scheme and, is widely used in the industry, there is some sceptism and concern with the notion of 'marking your own homework'. Whilst the FENSA scheme has worked successfully for the LBS in the past, there are some schemes (including the Canada and Kirby Estates) where, the appropriateness and suitability of the FENSA scheme has been questioned.

Recommendation 9:

The use and suitability of the FENSA self-certification scheme should be reviewed and, if appropriate, additional measures be put in place to improve its validity including, for example, additional independent quality checks during the installation process.

4.6.7 For the replacement windows in the two high-rise blocks, Regina Point and Columbia Point, the CA submitted the necessary Building Control (and Planning) Applications to ensure that the works were fully compliant with the current statutory requirements.

Quality of Installation

4.6.8 The number of complaints received from residents on the Canada and Kirby Estates about the new windows is significant and, suggests that the quality of the installation is not as good as could reasonably be expected. As set out previously however, the replacement windows do meet the requirements of the specification and the Building Regulations (subject to confirmation from Building Control for the two high-rise blocks).

4.6.9 In its current form, the LBS Specification Materials and Workmanship document, is not considered robust enough to ensure the required level and quality of the replacement windows installed in our homes. The heavy reliance on the FENSA self-accreditation scheme, as set out earlier in this report, is a concern (refer to Recommendation 4 above).

Defects

4.6.10 The defects that have been identified with the windows on the Canada and Kirby Estates, in the main, relate to:

- excessive use of frame extensions.
- whistling noises through the windows.
- windows vibrating and/or draughty.
- silicone (mastic) sealant breaking down.
- uPVC trims falling off.
- windows not closing properly.
- individual problems with ironmongery and the window mechanism in use.
- missing vent covers.
- making good not done or done poorly.

4.6.11 The type and level of defects identified with the new windows does raise concerns about the level of supervision that was employed during the works. The CoW for the Canada Estate was provided by the external consultant but, for the Kirby Estate, the Council's own directly employed CoW was used. Although it could reasonably be expected that the CoW should, to some extent, have control of the quality of the window installations, it may be the case, that

there was an over-reliance on the government-authorised certification scheme (FENSA).

4.6.12 In the case of the Kirby Estate, the TFT Lead Officer wrote to all residents on the estate asking them to inform us of any problems/defects with their new windows. In addition, the TFT carried out an extensive door-knocking exercise to give residents the opportunity to show us any problems that they were having with their windows.

4.6.13 As a result of the above initiative, to ensure, as far as possible, that the window installations to all properties on the Kirby Estate were brought up to the required standard, subsequent remedial works to the windows to more than 40 homes were carried out, managed and supervised by the Council's own CoW.

4.6.14 The LBS instructed Pellings LLP, who carried out the independent external review of the Canada Estate (Phase 2) 2017/18 QHIP, to look in more detail at the concerns raised with the replacement windows. Pellings findings are contained in its own separate report. The LBS should consider whether a more extensive specialist survey of the replacement windows on the Canada Estate should be undertaken to ensure that all defects are identified.

Recommendation 10:

The LBS should consider the outcome of the Pellings LLP overview of the quality of the replacement windows and decide whether a more extensive specialist survey of the installations is required.

4.7 Cost of the Works

4.7.1 As set out previously in this report, there has been a considerable change in the cost of the works for the Canada Estate (Phase 2) 2017/18 QHIP, the Fair Street/Devon Mansions 2018/19 QHIP and Kirby Estate 2018/19 QHIP Major Works Projects. The reasons for these increased costs are generally specific to each of the projects and are considered later in this report.

4.8 Other Considerations

Communications and consultation

4.8.1 From the evidence the TFT has seen, a robust communications protocol had been set up for the duration of the three QHIP Major Works Projects to ensure that residents were kept informed and had the opportunity to engage with the LBS' Project Team to voice their concerns and raise any queries they had with the management and direction of the project. This included:

- Monthly Resident Project Team (RPT) meetings – where residents met with the LBS officers, the Design Team, CA, and the contractor's management team.
- Drop-in sessions – arranged by the LBS where, residents could ask questions of the Project Team and raise any concerns with the progress of the works.

- Regular newsletters providing information on the progress of the works, upcoming works, details of community activities and relevant contact details of members of the Project Team.
- Leaseholder consultation meetings.
- Officers attending the T&RA meetings, the T&RA AGM, ad-hoc meetings called by the T&RA.

4.8.2 Unfortunately, from quite an early stage in the projects, it became clear that the relationship between residents and the LBS' Project Team was challenging and tense. The TFT has not, as part of this review, undertaken a 'deep dive' into the relationship between residents and the LBS' Project Team however, it would offer the following observations.

- The continued impact of Covid and the ongoing restrictions that were in place for a significant part of the duration of the projects made effective communications and consultation with residents much more challenging.
- The expectations of residents were not managed effectively, which led to unreasonable demands placed on officers.
- Residents became increasingly frustrated with a lack of response to longstanding issues and, the RPT meetings were not providing the answers that they required.
- Officers felt that they were very badly treated by some residents (in public, on social media etc) and were exposed to unreasonable and humiliating behaviour.
- It was evident that officers became defensive, probably unable to cope with the scale of the demands that were being made on them and feeling very unsupported and undermined by senior management.
- There was (and to some extent still is) a deep-rooted lack of trust in the LBS from residents and T&RA's, some of which is historic.
- The decision-making process was slow and cumbersome, causing frustration for residents and the LBS' Project Team. Some key issues took far too long to resolve.

4.8.3 It is important that lessons are learned from the breakdown of the communications process for these projects to ensure, as far as possible, that future projects do not suffer a similar fate.

Recommendation 11:

The lessons learned from this project in relation to the breakdown in communications between residents and the LBS' Project Team (in respect of both sides) should be used to inform and improve communications on future projects.

The role of the LBS' Project Team

4.8.4 In terms of the LBS' internal arrangements for the oversight, administration and management of the Canada Estate (Phase 2) 2017/18 QHIP, the Fair Street/Devon Mansions 2018/19 QHIP and Kirby Estate 2018/19 QHIP Major

Works Projects, a dedicated Project Team was allocated to this project comprising the following directly employed LBS roles:

- Project Manager (PM)
- Contracts Manager (CM)
- Customer Relationship Officer (CRO).

4.8.5 Unfortunately, for all projects, the individual members of the LBS Project Team changed several times during the term of the project, and this had a negative impact on the efficiency and overall performance of the team.

4.8.6 Residents (particularly leaseholders) raised several issues with the role and performance of the LBS' Project Team particularly, the apparent lack of oversight and management of the consultant CAs employed on the projects.

4.8.7 There appears to be a clear lack of clarity around the roles of the respective PM and CM. This is particularly pertinent to the accountability of the internal Project Team for the management of the project in terms of the performance of the contractor and the CA, the control of budgets and project spend, the authorisation of additional works and representing the interests of residents.

4.8.8 The role of the internal LBS' Project Team is crucial to the success of future major works programmes. With the recent significant changes in housing legislation, including the Fire Safety Act and the Building Safety Act, it is essential (and in some cases, a legal requirement) that staff are properly qualified and experienced to manage housing major works projects. At this stage, there are clearly gaps in the skill sets (qualifications and practical experience) of some officers responsible for the management of housing major works projects. It is particularly noticeable that whilst many officers responsible for the management and delivery of the major works projects have many years' experience in the role, very few have the relevant academic qualifications that would typically be expected for roles of this nature including, for example:

- HND in Building Surveying/Construction/Project Management.
- Accredited relevant degree/post-graduate degree in building surveying/construction/project management.
- RICS accredited degree.
- RICS/MCIOB accreditation.
- APM/PMI certification.

Recommendation 12:

The role of the posts in the LBS Project Team (and their respective Job Descriptions) should be reviewed to ensure that the postholders have clearly defined responsibilities and accountabilities. Staff should be given the necessary support and training to ensure that they are able to fulfil their roles.

Recommendation 13:

A skills appraisal of all staff responsible for the management and delivery of housing major works projects should be undertaken to ensure that staff have the appropriate qualifications and experience to carry out their roles.

Inadequacy of stock condition and supporting data

4.8.9 In the preparation of the respective Feasibility Studies for the projects the consultant CAs expressed concerns with the quality of the data provided to them relating to the repair's history and general condition of the blocks of flats included in the projects. Whilst information was provided by the LBS, it was clearly 'patchy' and limited.

4.8.10 The repairs history is particularly useful in informing the proposed scope of the works by, for example, identifying 'trends' in the type of repairs common to the estate. In the absence of robust stock condition and supporting data, the scope of major works projects will not necessarily be based on the condition and needs of the housing stock.

Recommendation 14:

Future major works projects of any kind should be based on priorities emanating from robust stock condition information or, based on regulation relating to the safety of the buildings (including fire) and the residents in them.

Note:

The LBS has commissioned a new housing stock condition survey that will go some way to addressing this recommendation.

5. **Findings Specific to the Canada Estate (Phase 2) 2017/18 QHIP Major Works Project**

5.1 **Current Position**

5.1.1 Although the works on this project are essentially complete, the defects and other related remedial works have not been completed, and the contract has not been finalised. The T&RA has made clear its dissatisfaction with the quality and cost of the works and has clearly lost confidence in the contractor's ability to carry out the remedial works. This has resulted in the T&RA insisting that the contractor should not be allowed back to the estate to carry out any further works.

5.1.2 The Council is currently involved in ongoing discussions with the contractor to agree a way forward. Given the length of time that has passed since the works were completed and, the outstanding defects and remedial works that have been identified, it is essential that an agreement is reached as soon as possible.

Recommendation 15:

The Council should endeavour to reach an agreement with the contractor on a way forward as soon as possible to facilitate the completion of the outstanding defects and related remedial works on the Canada Estate.

5.2 **Balconies at Columbia Point and Regina Point**

5.2.1 It is understood that when the two tower blocks (Columbia Point and Regina Point) were built, the balconies were 'true' balconies, in the sense that they were much larger (in depth) and accessible through integral door sets forming part of the balcony fenestration. In later years, structural alterations were made to extend the size of the living rooms to what they are today. The downside of these structural alterations, was that the depth of the balconies was significantly reduced essentially, rendering the balconies inaccessible.

5.2.2 As part of the window replacement works to Columbia Point and Regina Point, the design of the lounge windows was changed to further restrict access on to the balconies. This appears to have been the result of health and safety concerns around residents continuing to access the balconies. It should be noted however, that the lounge windows were changed due to their age and condition and is not the reason why the balconies are no longer accessible.

5.2.3 Following completion of the replacement lounge windows, some residents have complained that they can no longer safely clean the outside of the windows and carry out minor routine maintenance to them. The LBS appointed Pellings LLP to carry out a detailed review of the design of the windows to the balconies.

5.2.4 In its final report, a copy of which is attached as Appendix A1 to this report, Pellings LLP has concluded that:

- the recently replaced balcony window installations are generally in good condition and are without significant defects, issues or non-compliances.

- the existing balustrades are non-compliant installations.
- the areas external to the balcony window installations are not useable spaces and are not intended to be used.
- the LBS would be liable and accountable in the event of injury or death of a resident, if it was to permit residents to access these areas.
- the windows can be reasonably cleaned in their existing configuration.
- reconfiguring or replacing the existing window installations is not an economically feasible solution. Preliminary cost estimates to conduct this work are in the region of £6.3million plus VAT and professional fees to carry out this work to both blocks.

5.2.5 Given the findings in the Pellings LLP report, the decision to change the design of the balcony windows to restrict access was reasonable and justified and no further action, other than the completion of outstanding defects, is required.

5.2.6 From the feedback the TFT has received from the Canada Estate Major Works Residents Meetings, some residents continue to access the balconies to clean their windows. This is very concerning as access can only be achieved by climbing through the opening sashes of the new windows, which is highly dangerous. The LBS should write to residents in the two tower blocks to outline to them the dangers of doing this.

Recommendation 16:

The LBS should write to all residents in Columbia Point and Regina Point to make them aware of the dangers of trying to access the balconies in their homes.

5.3 Quality of the Works

5.3.1 The quality of the replacement windows on the Canada Estate is the single biggest area of dissatisfaction amongst residents and is addressed at Section 4.5 of this report.

5.3.2 In addition to the replacement windows, other works carried out under the Canada Estate (Phase 2) 2017/18 QHIP Major Works Project included:

- fabric repairs (concrete, brickwork, asphalt, roof)
- rainwater goods
- front entrance door replacements
- external decorations
- kitchen, bathroom and wc replacements (Edmonton Court)
- asbestos removal
- conversion works (Hidden Homes)
- electrical upgrades and repairs (leasehold and tenanted).

5.3.3 Whilst there are outstanding defects identified for the above works, for the most part, these are generally commensurate with a project of this scope and size and have been included in the final Schedule of Defects. However, there are some works and issues that have caused concern amongst residents as set out below.

Replacement front entrance doors

5.3.4 Some residents in the two high rise blocks have reported issues with the new fire doors installed to the entrances to their flats (including draughts, problems with handles and doors not closing properly). These doors were manufactured and installed by Gerda, a specialist fire door manufacturer and installer. The doors are certified as meeting the requirements of the Q-Mark Fire Door Installation Scheme and the work undertaken complies with Building Regulations 4 and 7.

5.3.5 Gerda doors come with a 10-year manufacturer's warranty on the delamination of the door, 2-year warranty on the standard ironmongery and 12-month warranty on all other parts. All the defects reported have been referred to Gerda to rectify. It is a provision of the warranty that these defects are dealt with by Gerda and, as such, will not be included in the negotiated settlement with Durkan.

External redecorations

5.3.6 Several defects have been noted with the quality and longevity of the external redecorations carried out across the estate. It should be remembered that the bulk of the external redecoration works were completed more than two years ago and, allowance must be made for due 'wear and tear'. However, in instances where the quality of the redecoration is sub-standard, provision has been made in the final Schedule of Defects for subsequent remedial works to be undertaken.

Internal communal floor tiling

- 5.3.7 The flooring to the communal lobbies in the two high-rise blocks is of solid construction with a quarry tile finish. The floors are around 60 years old and over time, several tiles have been replaced with different shades and sizes (metric as opposed to imperial).
- 5.3.8 Provision was made in the original tender for the full replacement of the tiles to the ground floor lobby only, with localised repairs to damaged floor tiles on all other floors. The T&RA subsequently insisted that the quarry tiles to all lobby floors be replaced but, this was rejected due to the cost and the inconvenience and disruption the works would cause.
- 5.3.9 As a variation to the contract, the LBS agreed that all floors except the ground floor lobby (where the tiles were replaced), would be cleaned with an industrial cleaner. Although it was agreed that the industrial cleaning had improved the appearance of the quarry tiles, there were still several unsightly marks that remained. At its own expense, the contractor carried out a further 'supervised' industrial clean using alternative cleaning products. Unfortunately, this did not make much of a difference to the finish.
- 5.3.10 From a contractual perspective, the contractor has gone 'above and beyond' what it has been paid to do and, prior to being excluded from the estate, confirmed that it will not be carrying out any further works on the floors. No further works are proposed.

Fabric repairs (concrete/brickwork)

- 5.3.11 The concrete works/brickwork repairs carried out under the QHIP included (but was not restricted to) repairs to the brickwork and masonry to the low-rise blocks, as identified by the CA as part of its feasibility study for the QHIP works.
- 5.3.12 The T&RA has been, and remains, particularly vocal in his views that the poor-quality construction of the external cavity walls to the low-rise blocks (which, were rebuilt around 1989), was resulting in extensive penetrating damp, leading to problems with damp and mould in many homes.
- 5.3.13 Following its investigation into this matter, the CA identified that the detail between the brickwork and the underside of the concrete ring beam, which comprises of an expanded foam strip, galvanized stop bead and cementitious coating, had failed. The CA recommended the replacement of the foam infill with brick slips to match the existing brickwork in conjunction with concrete repairs to the ring beam to provide a solid permanent solution.
- 5.3.14 Due to issues with the width of the detail between the brickwork and the underside of the concrete ring beam, that were identified as the works progressed, a modified solution to the one recommended by the CA was agreed, implemented and signed off.

5.3.15 The T&RA remains unhappy with the solution implemented and continues to push for the external cavity walls to low-rise blocks to be rebuilt (this will cost several £millions to carry out). The LBS has already invested considerable resources in investigating the concerns raised by the T&RA relating to the cavity walls including:

- an intrusive assessment of the cavity wall insulation at 1-18 Niagara Court.
- thermal imaging surveys of the construction of the cavity walls at 1-18 Niagara Court and 1-18 Scotia Court.
- sampling and analysis of the mortar beds from Niagara Court and Scotia Court.
- Specialist External Masonry Survey – Low Rise Blocks (May 2019).
- Non-intrusive survey of external walls to 1-18 Niagara Court (October 2020). This was rejected by the T&RA as it was a non-intrusive survey.
- Intrusive survey of external walls to 1-18 Niagara Court (November 2020). For this survey, 30 different areas of brickwork were opened up, with internal access to two properties.

5.3.16 The three specialist surveys carried out above, are consistent in their findings below:

- there is no sign of cracking or movement in the structure associated with failing of the mortar although, it is generally accepted that mortar used in construction was weak.
- there is no evidence to suggest that there is any substantial damage and/or degradation of the glass fibre insulation due to water ingress.
- any moisture in the cavity wall insulation will dry out if the source of the water ingress is addressed.
- the rebuilding of the external walls and/or replacement of the existing insulation is not necessary.
- the problems identified relate to the detail between the brickwork and the underside of the concrete ring beam and, if the solution recommended by the CA is implemented (which it has been), the insulation will dry out.

5.3.17 The TFT sees no reason to question the findings of the specialist consultants but recommends that the situation with the drying of the insulation and the condition of the cavity trays is monitored to ensure that the implemented solution has been effective.

Recommendation 17:

The LBS should carry out further inspections of the cavity wall construction to the low-rise blocks on the Canada Estate every two years to monitor potential issues with water penetration and to assess the efficiency of the remedial works undertaken.

Timber panels to risers in the lift lobbies to high-rise blocks

5.3.18 To facilitate access for inspections to the risers in the two high-rise blocks that were undertaken as part of the Type 4 Fire Risk Assessment (FRA), the contractor cut open the timber panels to the risers in the lift lobbies. The subsequent remedial works comprise the fixing of an additional timber panel to cover the hole that was cut out to provide access.

5.3.19 The remedial works undertaken are crude and unsightly however, of greater significance, is why the panels were cut open in the first instance. The existing timber panels are fixed with cups and screws, and it should have been relatively easy to unscrew the panels in their entirety, without causing damage and, to refix them on completion.

5.3.20 The contractor has previously been notified of this unsatisfactory work and instructed to carry out the necessary remedial works. This work has still not been done and, as such, has been included in the final Schedule of Defects.

5.4 Cost of the Works

5.4.1 As set out in section 2.3 of this report, the overall cost of the Canada Estate (Phase 2) 2017/18 QHIP Major Works Project has increased significantly by £2,145,740 (from £4,228,513 to £6,374,253). The increase in the cost of the works is due, in the main, to largely unforeseen additional works and the costs incurred because of significant delays, resulting in an extension of the contract by a further 72 weeks. These are considered in more detail below.

Additional Works

Replacement of windows to low-rise blocks

5.4.2 The windows to the low-rise blocks of flats on the Canada Estate were replaced in 2003 and would generally have had an expected lifespan of 30 years. As part of its initial Feasibility Report dated January 2018, the CA noted that:

“the likely (remaining) life expectancy of this element (the windows) is likely to be in excess of 10 years, although isolated ongoing maintenance will be likely”.

5.4.3 Given the findings of its surveys in January 2018 and the fact that the windows to the low-rise blocks still had an expected lifespan of at least 10 more years, the CA included in its scope of works (and subsequently in the tender documents) for the QHIP for the windows and doors to all low-rise blocks to be repaired and overhauled in accordance with the manufacturer’s guidelines.

5.4.4 Prior to the commencement of works, the T&RA raised issues with the existing windows to the low-rise blocks and insisted that they should be replaced. As a result, the LBS instructed Potter Raper the CA to carry out a further review of the condition of the windows to the low-rise blocks to enable the LBS to decide whether the decision to overhaul the windows should be overturned in favour of full replacement. This review included:

- providing detailed 45-year life cycle costings for the replacement of the windows (based on the actual costs of a pilot window installation carried out by the contractor).
- a detailed comparison of the cost of replacement against the ongoing maintenance costs of the existing windows.
- observations on the sustainability and efficiency of the existing windows and the in-use cost to residents.
- an assessment of the risks and implications of the windows requiring more extensive works (or replacement) once further surveys have been undertaken as the works progressed.

5.4.5 From its review, the CA subsequently concluded that it would be prudent for the LBS to consider undertaking the full replacement of the windows in the low-rise blocks on the basis that:

- the cost of replacing the windows compared to repairing them, over a 45-year period, was comparable.
- replacing the windows would provide an opportunity for further improving the thermal efficiency of the windows (with a subsequent reduction in energy bills for residents).
- the new windows would have greater acoustic properties, improving resident comfort, health and wellbeing.
- the LBS' Repairs Team had advised it was having difficulties obtaining replacement parts for the existing windows.
- a fully boarded scaffolding is to be erected to all blocks to facilitate other works to the external façades, which could be used additionally (and cost effectively) for the replacement windows.

5.4.6 The former Strategic Director of Housing at the time, subsequently decided that the windows to the low-rise blocks should be replaced at an additional cost of around £750,000.

5.4.7 Whilst the decision to replace the windows to the low-rise blocks appears to make some sense, the way in which the issue was dealt raises considerable concerns beyond the increase in the cost of the project including:

- the issue took 16 months to resolve, which added considerable additional delay and cost to the project over and above the actual cost of replacing the windows.
- some leaseholders in the low-rise blocks, understandably, have questioned the decision to replace the windows when, previous surveys had concluded that the windows had at least another 10 years lifespan. This may result in challenges to the final cost of the works levied on leaseholders.
- The CA's apparent 'change of perspective' in reversing its previous recommendation to repair and overhaul the windows is unusual.
- why a more detailed review of the condition of the windows to the low-rise blocks was not undertaken at feasibility stage.

- the perceived lack of prior engagement with residents on the scope of the works for the QHIP including the decision to overhaul the windows to the low-rise blocks.
- the influence of the T&RA in pursuing the replacement of the windows to the low-rise blocks (and indeed, other elements of works including the works to the walls of the low-rise blocks and internal communal floors outlined above).
- the adequacy of the decision-making process (at all levels) particularly, on key decisions that have a significant impact on the cost of the works, the impact on residents and the timescale for delivery.

5.4.8 The unfortunate and sad irony in this matter, is that tenants and leaseholders in the low-rise blocks have complained that the new windows are worse than the ones that were taken out.

Replacement of front entrance doors to flats in high-rise blocks

5.4.9 In 2010, as part of a programme of FRA Works, the front entrance doors to all flats in Columbia Point and Regina Point on the Canada Estate were replaced with new fire doors. The fire doors were manufactured and installed by the LBS' approved term contractors at the time.

5.4.10 As part of the Canada Estate (Phase 2) 2017/18 QHIP, provision was made in the scope of works and specification for the overhaul and replacement of damaged hardware to the front entrance doors to the flats in Columbia Point and Regina Point. However, following further FRA surveys that were carried out to help formulate a fire strategy for the two high-rise blocks, concerns were raised that there was inadequate information available on the construction of the doors. In addition, the LBS could provide no certification to confirm that the doors were of an adequate fire resisting standard.

5.4.11 As a result of the findings of the FRA surveys, the LBS had no alternative but to replace all the flat entrance doors to Columbia Point and Regina Point with new FD30 fire resisting door sets (which included the frame, door leaf and all ironmongery). The cost of this additional work was approximately £328,000.

5.4.12 Not surprisingly, some leaseholders in the two high-rise blocks are extremely unhappy that the front doors to their homes had to be changed again and, as a direct result of the failings of the LBS, they are being charged for works that should not have been necessary.

5.4.13 Following conversations with the LBS' Homeownership Unit (HoU), officers believe that leaseholders have a strong case to challenge the LBS through the First Tier Tribunal should they be charged again for the replacement of the front doors to their homes. The Council has subsequently agreed that leaseholders in the two high rise blocks will not be charged for the replacement of the front entrance doors carried out under this project.

Recommendation 18:

The LBS must put in place robust processes and procedures to obtain, maintain and retain all necessary documentation for key components such as fire resisting doors. This should include clear 'signposting' processes for all staff involved in the maintenance and repair of the LBS housing stock and clear lines of responsibility.

Additional cost of communal stair windows to high-rise blocks

5.4.14 Following discussions with the LBS' Building Control, changes were required to the high-rise communal stair windows to ensure compliance with the current Building Regulations.

5.4.15 The original specification, upon which tenders were submitted, provided that the replacement communal stair windows would be uPVC. This was subsequently found to be non-compliant, and the specification was upgraded to provide for white powder-coated aluminium windows. This resulted in an increase in cost of approximately £183,000 for the two high-rise blocks.

Coal cupboard conversions

5.4.16 To address ongoing issues with dampness in the coal cupboards to homes in Scotia Court, Niagara Court, Manitoba Court and Calgary Court, the scope of the QHIP works was extended to insulate and skim the internal walls of the coal cupboards. In addition, to provide suitable natural ventilation, an air vent and air brick was installed into the walls. The cost of this work was approximately £91,000.

Other additional works

5.4.17 In addition to those specific additional works set out above, further costs were incurred than originally anticipated on the following:

- concrete and brickwork repairs and coatings to the two high-rise blocks (an extra £170,000).
- asphalt replacement to balconies and walkways to the two high-rise blocks (an extra £100,500).
- internal works to four void properties in the two high-rise blocks (£76,000).
- electrical testing and remedial works to the landlord's installation to the two high-rise blocks (£35,000).
- additional kitchen and bathroom replacements in the low-rise blocks (an extra £155,000).

5.4.18 It should be noted that some of the cost of the additional works set out above is mitigated by the omission of provisional sums, contingencies and works that were subsequently not required.

Delays

5.4.19 As set out previously in this report, due to changes in the scope of the works and significant unforeseen (and costly) delays, the Canada Estate (Phase 2) 2017/18 QHIP project was extended by a further 72 weeks. These delays, cumulatively, cost more than £800,000 in additional preliminaries, additional scaffolding hire and other associated 'invisible' costs. The reasons for, and the impact of some of the more significant delays are set out below.

Delay 1 – windows and masonry

5.4.20 In November 2020, shortly after works commenced on site, following representation from the T&RA, the LBS instructed that the works to all low-rise blocks would be suspended with immediate effect to allow for further independent surveys of the windows and cavity walls. The findings of these further surveys have been considered in detail earlier in this report.

5.4.21 Although the works to the high-rise blocks commenced with the erection of the scaffolding, delays were soon incurred. Following further representation from the T&RA that residents had not been consulted on the amended design of the lounge balcony window (removal of the full-height casement opening), the LBS put a 'hold' on the manufacture of the new windows, which was due to commence in February 2021.

5.4.22 It was not until 1 April 2021 that the LBS confirmed that the window replacements to the high-rise blocks could proceed as per the design in the specification/tender that had been accepted and approved by LBS Planning. The issue with the windows to the balconies is set out in Section 5.3 earlier in this report.

5.4.23 It was only in February 2022, that the LBS confirmed that the windows to the low-rise blocks were to be replaced (and not overhauled as per the original scope and specification). This matter, which is set out in paragraphs 5.5.2 to 5.5.8 above, took 16 months to resolve and led to considerable delays and additional cost.

Delay 2 – Hidden Homes

5.4.24 The QHIP works included the adaptation and conversion of the redundant storerooms at ground floor level of the two high-rise blocks on the Canada Estate to create two new 3-bedroom flats (hidden homes). In pricing the conversion works, contractors based their designs for the new hot water system in accordance with the existing vented, unpressurised system.

5.4.25 In May 2021, it was subsequently found that the existing hot water system in the high-rise blocks was outdated, and most new installations are now unvented, pressurised systems. The CA recommended that the Major Works Team reviews the design options with colleagues in the Compliance Team and decides how it wishes to proceed.

5.4.26 It was not until March 2022 that the LBS issued an instruction (along with the necessary specification and drawings) to the CA on how to proceed with the new hot water system.

Recommendation 19:

Key issues that will have a significant impact on cost, progress with the works, the LBS' reputation etc, should be prioritised to ensure that decisions are made quickly and efficiently. Project management procedures should be reviewed to provide the necessary guidance and support to staff managing projects in dealing with key issues.

Delay 3 – external redecoration to high-rise blocks/pigeon netting

5.4.27 In June 2021, the LBS instructed the contractor to suspend the striking/removal of the scaffolding to the two high-rise blocks. The T&RA had raised concern that residents had not been consulted and balloted on the external colour scheme for the two blocks. In addition, the T&RA wanted to look at alternative methods for the pigeon control to the one that had been specified and had already been largely installed.

5.4.28 By the time the LBS issued the instruction to the contractor, most of the external redecorations to the two high-rise blocks had been completed. The surfaces to the two blocks had already been painted in 'magnolia' as had been done previously. It is normal practice to paint all previously painted surfaces the same colour as before unless, there is a very good reason to change it. Changing the colour scheme to blocks of this size and prominence would be very expensive and, would likely require planning permission if the colour scheme is considerably different from what it was previously.

5.4.29 Notwithstanding the above, the LBS decided to 'retrospectively' consult residents on the colour scheme. Only 35 residents in the two blocks responded to the ballot and fortunately, the majority chose to keep the colour as it had been previously.

5.4.30 This issue resulted in a four-month delay to the project and led to considerable additional costs. Had the ballot come down in favour of changing the colour scheme, the cost of redecorating again would have been significant. Moreover, the matter has led residents to question the LBS' credibility and has tarnished its reputation.

Recommendation 20:

The LBS should ensure that there is clarity around the level and scope of consultation with residents (and their representatives) on future major works projects. There needs to be clear guidance on the level of involvement residents can have in the decision-making process and the extent to which they can be involved in the day-to-day management of projects.

Delay 4 – exclusion of the CA

5.4.31 In April 2022, following representation from the T&RA, the LBS informed the CA that it could no longer attend the site. Following further discussions, this instruction was revised to allow the CA's CoW to continue to attend to inspect and monitor the works in progress. This instruction had a considerable impact on the CA's ability to effectively manage the works and ultimately, caused some delay and disruption.

Delay 5 – Fire Strategy for the high-rise blocks

5.4.32 As the works commenced on the low-rise blocks, the LBS was working on developing a Fire Strategy for the high-rise blocks. The Fire Strategy and associated Fire Risk Assessments (FRA's) and fire safety surveys would dictate the scope of the fire safety improvement works to be carried out as part of the QHIP.

5.4.33 The FRA works to be undertaken by the contractor could not be identified, planned and implemented until the LBS' Fire Safety Team completed its various surveys and developed a scope of works to the communal areas of the two high-rise blocks. Unfortunately, this matter was ongoing from December 2020 through to March 2023 when the LBS finally confirmed that the FRA works to the communal lobbies would be removed from the scope of the works. During this period, several instructions were issued to the contractor, and various works were undertaken and decisions made, which had an impact on the cost of and progress with the works.

5.5 Involvement and role of the Canada Estate T&RA

- 5.5.1 The T&RA on any of the LBS' estates has an important role to play in the successful delivery of major works projects. A strong, respectful, collaborative relationship between the T&RA, the respective RPT/RPG and the LBS will go some way to achieving this, ensuring that the interests of residents (tenants and leaseholders) are adequately addressed.
- 5.5.2 As has been stated earlier, the relationship between the LBS' Project Team (including the contractor and consultants) and some members of the T&RA and RPT was challenging, tense and occasionally hostile. Unfortunately, but probably inevitably, this had a significant impact on the performance, delivery, cost and overall success of this project.
- 5.5.3 The expectations of the T&RA were not adequately managed from the outset of this project and, this was compounded at times by a lack of consultation with residents generally at an early stage, on specific aspects of the works. This was particularly evident in relation to the delays attributed to the external colour scheme and chosen method of pigeon control for the two high-rise blocks as set out earlier in this report.
- 5.5.4 With the benefit of hindsight, had these specific matters been raised and discussed with residents at an early stage (prior to works commencing on site),

alternative options (including arrangements to ballot residents where appropriate) could have been explored and collective decisions taken. Notwithstanding, the decision to suspend the works at such a late stage to facilitate what was effectively a 'retrospective' ballot led to significant additional costs and should have been avoided.

5.5.5 As stated previously, the TFT has not carried out a 'deep dive' into the relationship between residents on the Canada Estate and the LBS' Project Team or, the respective conduct of officers and members of the T&RA. However, given that there is still a considerable amount of bad feeling on both sides, it may well be that this necessary to ensure that the issues are identified, and the necessary improvements can be made.

Recommendation 21:

The LBS should consider whether a 'deep dive' audit into the relationship between residents and officers for the duration of this project and, the respective conduct of officers and some members of the T&RA should be undertaken.

6 Findings Specific to the Fair Street/Devon Mansions 2018/19 QHIP Major Works Project

6.1 Current Position

6.1.1 Although the works included in the Fair Street/Devon Mansions 2018/19 QHIP were substantively completed in October 2023, PC has not been issued and the Final Account has not been agreed. The main reasons for this are that:

- the contractor needs to complete further works and provide additional information to obtain LBS Building Control sign-off for the window and roof replacements (flat and pitched) carried out under this project.
- there are still outstanding issues with the quality of some of the works undertaken including, roof leaks on replacement flat roofs.

6.1.2 Whilst this situation is not ideal, the fact that PC has not been achieved means that contractually, we can still hold the contractor to account for remedying any outstanding defects. However, the contractor is pushing for the PC to be issued (and backdated) and seeking the release of all monies still owed under the contract.

6.1.3 We have recently sent out a letter to residents of all properties included in the Fair Street/Devon Mansions 2018/19 QHIP, asking them to notify us of any issues/defects that they have in their homes. These defects will be added to the final Schedule of Defects and issued to the contractor to carry out the necessary remedial works. In addition to the above, the CA will also be undertaking its own defects inspections as part of its preparation for issuing PC.

6.2 Quality of the Works

6.2.1 Whilst it is fair to say that most of the complaints received from residents about the works carried out under the Fair Street/Devon Mansions 2018/19 QHIP project relate to the significant increase in cost of the works (dealt with later in this report), there are issues with the quality of some of the works done as set out below.

Concrete works/brickwork repairs

6.2.2 The majority of the concrete works/brickwork repairs were carried out on the Devon Mansions blocks. These works were completed at least two years ago and, with many years of ad-hoc remedial concrete and brickwork repairs having been carried out on the blocks, it is extremely difficult to identify categorically those more recent repairs that were done as part of the QHIP.

6.2.3 The concrete works/brickwork repairs that can be identified as being done under the QHIP appear to be random and very much ad-hoc. In many cases, for example, repointing of the brickwork has been done in certain areas but, other similar defective areas have not been done. Similarly, seemingly random stone window cills have been replaced or treated when, others in an apparently equally poor condition, have been left untouched. There is an inconsistency in

the way decisions have been made on the extent of the concrete works/brickwork repairs required on each block.

- 6.2.4 The quality of the concrete works/brickwork repairs carried out under the QHIP is inconsistent. Whilst some of the works appear to have been carried out to a satisfactory standard, some of the work has been done poorly. The pointing to the external brickwork in places, for example, is sub-standard and is totally unsympathetic to the original character of the buildings.
- 6.2.5 LBS has instructed Pellings LLP, who is carrying out the independent external review of the Fair Street/Devon Mansions 2108/19 QHIP to look in more detail at the concerns with the concrete works/brickwork repairs. Once Pellings LLP has completed this task, a decision will need to be made as to how the sub-standard works will be addressed.

Recommendation 22:

Once the extent of the sub-standard work to the concrete/brickwork to the external façade has been identified, the LBS should ensure that the contractor and the CA are held to account for carrying out all necessary remedial works in accordance with their contractual obligations.

Flat roof replacements

- 6.2.6 As part of the QHIP works, the flat roof coverings to Block 4 Devon Mansions (Flats 43-54) were replaced and the brick tank rooms on the roof were demolished. Unfortunately, the roof to the block continues to suffer leaks causing distress and disruption to residents. Officers continue to work with the contractor and the CA to get this problem resolved and, it is essential that this problem is rectified before the work is signed off and PC issued.

Recommendation 23:

The remedial works to the roof coverings to Block 4 Devon Mansions should be completed as quickly as possible and, fully signed off by the CA and the material supplier providing the insurance-backed warranty. The contractor should be held accountable for all damage caused by the leaks and for any claims made against the LBS for damages and/or losses suffered by affected residents.

Recommendation 24:

All other flat roofs replaced as part of the QHIP works should be thoroughly inspected and signed off by the CA and the material supplier to ensure that the works are up to the required standard and the respective warranties can be issued.

Other Works

- 6.2.7 Aside from the concrete works/brickwork repairs and flat roof replacements, there have been few complaints or issues of concern raised about the quality of the works.

6.2.8 As stated previously, we have recently written to residents of all properties included in the Fair Street/Devon Mansions 2018/19 QHIP, asking them to notify us of any problems that they have with the works. In addition, the CA will also be undertaking its own defects inspections as part of its preparation for issuing PC. All defects captured will be added to the final Schedule of Defects and issued to the contractor to carry out the necessary remedial works.

6.2.9 It is also intended that any issues/defects with the works identified by Pellings LLP, who is carrying out the independent external review of the Fair Street/Devon Mansions 2018/19 QHIP, will also be added to the final Schedule of Defects issued to the contractor.

Recommendation 25:

Before issuing PC, the CA and the LBS should carry out a comprehensive post-inspection process to ensure that all defects and issues with the works are identified and collated into a Schedule of Defects to be served on the contractor. The CA should monitor the remedial works undertaken to ensure that all works are carried out to an acceptable standard within a reasonable timeframe.

6.3 Cost of the Works

6.3.1 As set out in paragraph 2.6 of this report, the overall cost of the works has increased by almost £4.5million primarily, because of a considerable change in the scope of the works from what was originally identified by the CA.

6.3.2 The main reasons for the increase in costs are summarised below:

- additional scaffolding costs of £1,583,271 (214% increase on original contract value).
- additional concrete works of £1,451,908 (573% increase on original contract value).
- additional brickwork repairs of £368,924 (121% increase on original contract value).
- additional external works of £37,661 (23% increase on original contract value).
- additional window repair costs of £75,150 (35% increase on original contract value).
- additional fire safety improvement works costs of £70,635 (54% increase on original contract value).
- additional decoration works costs of £124,227 (166% increase on original contract value).
- additional roof works costs of £457,368 (88% increase on original contract value).
- increase in the cost of preliminaries paid to the contractor (for additional works, extension of time etc) of £1,440,717 (140% increase on original contract value).

- 6.3.3 One of the main reasons for the significant increase in costs was the inadequacy of the original Feasibility Report produced by the CA. The surveys undertaken by the CA in the preparation of its Feasibility Report were limited to those parts that could be inspected from ground level or suitable vantage points where access could be provided.
- 6.3.4 It could reasonably be expected, especially for the Devon Mansions buildings that are some 150 years old, that more comprehensive and intrusive feasibility surveys would have been carried out to ensure the adequacy of the final Feasibility Report. It should be noted that a more comprehensive Feasibility Report would have resulted in a much higher works cost at tender stage (with more work being identified at the outset rather than as the works progressed).
- 6.3.5 The background to, and reasons for some of the major increases in cost are summarised below.

Scaffolding

- 6.3.6 The prescribed method for working at height on the blocks included in the tender for this QHIP project was agreed by the CA and the LBS as abseiling/roped access/towers and, tenderers were instructed to price on this basis. Whilst tenderers did as they were instructed, all three of them highlighted serious concerns that the preferred method was simply not possible (and indeed, was a significant risk) on the Devon Mansions blocks.
- 6.3.7 Following further discussions with the successful contractor, it was agreed that the use of abseiling, roped access and towers on the Devon Mansions blocks was inappropriate and, a more traditional (and much more expensive) full access scaffolding would need to be used.
- 6.3.8 The effect of this decision was that the cost of the scaffolding increased significantly before the work commenced on site. It could be argued that this was not a 'true' increase in cost as, tenderers should have been pricing for a full access scaffolding in the first instance.

Recommendation 26:

LBS should ensure that robust processes and procedures are in place before making key decisions on health and safety matters such as the preferred methods for access and working at heights including, risk assessments, options appraisals, and appropriate professional expert advice.

- 6.3.9 The increase in the cost of scaffolding on this project was also due, in part, to the continued impact of COVID-19 including social distancing, hand washing, sanitising, wearing of masks etc. This meant that the progress of the works was much slower than it would have been, and the scaffolding was in place for much longer than expected.
- 6.3.10 The significant increase in the scope and extent of the works also meant that the scaffolding had to remain in place for much longer than originally planned for again, resulting in an increase in costs.

6.3.11 Several residents of Fair Street/Devon Mansions have complained that the scaffolding to their block of flats was in place for a significant time during which, there were long periods when, very little or no work was being carried out. In its Feasibility Report, the CA proposed that blocks 1-3 and 18 Devon Mansions would be used as 'pilot' blocks for the erection of scaffolding and subsequent assessment of the works required. The erection of scaffolding to other blocks would subsequently be 'paused' for three weeks until the works had been fully assessed on the pilot blocks.

6.3.12 The use of 'pilot' blocks made sense given the limitations of the original surveys and subsequent Feasibility Report. The pilots would provide much greater detail on the condition of the buildings, access arrangements, risks etc, that would provide for greater certainty in cost and time, better project planning and mitigation of risk. Unfortunately, the use of the pilot blocks was subsequently dismissed.

6.3.13 In hindsight, the decision not to make use of the pilot blocks was unfortunate and undoubtedly, had a negative impact on progress with the works, cost, and resident satisfaction. LBS instructed that the scaffolding be erected on all blocks included in the QHIP works. This inevitably led to blocks of flats being scaffolded for long periods of time without any work being carried out on them. It is therefore not surprising that some residents have stated at public meetings that they felt that they were 'imprisoned' in their homes.

Recommendation 27:

Wherever possible and appropriate, LBS should endeavour to use 'pilot' blocks/properties for future major works projects especially, on complex sites such as Fair Street/Devon Mansions. Pilots are useful in identifying potential issues, as well as providing opportunities for residents to see how the works will be carried out, the expected quality of the works and the disruption the works may cause. It will also help manage resident expectations.

Concrete works/brickwork repairs

6.3.14 The additional cost of the concrete/brickwork repairs is the most significant increase of all the elements of work carried out under this project. As set out previously, this is due in part, to the inadequacy of the final Feasibility Report.

6.3.15 In its Feasibility Report, the CA stated that the 'walls' were generally noted to be 'in good order' and, had an expected lifespan of more than 10 years if no works were carried out. However, under this project, the LBS spent more than £2.3million on concrete and brickwork repairs to the 'walls' as part of a 'more extensive repair programme' that was required following a closer and more detailed inspection.

6.3.16 With regard to the concrete works and brickwork repairs that have been done, assessing the extent and cost of the works is extremely difficult given the passage of time, difficulty in differentiating between recent and older repairs

and the fact that some of the works have subsequently been decorated as part of the external decoration works.

6.3.17 There are hundreds of concrete and brickwork repairs that have been claimed by the contractor on this project, that have been approved by the CA and paid for by the LBS. Unfortunately, the information provided to date by the CA is insufficient to identify and confirm the locations and numbers of the concrete and brickwork repair works undertaken.

6.3.18 It is essential that the LBS can justify and evidence the cost of all works carried out under this project. Leaseholders have expressed considerable concern at the extent and additional cost of the concrete and brickwork repairs carried out on the Devon Mansions blocks. The contractor and the CA must provide the necessary information to the LBS (work logs, work sheets, photographs, sign-off sheets etc) to justify and evidence the concrete and brickwork repairs carried out and paid for under this project.

Recommendation 28:

Prior to issuing PC, the CA must obtain, confirm and provide all necessary evidence to justify the cost of the concrete works and brickwork repairs carried out under this QHIP project. The LBS should seek to recover the cost of any unsubstantiated works from the contractor and the CA.

Recommendation 29:

For future major works projects, where works such as concrete repairs that will subsequently be covered up (by decoration for example), wherever possible, there should be robust systems in place to accurately photograph and record the location, scope, and quantity of the works to facilitate a robust audit trail.

Roof replacements/repairs

6.3.19 The bulk of the additional roof works costs is attributed to the subsequent replacement of the flat roof coverings to Devon Mansions Building 2 (Blocks 4, 5, 6 and 7) and the pitched roof coverings to Devon Mansions Building 5 and Building 1-40 St Johns Estate.

6.3.20 In the case of the replacement of the pitched roof coverings, it is generally accepted that these failures could only have been identified following further detailed investigation once a full scaffolding system had been erected. However, the subsequent failings in the flat roof coverings to Devon Mansions Building 5 should have been evident from the initial feasibility surveys carried out by the CA.

6.3.21 The replacement of the flat roof coverings to Devon Mansions Building 2 (Blocks 4 and 5) had been included in the original contract however, this work was subsequently omitted by the LBS as, the roofs still had 10 years left on an existing manufacturer's warranty from when they were previously replaced. On closer investigation however, the roofs to the whole of Building 2 (Blocks 4, 5, 6 and 7) were found to be saturated and full replacement was the only solution.

6.3.22 The remaining manufacturer's warranty for Blocks 4 and 5 was found to have been invalidated by the LBS' failure to adequately maintain the roofs in accordance with the requirements of the warranty. Whilst there is a 'flag system' provided for in the Housing Asset Management database that is used to indicate that properties are covered by warranties for various works (roofs, windows, doors etc), in this case, the 'flag system' has failed and the flat roof warranty was no longer valid. The subsequent cost of the replacement of the flat roof coverings to Blocks 4 and 5 was borne entirely by the QHIP project when, much of the cost could, and should have been offset by the warranty.

Recommendation 30:

To ensure that the cost and purpose of manufacturer's warranties is justified, the LBS should ensure that robust processes and procedures are in place to maintain the warranties in accordance with the warranty provisions. This includes clear 'signposting' processes for all staff involved in the maintenance and repair of the LBS housing stock and, robust procedures for making claims under the warranty, with clear lines of responsibility.

6.3.23 There have been concerns raised about the cost of the replacement of the flat roof coverings in Devon Mansions Building 2. Quotations for the works were originally obtained using Pluvitec materials. Pluvitec was the provider of the roofing materials when the blocks were last re-roofed and, was the provider of the manufacturer's warranty that was invalidated. Officers were subsequently instructed that, in accordance with the LBS' procurement policy, Langley Waterproofing Systems (Langley) must be used as the nominated supplier of flat roofing materials for all future flat roof replacement works including, Devon Mansions Building 2.

6.3.24 Quotations for the works using the Langley materials came back at a significantly higher value (around 40%) than the previous quotations using the Pluvitec materials. It should be noted however, that the specification that Langley priced against had been updated in line with the LBS' fire policy requirements, which included the use of a non-combustible insulation board. This would account for part of the increase in cost of using Langley products in lieu of Pluvitec however, it is difficult to ascertain why the difference in cost should be as high as it was.

6.3.25 It is not uncommon for a particular supplier to be 'nominated' for certain projects however, there would normally be specific reasons for this such as, for example, added benefits such as the provision of beneficial insurance-backed guarantees/warranties or, a supplier is the 'sole' provider of a particular material that is required for the project. Alternatively, a supplier may be 'nominated' following a competitive procurement process where, the benefits of 'economies of scale' are realised and value-for-money has been demonstrated.

6.3.26 The TFT has not been able to establish why officers were instructed to use Langley products for all future flat roof replacement projects (an instruction that has subsequently been rescinded). There is no evidence that a previous procurement process was undertaken. The TFT has been unable to ascertain

what the benefits to the LBS are/were of using Langley as the sole provider of flat roofing materials.

Recommendation 31:

The use of nominated or sole providers of services, supplies, goods etc should be reviewed to ensure that there are tangible benefits to the LBS in their application. There should be a register of nominated or sole providers that is accessible to all officers with procurement responsibilities. All such arrangements should be validated and approved by the Procurement Team and notified to the relevant committees.

Preliminaries

6.3.27 Preliminaries are the necessary site overheads and preparatory costs required to enable the successful delivery of a construction project. They include expenses for site set up, site safety, temporary utilities, site management, materials, services, fees, and general running costs not attributable to any particular work section.

6.3.28 The preliminaries on this contract increased by £1,440,717 mainly, because of the extension of the contract by 102 weeks that was a result of the significant additional works and unforeseen delays.

6.3.29 As set out elsewhere in this report, this project has suffered considerably from poor preparation, planning and control. The poor quality of the Feasibility Report, including the initial feasibility surveys and, poor project management has led to the significant increase in the preliminaries payable to the contractor.

6.4 Other Considerations

Health and Safety

6.4.1 Residents have advised the TFT of serious breaches of health and safety on site for the duration of the works, which include:

- smoking on all areas of the site including on the roof, on the timber boarded scaffolding, outside windows to residents' homes, in the basements.
- workmen hanging from the scaffolding to carry out repair works with no means of protection.
- physical assault of resident by scaffolding operative (police were called to the scene).
- damage to residents' property.
- generally unsafe working practices.
- vermin in the basements.
- inadequate protection for lighting on scaffolding.
- hazardous cables strewn across the roof and inadequate lightening protection.

6.4.2 Photographic evidence has been provided that seems to demonstrate clear breaches of health and safety. Residents state that these incidents were reported but were ignored by the LBS' Project Team. The TFT has not conducted a detailed investigation into these incidents as, too much time has lapsed since the incidents occurred. However, the TFT does not dispute that these serious breaches of health and safety occurred and, acknowledges that any similar future breaches on any project must be taken seriously, fully investigated, and appropriate action taken to ensure they do not happen again. An audit trail of each incident should be maintained and included in the project documentation.

Recommendation 32:

All reports and incidents of breaches of health and safety should be fully investigated and documented, with appropriate action taken (with due regard to the appropriate legislation) to prevent further recurrence. An audit trail of all incidents should be maintained on site and included in the project documentation.

Kitchens and bathroom upgrades in Fair Street/Devon Mansions

6.4.3 In 2015/16, the LBS carried out an internal major works programme to upgrade kitchens, bathrooms, and internal electrics to tenanted properties across the Fair Street/Devon Mansions Estate. The Feasibility Report prepared by the CA for this project, identified that 79 tenanted properties in Devon Mansions that had not been included in the 2015/16 programme, required work to upgrade the kitchens and/or bathrooms.

6.4.4 At the time, further detailed and intrusive building, structural and fire safety surveys were due to be carried out at Devon Mansions. It was decided that until these surveys were complete and, the full extent of the remedial/improvement works was known, no internal works would be undertaken on the flats in Devon Mansions. For clarity, the kitchen and bathroom replacements that were due to be done as part of the Major Works project were omitted.

6.4.5 The TFT has received several enquiries from tenants in Devon Mansions asking when their kitchens and bathrooms would be upgraded as they have previously been promised. For the next two years, the LBS will only be carrying out works that are related to building safety and fire safety. The LBS is currently carrying out a Stock Condition Survey (SCS) of all its housing stock, which will be used to identify and prioritise all future major works projects beyond the next two years.

6.4.6 It is highly unlikely that the outstanding kitchens and bathrooms that require upgrading to the tenanted properties in Devon Mansions will be included in any major works programme for the foreseeable future. The future priority for replacement of kitchens and bathrooms across the Council's housing stock, will be determined by the outcome of the stock condition survey that is now underway. This will inevitably lead to a deterioration in living standards and further tenant dissatisfaction. This situation will need to be managed carefully as, some tenants are still expecting to have their kitchens and bathrooms

upgraded and, in the absence of a planned major works project, it may be necessary to carry out significant works as part of the LBS' repairs service.

Recommendation 33:

The LBS should write to tenants in Devon Mansions who were previously told that their kitchens and bathrooms would be upgraded to inform them of the current position.

Structural issues in the stairwells to the flats in Devon Mansions

- 6.4.7 Prior to the commencement of the QHIP project, concerns were raised with the structural integrity of the stair core landings to some of the blocks of flats in Devon Mansions. A visual survey report produced in June 2018 in preparation for the QHIP project, identified that some of the stair core landings required structural attention.
- 6.4.8 In July 2021, all 22 stair core landings in the Devon Mansions blocks were examined visually to assess the extent of the structural defects. The information obtained from these visual inspections was used to facilitate more detailed intrusive investigations that were carried out by Sandberg, a specialist concrete consultant in October 2021.
- 6.4.9 The structural issues identified from the various surveys were not (and were never intended to be) remedied as part of the QHIP project. It was always intended that these works would form part of a subsequent and separate phase of fire and building safety improvement works. To date, the structural defects to the stair core landings have not been addressed.

Recommendation 34:

The LBS should review the position with the structural defects to the stair core landings to the blocks in Devon Mansions and develop an Action Plan for any subsequent interim and long-term remedial works.

Note:

The LBS has commissioned structural surveys of all the stair core landings to the blocks in Devon Mansions to identify the full extent of the problem and the necessary remedial works. The completion of this survey and the subsequent remedial works identified will address this recommendation.

6.5 Future Works (Devon Mansions)

- 6.5.1 Devon Mansions requires significant future investment. Under the recently completed Fair Street/Devon Mansions 2018/19 QHIP Major Works Project, the LBS has spent more than £7million on the blocks of flats in Devon Mansions. However, considerably more investment is needed to bring the buildings up to the required standard.
- 6.5.2 The TFT is aware that there have been subsequent surveys carried out across the whole of Devon Mansions with regards to fire and building safety and, others are in progress and, these will likely result in the need for further significant investment. In addition, the LBS is being pressed to carry out

redecoration works to the communal areas of the flats in Devon Mansions, which have not been done for many years.

- 6.5.3 A piecemeal approach to future major and planned maintenance works to Devon Mansions would be a mistake. The LBS needs to take a pragmatic and 'holistic' approach to Devon Mansions in terms of future investment and future works. This means meaningful collaboration between the various 'teams' within the LBS to identify, collate and cost all potential future works that are required for Devon Mansions.
- 6.5.4 Once this task is complete and the full extent and cost of the investment needs of Devon Mansions are known, the LBS will need to consider its options. At this stage, a more detailed 'options appraisal' may be required.
- 6.5.5 A working group of relevant and senior LBS officers should be established at an early stage to develop an asset management strategy for the future maintenance needs of Devon Mansions including the prioritisation of urgent and/or statutory works. Wherever possible, residents should be involved/consulted on the development of the asset management strategy.

Recommendation 35:

The LBS should take a 'holistic' approach to future works at Devon Mansions and develop an overarching asset management strategy for its future maintenance and investment needs.

7 Findings Specific to the Kirby Estate 2018/19 QHIP Major Works Project

7.1 Current Position

- 7.1.1 The works on this project are complete, the 12-month Defects Liability Period (DLP) has expired, and the Making Good Defects Certificate (MGD) has been issued.
- 7.1.2 Although the MGD has been issued, some defects in the works can still be rectified through the respective warranties applicable, for example, to the new replacement windows. Although few, we continue to carry out remedial works to homes on the Kirby Estate that are covered by the warranties.

7.2 Scope and Cost of the Works

- 7.2.1 Calfordseaden's first substantive task as CA was to produce a Feasibility Study for the properties 1-119 Kirby Estate against the Quality Home Improvement Programme (QHIP) works proposed by the LBS. The tender and contract documentation produced for this project was based on reports, surveys and the Feasibility Study carried out by Calfordseaden.
- 7.2.2 Once the works commenced on the Kirby Estate, it soon became apparent that the Feasibility Study produced by Calfordseaden was inadequate. The Head of Investment at that time, served Calfordseaden with a 'Non-Contractual Default Notice'. The Default Notice set out the failings of Calfordseaden in several areas including:
 - concrete repairs required to all blocks of flats were significantly higher than those identified by Calfordseaden.
 - the proposed 'like-for-like' design of the window renewals failed to take account of, and address problems with the existing configuration of the windows.
 - the design of the windows also failed to take account of the requirements for ventilation and, Calfordseaden had failed to submit a planning application for the works.
 - the contract documents also included an incorrectly specified concrete repair system that was at odds with specific instructions issued by the LBS.
- 7.2.3 The above failings had an adverse impact on progress with the works, leading to significant delays to the contract programme and, a significant increase in cost. The table below shows the change in the scope of the works (and cost) for this project that demonstrates the inadequacy of the original Feasibility Study.

Works	Estimated by CA	Actual
External works	£13,200	£10,200
Concrete works	£12,020	£144,713
Kitchens	£188,989	£67,898
Bathrooms and WC	£132,300	£77,703

Mechanical and electrical	£161,790	£77,468
Asbestos removal	£30,673	£7,075
Windows	£253,825	£282,998
External decorations	£28,928	£49,212
Roof works	£11,470	£11,470
Doors	£47,134	£2,004
Brickwork repairs	£2,030	£735
Scaffolding	£201,028	£391,579
Sub-Total:	£1,083,387	£1,123,055
Preliminaries	£101,432	£101,432
Extension of Time Costs		£96,360
Total:	£1,184,819	£1,320,847

7.3 Quality of the Works

- 7.3.1 The quality of the replacement window installation is the single biggest area of dissatisfaction for residents on the Kirby Estate and is dealt with in detail earlier in this report.
- 7.3.2 Aside from the replacement windows and the concrete repair works, all other works carried out under this project, some of which are relatively minor, appear to have been carried out to a reasonable standard, with few complaints or issues of concern.
- 7.3.3 With regard to the concrete repair works, residents, particularly leaseholders, have queried the significant increase in cost from the original estimate (£12,020 to £144,713). Assessing the extent, quality and cost of the concrete works that have been done is almost impossible as, many of the concrete repairs have subsequently been decorated as part of the external decoration works.
- 7.3.4 There are hundreds of concrete repairs that have been claimed by A&E Elkins, approved by Calfordseaden and paid by the LBS. Unfortunately, the information provided by A&E Elkins (via its specialist sub-contractor) is wholly inadequate in identifying the locations and numbers of the concrete repair works undertaken.
- 7.3.5 In this instance, especially given that the concrete repair works were completed over 3½ years ago, we appear to have had no alternative but to accept that the concrete works claimed by the contractor and approved by the CA were done. Unfortunately, this will cause us problems in justifying the cost of these works to residents (particularly leaseholders), who are querying the cost of the works.

7.4 Other Considerations

Damp and Mould

- 7.4.1 Several residents on the Kirby Estate reported problems with damp and mould in their homes. Several of those residents believe that the installation of the new windows is the major cause of the problem.
- 7.4.2 There was clearly a problem with damp and mould to homes on the Kirby Estate before the QHIP Major Works Programme commenced and the new windows installed. For example, in its Feasibility Report for the project, Calfordseaden refers to a Residents Meeting held on 5 October 2017 (prior to any works commencing), when five residents reported problems with damp and mould in their homes.
- 7.4.3 The two independent surveys carried out on the quality of the window installations consider the issue of damp and mould in the homes inspected. There is no evidence to suggest that the new windows, which were designed to comply with the ventilation requirements contained in the Building Regulations, are the cause of damp and mould. In general terms, the problem with damp and mould is generally an issue with inadequate ventilation within the property.
- 7.4.4 All residents who have reported issues with damp and mould have been referred on to the LBS' Damp and Mould Team who, where appropriate, have investigated and provided the necessary advice, guidance, and support.

Recommendation 36:

For all future major works projects, residents should be given a copy of the LBS Damp and Mould Advice and Guidance leaflet.

8. Summary of Findings and Recommendations

Common Findings	Recommendations	Page Number
The procurement process for the projects does not provide for a true assessment of the quality of the tenderer's submission. As such, the award of the contracts was essentially based on price only.	<p>Recommendation 1: Future tenders should be awarded on the basis of the 'most advantageous tender' (MAT) where, the award criteria include a 'true' assessment of quality which, forms an integral part of the tender evaluation and subsequent award of the contract.</p>	10.
The contracts for the projects have not been formalised.	<p>Recommendation 2: For future contracts, processes should be put in place to ensure that, wherever possible, contracts are formalised before works commence on site.</p>	10.
The Preliminaries document used for the projects is out-of-date.	<p>Recommendation 3: The Preliminaries document used for this project should be reviewed and updated to ensure it remains robust, relevant and fit-for-purpose for future projects of a similar nature.</p>	11.
The Specification (Materials and Workmanship) document used for the projects requires updating and standardising.	<p>Recommendation 4: The Specification (Materials and Workmanship) document should be reviewed and rewritten to ensure it remains robust, relevant, specific to the scope of works, up-to-date and fit-for-purpose.</p>	11.
The Schedule of Rates (SoR) used for the projects is linked and referenced to the LBS' Specification (Materials and Workmanship) document.	<p>Recommendation 5: The Schedule of Rates (SoR) should be reviewed and updated for future projects, to reflect the changes made to the LBS' Specification (Materials and Workmanship) document.</p>	11.
There is no approved Gateway 3 for the contract variation costs for the three projects.	<p>Recommendation 6: On the assumption that it is deemed fit-for-purpose, officers should be instructed that for future projects, the</p>	12.

	Gateway process must be adhered to. The use of the 'one-page' report should be scrapped to avoid doubt and confusion.	
Consultancy contracts have no provision for a formal contractual default process. This means that currently, consultants cannot be held meaningfully accountable for the additional cost of the works on a project that it may, at least in part, have been responsible for.	Recommendation 7: Consultancy contracts should be reviewed and amended to ensure that the consultant is held liable for its failings in carrying out its professional duties. This may be in the form of a prescribed formal contractual default process or, some other legally binding agreement. At worst, the consultant must not be in a position where, it can claim fees against the cost of additional works arising from its own failings.	13.
There are no clear incentives for consultants to manage the costs of major works projects. If the cost of the works increases, generally, so do the consultants fees.	Recommendation 8: Future consultancy contracts should be 'incentivised' in a way that the consultant is rewarded for ideas that reduce the cost of the works included in the contract (value engineering options such as alternative design solutions, alternative suppliers/manufacturers etc.)	13.
There are concerns with the quality of new window installations and accountability under the FENSA self-certification scheme.	Recommendation 9: The use and suitability of the FENSA self-certification should be reviewed and, if appropriate, additional measures be put in place to improve its validity including, for example, additional independent quality checks during the installation process.	14.
The quality of the new window installations carried out under the Canada Estate project has been raised by several residents.	Recommendation 10: The LBS should consider the outcome of the Pellings LLP overview of the quality of the replacement windows and decide whether a more extensive specialist survey of the installations is required.	16.
The communications between residents and the LBS' Project Team were tense, challenging and occasionally hostile.	Recommendation 11: The lessons learned from the projects in relation to the breakdown in communications between residents and	17.

	the LBS' Project Team (in respect of both sides) should be used to inform and improve communications on future projects.	
There is a lack of clarity around the roles of the respective PM and CM. This is particularly pertinent to the accountability of the internal Project Team for the management of the project in terms of the performance of the contractor and the CA, the control of budgets and project spend, the authorisation of additional works and representing the interests of residents.	Recommendation 12: The role of the posts in the LBS Project Team (and their respective Job Descriptions) should be reviewed to ensure that the postholders have clearly defined responsibilities and accountabilities. Staff should be given the necessary support and training to ensure that they are able to fulfil their roles.	18.
The role of the internal Project Team is crucial to the success of future major works programmes. There are currently gaps in the skill sets of some officers responsible for the management of housing major works projects.	Recommendation 13: A skills appraisal of all staff responsible for the management and delivery of housing major works projects should be undertaken to ensure that staff have the appropriate qualifications and experience to carry out their roles.	19.
There is an absence of robust, relevant stock condition and other supporting data to inform major works projects.	Recommendation 14: Future major works projects of any kind should be based on priorities emanating from robust stock condition information or, based on regulation relating to the safety of the buildings (including fire) and the residents in them.	19.
Findings Specific to the Canada Estate (Phase 2) 2017/18 QHIP Major Works Project	Recommendations	Page Number
A considerable length of time has passed since the works included in this project were completed however, the identified defects and remedial works remain outstanding. The Council is currently involved in ongoing discussions with the contractor to agree a way forward.	Recommendation 15: The Council should endeavour to reach an agreement with the contractor on a way forward as soon as possible to facilitate the completion of the outstanding defects and related remedial works on the Canada Estate.	20.

Concerns have been raised that residents continue to climb through the lounge windows in the high-rise blocks to clean their windows.	Recommendation 16: The LBS should write to all residents in Columbia Point and Regina Point to make them aware of the dangers of trying to access the balconies in their homes.	21.
Some properties in the low-rise blocks suffer from damp and mould problems which, some residents believe is due in part to the poor-quality construction of the cavity walls.	Recommendation 17: The LBS should carry out further inspections of the cavity wall construction to the low-rise blocks on the Canada Estate every two years to monitor potential issues with water penetration and to assess the efficiency of the remedial works undertaken.	24.
The LBS had to replace fire resisting front entrance doors to the flats in the two high-rise blocks because, it could not provide the necessary accreditation for the doors that had been replaced in 2010.	Recommendation 18: The LBS must put in place robust processes and procedures to obtain, maintain and retain all necessary documentation for key components such as fire resisting doors. This should include clear 'signposting' processes for all staff involved in the maintenance and repair of the LBS housing stock and clear lines of responsibility.	28.
Significant delays and associated additional costs have been incurred on this project due to the length of time taken to make key decisions affecting the progress of the works.	Recommendation 19: Key issues that will have a significant impact on cost, progress with the works, the LBS' reputation etc, should be prioritised to ensure that decisions are made quickly and efficiently. Project management procedures should be reviewed to provide the necessary guidance and support to staff managing projects in dealing with key issues.	30.
The need for additional consultation with residents has led to significant delays and associated additional costs.	Recommendation 20: The LBS should ensure that there is clarity around the level and scope of consultation with residents (and their representatives) on future major works projects. There needs to be clear guidance on the level of involvement residents can have in the decision-making process and	30.

	the extent to which they can be involved in the day-to-day management of projects.	
Concerns have been raised about the conduct of members of the T&RA and, a considerable amount of bad feeling remains.	Recommendation 21: The LBS should undertake a 'deep dive' audit into the relationship between residents and officers for the duration of this project and, the respective conduct of officers and members of the T&RA.	32.
Findings Specific to the Fair Street/Devon Mansions 2018/19 QHIP Major Works Project	Recommendations	Page Number
The quality of the concrete works/brickwork repairs carried out under the QHIP is generally inconsistent. The pointing to the external brickwork in places, for example, is sub-standard and is totally unsympathetic to the original character of the buildings.	Recommendation 22: Once the extent of the sub-standard work to the concrete/brickwork to the external façade has been identified, the LBS should ensure that the contractor and the CA are held to account for carrying out all necessary remedial works in accordance with their contractual obligations.	34.
The flat roof coverings to Block 4 Devon Mansions (Flats 43-54) were replaced and the brick tank rooms on the roof were demolished. Unfortunately, the roof to the block continues to suffer leaks causing distress and disruption to residents.	Recommendation 23: The remedial works to the roof coverings to Block 4 Devon Mansions should be completed urgently and signed off by the CA and the material supplier providing the insurance-backed warranty. The contractor should be held accountable for all damage caused by the leaks and for any claims made against the LBS for damages and/or losses suffered by affected residents. Recommendation 24: All other flat roofs replaced as part of the QHIP works should be thoroughly inspected and signed off by the CA and the material supplier to ensure that the works are up to the required standard and the respective warranties can be issued.	34.
Arrangements will need to be made to issue Practical Completion (PC) for this project.	Recommendation 25:	35.

	Before issuing PC, the CA and the LBS should carry out a comprehensive post-inspection process to ensure that all defects and issues with the works are identified and collated into a Schedule of Defects to be served on the contractor. The CA should monitor the remedial works undertaken to ensure that all works are carried out to an acceptable standard within a reasonable timeframe.	
The preferred specified methods for access to the blocks of flats in this QHIP project were found to be unsuitable.	Recommendation 26: LBS should ensure that robust processes and procedures are in place before making key decisions on health and safety matters such as the preferred methods for access and working at heights including, risk assessments, options appraisals, and appropriate professional expert advice.	36.
The CA recommended the use of a 'pilot' block of flats to help inform the scope of the works for this project however, the LBS rejected this proposal.	Recommendation 27: Wherever possible and appropriate, LBS should endeavour to use 'pilot' blocks/properties for future major works projects especially, on complex sites such as Fair Street/Devon Mansions. Pilots are useful in identifying potential issues, as well as providing opportunities for residents to see how the works will be carried out, the expected quality of the works and the disruption the works may cause. It will also help manage resident expectations.	37.
There is a lack of available information to evidence the locations and numbers of the concrete and brickwork repair works undertaken on this project.	Recommendation 28: Prior to issuing PC, the CA must obtain, confirm and provide all necessary evidence to justify the cost of the concrete works and brickwork repairs carried out under this QHIP project. The LBS should seek to recover the cost of any unsubstantiated works from the contractor and the CA.	38.

	Recommendation 29: For future projects, where works such as concrete repairs that will subsequently be covered up (by decoration for example), wherever possible, there should be robust systems in place to accurately photograph and record the location, scope, and quantity of the works to facilitate a robust audit trail.	38.
The remaining manufacturer's warranty for the flat roof coverings to Blocks 4 and 5 Devon Mansions was found to have been invalidated by the LBS' failure to adequately maintain the roofs in accordance with the requirements of the warranty.	Recommendation 30: To ensure that the cost and purpose of manufacturer's warranties is justified, the LBS should ensure that robust processes and procedures are in place to maintain the warranties in accordance with the warranty provisions. This includes clear 'signposting' processes for all staff involved in the maintenance and repair of the LBS housing stock and, robust procedures for making claims under the warranty, with clear lines of responsibility.	39.
The TFT was unable to establish why officers were instructed to use Langley products for all future flat roof replacement projects).	Recommendation 31: The use of nominated or sole providers of services, supplies, goods etc should be reviewed to ensure that there are tangible benefits to the LBS in their application. There should be a register of nominated or sole providers that is accessible to all officers with procurement responsibilities. All such arrangements should be validated and approved by the Procurement Team and notified to the relevant committees.	40.
Residents expressed concerns that reports they made of serious breaches of health and safety during the project were ignored.	Recommendation 32: All reports and incidents of breaches of health and safety should fully investigated and documented, with appropriate action taken (with due regard to the appropriate legislation) to prevent further recurrence.	41.

	An audit trail of all incidents should be maintained on site and included in the project documentation.	
Several tenants in Devon Mansions were told that their kitchens and bathrooms would be upgrades as part of the QHIP project. All internal works to the flats in Devon Mansions were omitted but, tenants do not appear to have been informed of this.	<p>Recommendation 33: The LBS should write to tenants in Devon Mansions who were previously told that their kitchens and bathrooms would be upgraded to inform them of the current position.</p>	42.
Structural defects to the stair core landings to blocks in Devon Mansions identified in 2018 have not been addressed. There is a potential risk to the structural integrity of the stair core landings in Devon Mansions and, a potential risk to the safety of residents in the blocks.	<p>Recommendation 34: The LBS should review the position with the structural defects to the stair core landings to the flats in Devon Mansions and develop an Action Plan for any subsequent interim and long-term remedial works.</p> <p>Note: The LBS has commissioned structural surveys of all the stair core landings to the blocks in Devon Mansions to identify the full extent of the problem and the necessary remedial works. The completion of this survey and the subsequent remedial works identified will address this recommendation.</p>	42.
Devon Mansions requires significant future investment to bring the buildings up to the required standard. A piecemeal approach to future major and planned maintenance works to Devon Mansions would be a mistake.	<p>Recommendation 35: The LBS should take a 'holistic' approach to future works at Devon Mansions and develop an overarching asset management strategy for its future maintenance and investment needs.</p>	43.
Some residents on the Kirby Estate have complained about problems with damp and mould which, some of the attribute to the impact of the replacement windows.	<p>Recommendation 36: For all future major works projects, residents should be given a copy of the LBS Damp and Mould Advice and Guidance leaflet.</p>	46.

**CANADA ESTATE
COLUMBIA POINT & REGINA POINT
LONDON
SE16 7BE & SE16 7BB**

**WINDOW INSPECTION REPORT
FEASIBILITY STUDY**

**UNDERTAKEN ON BEHALF OF
LONDON BOROUGH OF SOUTHWARK**

**Our Ref: PM/dr/705-2512715
Date: 19th September 2024**

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APPENDICES

APPENDIX A – PHOTOGRAPHIC SCHEDULE

APPENDIX B – AIREY MILLER REPORT, 8TH SEPTEMBER 2023

1.0 INTRODUCTION & BRIEF

- 1.1. Pellings LLP were appointed by the London Borough of Southwark (Southwark) to undertake a comprehensive review of the windows installed to Columbia Point & Regina Point on Canada Estate, London SE16 7BE & SE16 7BB respectively. We understand that building residents at the two towers have queried how they are meant to clean the external window glazing given the new fenestration arrangement.
- 1.2. Inspection of the windows was undertaken by Pete Mulvaney, Senior Building Surveyor and Robert McMillan, Partner from Pellings LLP on 18th June 2024, in conjunction with representatives from the London Borough of Southwark.
- 1.3. Access was provided Unit 73, Columbia Point for the purpose of our inspection.
- 1.4. The weather at the time of the inspection was dry and bright.
- 1.5. The following documentation has been provided for our review in relation to this engagement:
 - Existing Window & Door Schedule drawing for Columbia Point (Rev.P1, Feasibility) published by Potter Raper, dated 2019;
 - Existing Window & Door Schedule drawing for Regina Point (Rev.P1, Feasibility) published by Potter Raper, dated 2019;
 - Report on Capability of the Cleaning of Windows by Residents & Fenestration Arrangements of the Window Installation published by Airey Miller Surveys, dated 8th September 2023;
 - Kitemark Certificate published by BSI, effective date 15th March 2021;
 - Screen & Window Design Guidance published by Epwin Window Systems;
 - Residential Fire Risk Assessment published by Barry Marsh & Sandra Young, dated September 2022;
 - Building Envelope Testing, Technical Report published by Wintech, dated 4th January 2016;
 - Southwark Conditions of Tenancy (effective from 1 April 2014);
 - Before & after images of the windows from Columbia & Regina Point; and
 - London Housing Design Guide (Interim Edition), published by London Development Agency, dated August 2010.
- 1.6. The report has been compiled without the assistance of specialist mechanical, electrical, engineers or specialist consultants.
- 1.7. We understand that the London Borough of Southwark are the freeholder of the subject property which is used to provide residential accommodation.

2.0 EXCLUSIONS & ASSUMPTIONS

- 2.1. The on-site inspection undertaken by Pellings LLP was limited to Unit 73, Columbia Point which is considered to be representative of the details and installations across Columbia Point & Regina Point. As such, assumptions have been made in relation to “typical” construction details across other areas of the building that were not subject to investigation.

- 2.2. No opening up has been carried out to internal walls, external walls, balcony areas, internal compartments and the like.
- 2.3. Our report does not consider the fire strategy of the building. This would need to be reviewed on completion of the cladding remediation works.
- 2.4. No access was afforded to roof areas, internal areas, fire stairs, administrative areas or the two-storey building constructed with a central courtyard to the south/south-west of the ten-storey tower block.
- 2.5. We assume that the subject properties will continue to be used for residential accommodation.

3.0 BUILDING DESCRIPTION

- 3.1. Columbia Point and Regina Point are purpose built residential towers on the Canada Estate. Both towers are 21 stories tall (approximately 62 metres tall) and were constructed between 1962 and 1964. We understand both towers contain 80 residential apartments.
- 3.2. Columbia Point is accessible to vehicles and pedestrians via Canada Estate to the North and West. A playground bounds the property to the West with car parking for residents to the South and a commercial property to the East.
- 3.3. Similarly, Regina Point is accessible to vehicles via Canada Estate which bounds the West of the property with car parking to the South-east and South-west. A road for service vehicles extends around the North and East of the property.
- 3.4. Whilst no "as-built" drawings have been provided for review, we presume the building is of conventionally reinforced concrete frame construction with floor slabs transposing loads vertically through the structure via columns and load-bearing walls to below-ground foundations. The external walls comprise painted concrete elements and masonry infill walls with uPVC framed, double glazed windows. The roofs are understood to be of flat concrete roof deck construction, presumably with membranes laid to falls.

4.0 INSPECTION - OBSERVATIONS

- 4.1. Our inspection found that the windows are double glazed installations in uPVC frames with alternate windows being operable casement windows with fixed glazing between each casement. We understand the windows were installed circa to 2020. The windows were found to be in good condition with no notable, or reported, defects or issues.
- 4.2. A row of fixed glazing is installed over the low-level wall and beneath the row of operable and fixed window installations, presumably to achieve compliance with the minimum height of the operable windows.

4.3. The minimum height from the finished floor level and the bottom of an operable window must be 1200mm. We measured this distance to be 1200mm and therefore the windows are considered to be compliant in accordance with Diagram 3.1; Guarding Design in Approved Document K, Protection from falling collision and impact of the Building Regulations 2010.

4.4. Beneath the window is a low-level wall, thought to be of concrete construction, rendered and painted on the external face and with an internal plasterboard wall lining internally. Internally a radiator and the associated pipework are fixed to the wall beneath the window.

4.5. External to the window is a metal framed balustrade with glass infill panels. Timber appears to have been retrospectively fixed to the top of the balustrade, presumably to increase the height of the balustrade for compliance purposes. The balustrade was measured to be approximately 1200mm from the top of the concrete slab below and the lowest climbable element being measured to be equal to or greater than 900mm from the floor slab below. The balustrades are considered to be non-compliant in this regard in accordance with Diagram 3.1; Guarding Design in Approved Document K, Protection from falling collision and impact of the Building Regulations 2010. The balustrades are considered to be non-compliant as there is a climbable element within the vertical height of 1100mm from the floor to the top of the balustrade. Because of the non-compliance we would advise that residents are not provided direct access to these areas as there is a risk of a fall and that there is inadequate fall prevention, as per the design guidance in the relevant Building Regulations.

Building Category and location See paras 1.38, 3.2 and 3.4	Height (h)
Single family dwellings	Stairs, landings, ramps , edges of internal floors 900mm for all elements
	External balconies, including Juliette balconies and edges of roof 1100mm
Factories and warehouses (light traffic)	Stairs, ramps 900mm
	Landings and edges of floors 1100mm
Residential, institutional, educational, office and public buildings	All locations 900mm for flights otherwise 1100mm
Assembly	Within 530mm in front of fixed seating 800mm (h1)
	All other locations 900mm for flights elsewhere 1100mm (h2)
Retail	All locations 900mm for flights otherwise 1100mm
Glazing in all buildings	At opening windows except roof windows in loft extensions, see Approved Document B1 800mm
	At glazing to changes of levels to provide containment Below 800mm

Diagram 3.1 Guarding design

Figure 1 - Guarding design taken from Approved Document K of the Building Regulations

- 4.6. Radiators and associated plumbing pipework are installed to the internal face of the wall beneath the subject windows. Any physical modification to the windows would require relocation of the radiators and the associated plumbing, which would also require internal make good works and redecoration, at a significant cost.
- 4.7. From our on-site inspection we understand that the upstand wall beneath the window installation comprises a reinforced concrete upstand wall with internal studs and plasterboard linings which are painted to form the internal wall of the upstand. The external face of the wall is rendered and painted. Any modifications to these walls, including demolition (or partial demolition) would require initial opening up and exploratory works. Given the age of the building it is possible that asbestos containing materials may also be used in the construction of the wall, including cement boards and insulating materials. Modification to these walls would also require internal access to apartments (including de-canting residents) and/or scaffolding across the building facades, removal of the existing balustrades and glazed infills and replacement with compliant installations. Furthermore, new window installations would be required and the external areas outside of the existing upstand wall/window assembly would need to be subject to re-waterproofing works due to the replacement of the external balustrades. Again, given the complexity and cost we would not advise that these works are undertaken.
- 4.8. The area immediately external to the window, inside of the balustrade comprises a dish drain within the concrete floor slab. There is no finished floor covering and from the dimensions of the space does not appear to be intended as a functional area for the buildings inhabitants to enter, nor to use.
- 4.9. From our inspection of the windows, they are weathertight with no visible evidence of water ingress visible from the window installation. No “whistling” or noise could be heard from wind, although the wind speed was not excessive at the time of the inspection. The operable windows were found to be functional and free from defects.
- 4.10. We observed materials and goods being stored between the external wall of the building and the balustrades to an isolated number of apartments. We believe that storing materials in this space may be in contravention to clause 14b of Southwark's Conditions of Tenancy (effective from 1 April 2014) which states, “You must keep all garden space, balconies, window boxes and yards of the dwelling neat and tidy and free from rubbish, vermin and other nuisances.”
- 4.11. The windows are fitted with window restrictors but can also be fully opened, presumably to assist with allowing for the windows to be cleaned from inside of the property. The restrictors are required to achieve compliance with clause 8.2 Prevention of falls in Approved Document K of the Building Regulations 2010.
- 4.12. Clause K5.4 Safe access for cleaning windows in Approved Document K of the Building Regulations 2010 provides prescriptive safe access methods and safe reaches for cleaning windows. Diagram 9.1 shows that the bottom of the window must be no more than 1300mm from the internal finished floor level. The bottom of the window in unit 79 was measured to be approximately 1200mm from the internal floor level and is therefore compliant.

- 4.13. To safely clean the external face of a window beneath an opening the downward reach through window must not exceed 600mm. The bottom section of glazing beneath the operable windows was measured to be less than 600mm in vertical height and is therefore compliant to the aforementioned clause.
- 4.14. In accordance with the relevant clauses, the side reach through an opening must not exceed 850mm. The fixed glazing between the operable casement windows are approximately 1020mm in width (radius), however compliance can be achieved as the configuration of the windows allows the 1020mm wide windows to be cleaned from neighbouring windows from both sides.
- 4.15. The operable windows are also 1020mm in width but are fitted with reflex windows which allow them to open inwards so they can be cleaned.
- 4.16. The area external to the windows has a total area of approximately 2-2.5sqm, which is significantly less than the minimum recommended 5sqm for a private open space as per the London Design Guide. There is also no safe access to this area.

5.0 DOCUMENT REVIEW

- 5.1. From our review of Southwark's Conditions of Tenancy we do not believe it is clearly defined as to whether a single entity or person is responsible for the maintenance and cleaning of the windows. Clause 20 – Cleaning states, "We [Southwark] shall take reasonable steps to keep the estate and common parts clean and tidy." We consider this clause to refer to internal areas of the building although it could be interpreted that the external face of the windows and the balcony infill glazing may also comprise a "common part[s]" of the building.
- 5.2. The window report by Airey Miller (see Appendix B) states they believe that Southwark should be responsible for providing a cleaning and maintenance strategy for the windows and the glazed balcony infill sections. The Airey Miller report refers to a recommendation in a report by Potter Raper which we have not been provided for our review. Given our review and interpretation of the Conditions of Tenancy we would agree that Southwark have a responsibility to provide cleaning and maintenance for the windows and glazing.
- 5.3. The report on the windows by Airey Miller concluded that an able-bodied person would be capable of cleaning the windows from inside the property, which we agree with given the size of the windows and the configuration of the openings.
- 5.4. The compliance of the installations with the relevant Building Regulations also indicates that there is no legislative non-compliance associated with the window installations.
- 5.5. The report published by Airey Miller states that the London Fire Brigade have provided comment on the windows and the associated external areas beyond the windows. The report states, "London Fire Brigade have confirmed that the balconies are not an egress route nor an escape balcony so access to this area is not required."
- 5.6. We agree that the "balconies" are not egress routes and that access to these areas is not required.

6.0 COST ESTIMATE ASSESSMENT

- 6.1. A preliminary cost estimate has been carried out by Pellings for the replacement of the existing window configuration with new window installations that match the previous (historic) installations.
- 6.2. We have used costs from recent, similar works that we have been involved with and from current construction cost publications, such as Spon's.
- 6.3. In order to replace the existing window installations with an installation similar to what was previously there a number of related and residual works and upgrades would be required, including but not limited to:
 - Replacing the existing balcony balustrades with compliant balustrades
 - In turn the external concrete decks would need to be subject to re-waterproofing works
 - The upstand walls beneath the windows would require partial demolition to facilitate the installation of a door or taller window
 - Input from a structural engineer would be required to determine whether (partial) demolition or modification of the upstand wall is feasible
 - Internal radiators and associated pipework would need to be relocated
 - Internal redecoration and cleaning would also be required
 - Residents would need to be decanted to facilitate the work
 - Means of external access would be required to facilitate the works
 - The existing window installations would need to be removed and disposed of from the site
- 6.4. Specific costs have been excluded from our cost estimate and a number of assumptions have been made to assist with providing these estimates, including but not limited to:
 - The cost of relocating residents from apartments to facilitate the works
 - Issues and costs related to latent defects
 - Costs associated with hazardous materials such as asbestos and subject to material may require 14 day notice and tented enclosure for removal within the flat.
 - Whilst there is no design for any new proposed window/door installation, we have assumed that the residents want the existing installations replaced with what was there previously. We have used images from the Airey Miller report to understand what the historic installation looked like
 - No wind calculations or engineering of any sort has been undertaken in relation to this exercise
 - The cost estimates supplied are only preliminary in nature and are not to be relied upon, nor shared or disclosed with any parties other than the party (or parties) that this document is addressed to
 - No formal specification has been provided in relation to the design/replacement/works
 - We advise that the London Borough of Southwark engage a consultant to provide and tender a full, compliant design for these works to determine the actual costs associated with these works.

6.5. We estimate that replacement of the windows and undertaking the necessary associated works would cost approximately £6.3 million (plus VAT) across Columbia Point and Regina Point.

7.0 CONCLUSION

7.1. The windows are in good, functioning order and are found to be suitable installations. Replacement or reconfiguration of the windows is not something that we would recommend given the cost and complexity to alleviate issues some residents have around the cleaning of the external face of the windows. Furthermore, we would not advise that Southwark revert back to providing pedestrian access to the external area between the glazing and the balcony balustrade. Especially as the existing balustrade contains a climbable element beneath a height of 1100mm when measured from the floor level, which is not compliant to the relevant Building Regulation, Approved Document K.

7.2. We have found that the existing windows are compliant installations in accordance with Approved Document K, Protection from falling, collision and impact of the Building Regulations 2010; specifically clauses relating to the safe cleaning of windows.

7.3. We also agree with the findings of the Airey Miller report that an able-bodied resident or window cleaner would be able to clean the windows from within the building and with both feet on the floor without difficulty.

7.4. The simplest and most cost-effective method of navigating this issue would be for Southwark to implement a window cleaning regime via industrial rope access, or from building maintenance units (BMU's), if installed. This offers a safe alternative to having the owners try to clean the windows.

7.5. We further recommend that Southwark consider better defining who is responsible for cleaning the windows as the existing tenancy agreement document is fairly ambiguous.

7.6. To summarise, from our inspection, assessment and review we conclude that:

- The existing window installations are in good condition and are without any defects, issues or non-compliances.
- The existing balustrades are non-compliant installations.
- That the areas external to the window installations are not useable spaces and are not intended to be used.
- That the London Borough of Southwark would be liable and accountable in the event of injury or death of a resident if they were to permit residents access to these areas.
- That the windows can reasonably be cleaned in their existing configuration.
- Reconfiguring or replacing the existing window installations is not an economically feasible solution. Preliminary cost estimates to conduct this work would be in the region of £6.3 million plus VAT to conduct such works across both residential towers excluding professional fees.



Signed

.....

Date: 19th September 2024

Pete Mulvaney
On behalf of Pellings LLP



Countersigned

.....

Date: 19th September 2024

(Pellings authorised signatory)

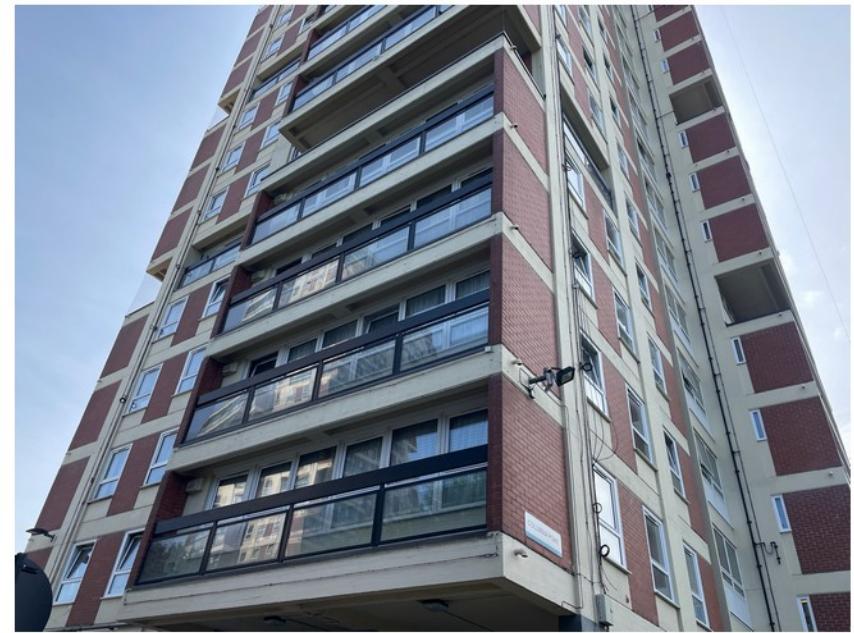
APPENDICES

APPENDIX A
PHOTOGRAPHIC SCHEDULE

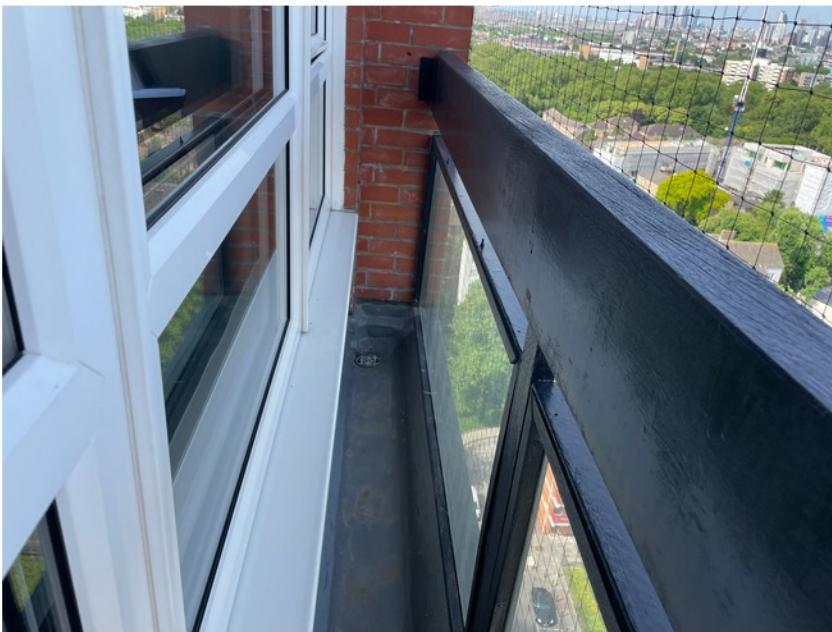
Canada Estate, Columbia Point & Regina Point, London, SW16



1. Columbia Point



2. External balcony construction



3. External of Unit 79



4. External of Unit 79

Canada Estate, Columbia Point & Regina Point, London, SW16



5. Window configuration at Unit 79



6. Operable casement windows



7. Operable casement windows



8. Hinge and fenestration details

APPENDIX B

AIREY MILLER REPORT, 8TH SEPTEMBER 2023

St John's House | Suffolk Way

Sevenoaks | Kent | TN13 1YL

Telephone
020 3948 6900

Web
www.aireymiller.com

Regina Point, Canada Estate, Rotherhithe, London, SE16 7BB

Report on
Capability of the Cleaning of Windows by Residents

&

Fenestration Arrangements of the Window Installation

Prepared on Behalf Of

London Borough of Southwark

Date: 08 September 2023

Ref: 22-075/CHIL-GROVE/JM/HD

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7. ABILITY TO CLEAN THE INSIDE AND OUTSIDE OF THE WINDOWS AND ASSOCIATED FRAMES AND FIXED PANELS	5

Appendix A – Canada Estate Windows Risk Notice

Appendix B – Photograph Schedule

1. EXECUTIVE SUMMARY

This Report has been produced by Airey Miller as an independent party to review and respond to queries raised by residents pertaining to the design of the recently installed windows and revised fenestration arrangements and the Residents ability to clean their windows inside and outside in a safe manner.

The design of the windows and fenestration arrangements has been influenced by the Building Regulation obligations that relate to these works and the window installation.

The windows are capable of being cleaned inside and outside by the Resident/occupier of the apartments in a safe manner however as recommended the London Borough of Southwark should develop and issue an in-depth cleaning and maintenance strategy for the external glazing to prevent the need for occupants to step out onto the balcony to carry out cleaning.

2. INTRODUCTION

This report has been produced on behalf of London Borough of Southwark (LBS). Airey Miller Surveys were appointed to carry out An Independent Report to review:

1. Why the design of the current windows and fenestration arrangement was altered from the original layout and arrangements that they replaced and access to the "balconies" removed.
2. The suitability of the current window installation regarding their ability to be cleaned by the occupier/Resident.

The review and report have been undertaken by Mr Neil Camp MSc, BSc (Hons) MRICS, Associated Director of Airey Miller Surveys.

3. LIMITATIONS TO THE REPORT

The conclusions and assumptions made in this report are limited to the information that has been provided to Airey Miller Surveys Limited.

4. THIRD PARTIES

This report must not be reproduced in whole or in part, or relied upon by third parties for any use, without the express written authority of Airey Miller Surveys Limited.

5. BACKGROUND

Airey Miller Surveys Ltd have been appointed as an independent professional consultancy to review and report on the two issues above.

The requirement to provide an independent report has arisen because of London Borough of Southwark (LBS) receiving a number of comments and concerns from Residents/occupants pertaining to the two issues since the installation of the new windows.

As well as undertaking a site visit to a representative apartment Airey Miller have been provided with the following document which is provided in Appendix A:

- Risk Notice dated 10 March 2023 Rev 03 by Potter Raper for Regina Point & Columbia Point

LBS outlined the issue pertaining to the windows explaining that some Residents had raised concerns over the resultant inability to access the "balcony" following the reconfiguration of the fenestration resulting from the new window installation as well as the ability to clean the window surfaces and as necessary the related frames in a safe manner by them as occupants/Residents or their employed window cleaner or a contractor.

LBS advised that Potter Raper, who acted as the contract administrators, carried out a risk assessment of the old window and fenestration and balcony arrangements taking into account the height of the building, accessibility to the balcony which subsequently resulted in the decision to replace the windows and amend the configuration of the fenestration owing to LBS' duty of care. The window design was given planning approval on 17th September 2020 and fell under the related Building Regulations that prevailed at that time.

LBS remarked that Window cleaning has become an issue with some Residents complaining that they cannot clean all their windows.

With regards to the Balconies LBS report that Residents are claiming that their ability to go out on the balcony has been removed.

6. DESIGN OF THE WINDOWS AND FENESTRATION ARRANGEMENTS

The design of the new windows was subject to the Building Regulations current to the installation and influenced by the advice from Potter Raper that the original windows represented "an increased risk of falls from height".

The Potter and Raper Risk Notice advises that "The floor to sill height of the large (original) window is 0.65m, which is below the 1.10m level needed to meet the requirements of the Building Regulations. However, externally there is a recess (approximately 400mm deep) with a balustrade that is in excess of the 1.10m in height, if measured from the lounge floor."

And go on to advise that "Due to the current design of the windows within Columbia & Regina Point there is an increased risk of falls from height."

Also, that "There remain associated risks that must also be considered with regards to the window and wider area."

As well as the need to mitigate the ability to utilise the balcony for storage of combustible material, which represented a high risk "should the storage of materials build, and an ignition source be provided the likelihood of fire is high along with the added risk of spread to Juliet balconies both above and below where further combustible may be stored."

Potter Raper goes on to advise of Risk Mitigation measures which has ultimately lead to the replacement of the windows to enable LBS to adhere to the need to "ensure 1100mm high edge is provided across all windows. All windows should be installed with restrictors to limit the opening to 100mm with the ability to open fully when cleaning is required. Restrictors should be installed to reduce the likelihood of small or vulnerable persons exiting through the window as well as to prevent the use of the external area being used for a purpose that it was not designed for. (Storage, standing, planting). London Fire Brigade have confirmed that the balconies are not an egress route nor an escape balcony so access to this area is not required. Once windows are replaced all openings should be provided with restrictors allowing a maximum opening of 100mm."

Following receipt by LBS of the Potter Raper Risk Notice and LBS' duty of care obligations action was taken by LBS, in consultation with Residents including by way of attendance at regular T&RA meetings including the AGM as well as other adhoc meetings and Canada RPG meetings, to take steps to adhere

to the Risk Notice recommendations and options which culminated in the replacement of the windows and amendments to the fenestration arrangements.

LBS has therefore taken the advice of Potter Raper to safeguard the Residents/occupants of the apartments and mitigate the identified risks.

Potter Raper highlights that once the windows are replaced "an In-depth cleaning and maintenance strategy for the external glazing should be developed to prevent the need for occupants to step out onto the balcony to carry out cleaning."

Further to a risk assessment being carried out it was determined that balconies should not be accessible. It is therefore confirmed that the ability to go out on to the balcony has been removed because of the identified risks and hazards. The resultant window design was made specifically to assist with meeting the prevailing Building Regulations and the Potter Raper recommendations and to restrict and prevent Residents from attempting to go out onto the balcony for access as well as to mitigate the storage of potentially hazardous items. Potter Raper goes on to advise that "Restricting access to these areas will not only greatly reduce the risk of falls but also fire."

7. ABILITY TO CLEAN THE INSIDE AND OUTSIDE OF THE WINDOWS AND ASSOCIATED FRAMES AND FIXED PANELS

LBS advise that some Occupants/Residents have raised concerns about suitability of the current window installation regarding their ability to be cleaned by the occupier/Resident.

The Potter Raper Risk Notice advises that:

- "All windows should be installed with restrictors to limit the opening to 100mm with the ability to open fully when cleaning is required."
- Once replaced that "In-depth cleaning and maintenance strategy for the external glazing should be developed to prevent the need for occupants to step out onto the balcony to carry out cleaning."
- "This risk is also associated with the requirement to clean the Juliet balconies glazing. Alternate cleaning strategy should be developed to prevent the need for Residents to unsafely exit through the window to clean the external face of the glazing."

The Residents are currently responsible for cleaning their own windows and frames inside and out. At the site visit it was ascertained that with relevant or similar equipment such as a long armed 'squeegee' (in this instance 400mm or approx. 16 inches long) and by way of removing the restrictors for cleaning and maintenance purposes both the fixed and opening panes and associated frames and fixed panels of the windows are capable of being cleaned by any reasonably able-bodied person including those with a height of say circa 1.60m (5ft 4 inches) whilst remaining inside the property with both feet on the floor. To be clear the cleaning of the windows can and should be done without the need for access to the "balcony".

8. CONCLUSION & RECOMENDATIONS

The reason for the new replacement windows design is a function of the Potter Raper Risk Notice and the duty of care obligations placed on LBS. As explained above and set out in Potter Raper's Risk Notice (see Appendix A) compliance with the recommendations and moreover the prevailing Building Regulations has resulted in the installation and fenestration configuration and arrangements. It is confirmed that the ability to go out on to the balcony has been removed because of the identified associated risks and hazards. Residents may have to engage alternative relevant resources or subcontractor to carry out this task if they are not capable of doing it themselves.

It has been ascertained that with relevant or similar equipment such as a long armed 'squeegee' (in this instance 400mm or approx. 16 inches long) and by way of removing the restrictors for cleaning and maintenance purposes both the fixed and opening panes and associated frames and fixed panels of the windows are capable of being cleaned by any reasonably able-bodied person whilst remaining inside the property with both feet on the floor.

It is however recommended that LBS follow through with the recommendation by Potter Raper to develop an in-depth cleaning and maintenance strategy for the external glazing to prevent the need for occupants to step out onto the balcony to carry out cleaning. Airey Miller recommend that LBS engage a suitable party or their health and safety advisor to produce and distribute the maintenance strategy in consultation with Residents. This can be utilised by Residents or their window cleaner or a contractor.

Although not part of this review LBS should also incorporate appropriate advice pertaining to the cleaning of the balcony glazing as this poses a different issue in that it would appear from the site visit that Residents should not be encouraged to clean the balcony glass or balustrade, especially the external face as this may result in Accidental Falls or Falling Objects.

As an alternative and to mitigate risk LBS could consider employing a contractor to carry out regular cleaning of the windows and/or balcony barrier/glass. This could take the form of inside and out or outside only with a view to mitigating the risks outlined in the Potter Raper Risk Notice.

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Signed

**Neil Camp MSc BSc(Hons) MRICS
for AIREY MILLER SURVEYS LIMITED**

Date 12 September 2023

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Appendix A

Canada Estate Windows Risk Notice

Canada Estate
Regina Point & Columbia Point
High Rise Windows / Flat Roofs
Risk Notice

Author	Date	Update	Rev
W.Armstrong	12 th February 2021	Initial Issue	00
W.Armstrong	24 th February 2021	Flat Roof Risk	01
W.Armstrong	08 th March 2021	Update Information	02
W.Armstrong	10 th March 2921	Section 1.4 Update	03

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1.2 Current Fall Risk	3
1.3 Associated Risks	4
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1.5 Future Maintenance Considerations	5
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2.1 Current Status Flat Roofs	5
2.2 Fall Risk	6
2.3 Associated Risks	6
2.4 Risk Mitigation	6
3.0 Risk Assessment	8

HIGH RISE WINDOWS

CANADA ESTATE – RISK NOTICE

1.0 Canada Estate Window Risk

1.1 Current window design

The large windows to each property (Columbia & Regina Point) provide either two or four openings, one of which is a full height casement (low level transom bar incorporated below the other casements/openings – ensuring floor to opening height of 1.10m).

The floor to sill height of the large window is 0.65m, which is below the 1.10m level needed to meet the requirements of the Building Regulations. However, externally there is a recess (approximately 400mm deep) with a balustrade that is in excess of the 1.10m in height, if measured from the lounge floor.

Windows are current inward opening with lockable handle. The inward opening of the window allows for cleaning of the external face.



1.2 Current Fall Risk

Due to the current design of the windows within Columbia & Regina Point there is an increased risk of falls from height.

Falls from height can be broadly categorised into three categories all of which must be taken into account when assessing the current window design and associated areas.

- “ **Accidental falls** – There is an inherent risk of accidental falls from height due to the large windows location and size. As stated by both building control and building surveyor the current sill height of the window does not meet the required 1100mm. Although there is external protection from the Juliet balcony at a height in excess of 1100mm, this would be reduced when stepping out the window due to the height of the window sill. Standoff from window to external edge is 400mm. It is likely that a person young or old could potentially fall from the balconies height when exiting the window. This could be due to a trip or slip on the sill, therefore it is a risk that must be controlled.
- “ **Falls arising out of confused mental state (Intoxication Drugs/Alcohol – Mental Illness)** – This risk must be considered with regards to the design. A person’s mental state and level of intoxication cannot at all times be guaranteed when they are within their residential premise. It is however known that mental illness and intoxication can create a chemical imbalance which in turn both reduces reaction times and train of thought. Personal risk perception is also greatly reduced when intoxicated. This poses the risk that an intoxicated tenant may exit the window whilst physically and mentally unstable greatly increasing the risk of a fall from height due to the reduced edge protection height when exiting.
- “ **Deliberate self-harm (Suicide)** – Although when considering this risk, it cannot be fully mitigated without fixing all windows shut, the risk is still present. Suicide rates within the UK have risen and methods to reduce the ability for falls for self-harm suicide must be considered.

*Any person potentially exiting out of the large window over the sill whilst potentially using it as a step would be reducing the external balustrades edge height to below the required 1100mm. A resulting fall over the edge of the Juliet Balcony could result in potential for fatalities. *

HIGH RISE WINDOWS

CANADA ESTATE – RISK NOTICE

1.3 Associated Risks

Risk regarding the large window should not just be deemed as “Falls from Height”. There remain associated risks that must also be considered with regards to the window and wider area. These include.

- “ **Falling Objects** – Access out of the large window currently provides the ability for occupants to store items on the Juliet balcony (use not within design/function). This poses the potential risk of objects falling from height onto unexpecting persons below and therein could cause severe injury and possible fatalities.

This risk is also associated with the requirement to clean the Juliet balconies glazing. Alternate cleaning strategy should be developed to prevent the need for residents to unsafely exit through the window to clean the external face of the glazing.

- “ **Fire** – Storage of combustible materials on the balcony is a high risk. Should the storage of materials build, and an ignition source be provided the likelihood of fire is high along with the added risk of spread to Juliet balconies both above and below where further combustible may be stored.

Restricting access to these areas will not only greatly reduce the risk of falls but also fire.

- “ **Slips trips and falls** – Any person stepping out of the large window has the potential to trip or slip on the sill. If this was to occur due to the trigger height being reduced likelihood of falling over the external edge is increased. This would result in severe injury and possible death.

1.4 Risk Mitigation

- “ In the first instance restrictors to the current large window openings should be installed **immediately**. The restrictor should only allow for an opening of 100mm. This restrictor should have the ability to be adjusted to allow for cleaning purposes as maintenance of the window (cleaning) will still be required.
- “ Replace windows with alternate configuration to avoid the requirement of full opening window.
- “ Window should be replaced to ensure 1100mm high edge is provided across all windows. All windows should be installed with restrictors to limit the opening to 100mm with the ability to open fully when cleaning is required. Restrictors should be installed to reduce the likelihood of small or vulnerable persons exiting through the window as well as to prevent the use of the external area being used for a purpose that it was not designed for. (storage, standing, planting). London Fire Brigade have confirmed that the balconies are not an egress route nor an escape balcony so access to this area is not required.
- “ Once windows are replaced all openings should be provided with restrictors allowing a maximum opening of 100mm.

Alternate Mitigation Options

- “ Extend the external balustrades height directly in front of the window opening to ensure 1100mm height remains should a person step out of the current large window.
- “ Replace glazing to prevent requirement for cleaning maintenance.

HIGH RISE WINDOWS

CANADA ESTATE – RISK NOTICE

1.5 Future Maintenance Considerations

- “ If the windows are to be replaced with current design In-depth cleaning and maintenance strategy for the external glazing should be developed to prevent the need for occupants to step out onto the balcony to carry out cleaning.
- “ Inspections for the glazing should be carried out periodically.
- “ Yearly checks should be carried out on all fixings and connections to the building to ensure no loose fittings and that the protection is fit for purpose.

2.0 Flat Roofs Risk

2.1 Current Status Flat Roofs

A number of flat roof areas are located to Regina and Columbia Point. These blocks are multiple storeys.

The flat roof areas have no direct access or edge protection installed. The roofs when first constructed were not designed as a useable space.

Due to the ongoing works around the estate, scaffolds have been erected to allow contractors to complete works in a safe manner. This however does not allow for residents to use the space as storage or as additional outdoor space.

Personal items, waste, and residents have been seen using the unprotected flat roof areas. It has been established with the London Borough of Southwark that these are and always have been no access areas.

Certain areas of the flat roofing have netting installed. This netting is however only in place to prevent birds from nesting and fowling. The netting is by no means a form of fall restraint or protection.



*Items stored on Unprotected Flat roof.

HIGH RISE WINDOWS

CANADA ESTATE – RISK NOTICE

2.2 Fall Risk

As stated in section 1.2 (current fall risk) of this risk notice, falls can be split into 3 categories. The category relating to the flat roof falls primarily under category 1 accidental falls. Additional categories must also be considered due to the available access and evidence of residents using the roofs as gathering areas.

- .. The risk of falls from the flat roofs is extremely high. Residents exiting from the small window opening have the potential to fall on exiting should they trip whilst climbing out and down onto the roofs.
- .. There is no edge protection provided in these areas due to the fact they are not useable spaces. Inclement weather will cause surfaces to become slippery or winds have the potential to force a resident or visitor over the edge of the roof.
- .. Persons using the roof as a personal space to relax whilst potentially being intoxicated also have a high potential risk of falling over the edge.

Any fall from the flat roofs would result in serious harm and likely fatalities.

*The fall risk can also be related back to the current window designs within the blocks. This is due to the lack of restriction on the windows.

2.3 Associated Risks

Risk associated with the flat roofs should not just be considered as personal “Falls From Height” there are associated risks with the flat roofs being utilised similar to those posed by the widows and Juliet balconies.

- .. **Falling Objects** – Items being taken through the windows and stored on the flat roof areas have to potential to pass over the roof edge down to ground level. Should persons be below in the event this occurs there would be fatal injuries. It can be seen, items such as doors and other sheet materials are stored on the roofs. In high winds these items would create a sail and be forced over the edge.
- .. **Fire** – Storage of combustible materials on the flat roofs is a high risk. Should the storage of materials build, and an ignition source be provided the likelihood of fire is high, along with the added risk of spread to areas both above and below where further combustible may be stored. The fire would be able to spread through the block.

Further restricting access to these areas will not only greatly reduce the risk of falls but also fire.

- .. **Slips trips and falls** – During periods of inclement weather and directly after the risk of slips, trips and falls to the areas in question are extremely high with no protection to the edge.

2.4 Risk Mitigation

The priority must be to restrict/remove any available access to the flat Roof areas to mitigate the risks noted above. Risks noted throughout this document involve the use of windows for access/egress routes into areas that increase risk of fatal falls. It can be seen there is a clear design issue with the current windows installed to Columbia and Regine Point.

- .. Window restrictors must be installed to prevent the use of the flat roof areas. Restrictors must allow for an opening of not greater than 100mm.
- .. Residents must be further advised on the risk associated with using the flat roof areas and prohibited areas must be communicated to all within the block.

Placing restrictors will not fully mitigate the risk and glazing maintenance such as cleaning will be required. This will mean the restrictor will have to be removed to allow for the window to fully open inwards to be safely maintained.

HIGH RISE WINDOWS

CANADA ESTATE – RISK NOTICE

“ A form of external mounted restriction system should therefore be considered. To prevent access out onto the roof.

Restricting any access onto the flat roofs would mitigate the risks outlined in this Risk Notice. There is still the potential residents would find an alternate means to use the flat roofing areas (removing restrictors). 1100mm edge protection should be considered to further protect against falls. It must however be understood that by installing edge protection this does not make the flat roof a useable area and this would need to be communicated to residents to ensure future compliance.



*Addition Images of Storage on unprotected Flat roofs

HIGH RISE WINDOWS

CANADA ESTATE – RISK

NOTICE



3.0 Risk Assessment

Windows						
Number	Risk	Possible effects/harm	Risk rating H, M, L	Detail existing controls	Detail further action required to reduce risk	Revised risk rating H, M, L
01	Falls from height climbing out window reduced height of external edge protection.	Severe injury broken bones, bruising and impact trauma. Possible fatalities.	H	Lockable handle installed on window (Key location Unknown) External edge protection 1100mm floor to rail. (reduced when stepping out of window)	<ul style="list-style-type: none">• Restrictors on window to be installed to allow for max 100mm opening.• Replace window and ensure floor to window base height meets required 1100mm.	L

HIGH RISE WINDOWS

CANADA ESTATE – RISK

NOTICE



02	Falling objects from Juliet Balcony during cleaning or inappropriate storage.	Severe injury broken bones, bruising and impact trauma. Possible fatalities	H	None	<ul style="list-style-type: none">• Restrictors on window to be installed to allow for max 100mm opening.• Replace window and ensure floor to window base height meets required 1100mm• Cleaning strategy to be developed to prevent requirement for residents to carry out unsafe cleaning practices.• Replace glazing with material that does not require regular cleaning maintenance.	L
03	Fire/ fire spread- Storage of combustible materials on Juliet Balcony	Severe burns, smoke inhalation, possible fatalities.	H	None	<ul style="list-style-type: none">• Restrictors on window to be installed to allow for max 100mm opening.• Replace window and ensure floor to window base height meets required 1100mm, there in restricting external access.	L

HIGH RISE WINDOWS

CANADA ESTATE – RISK

NOTICE



04	Slips Trips and Falls, climbing out of window.	Bruising, Broken bones, cuts, possible fatalities.	H	None	<ul style="list-style-type: none"> Restrictors on window to be installed to allow for max 100mm opening. Replace window and ensure floor to window base height meets required 1100mm 	L
Flat Roofs						
01	Falls from height climbing out window/ using flat roof no edge protection.	Severe injury broken bones, bruising and impact trauma. Possible fatalities.	H	Lockable handle installed on window (Key location Unknown)	<ul style="list-style-type: none"> Restrictors on window to be installed to allow for max 100mm opening. 1100mm high Edge protection to be installed around flat roof. 	L
02	Fire/ fire spread- Storage of combustible materials on Flat Roofs	Severe burns, smoke inhalation, possible fatalities.	H	None	<ul style="list-style-type: none"> Restrictors on window to be installed to allow for max 100mm opening. Residents to be issued with prohibited areas notice. 	L

HIGH RISE WINDOWS

CANADA ESTATE – RISK

NOTICE



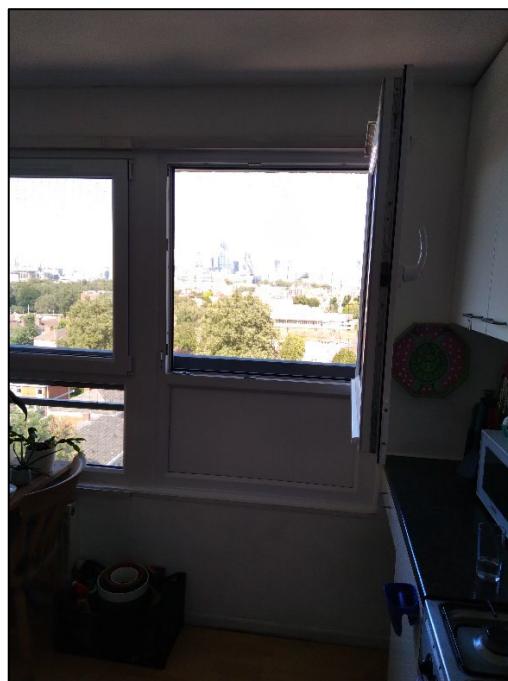
03	Falling objects from flat roofs inappropriate storage.	Severe injury broken bones, bruising and impact trauma. Possible fatalities	H	None	<ul style="list-style-type: none">• Restrictors on window to be installed to allow for max 100mm opening.• 1100mm High edge protection to be installed around flat roof.	L
04	Inclement Weather Slips/trips and falls	Severe injury broken bones, bruising and impact trauma. Possible fatalities	H	None	<ul style="list-style-type: none">• Restrictors on window to be installed to allow for max 100mm opening.• 1100mm High edge protection to be installed around flat roof.• Anti-slip coating to roofs.	L

Potter Raper Ltd

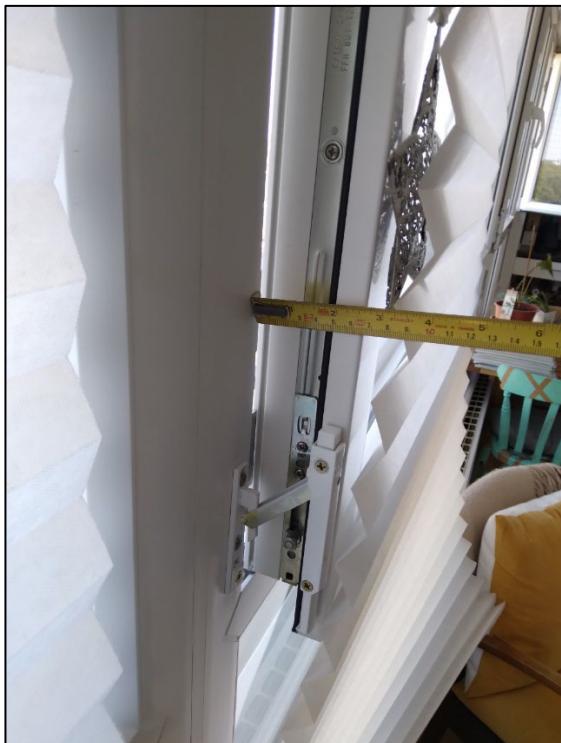
Appendix B
Photograph Schedule

Report on Windows
Regina Point, Canada Estate, London, SE16 7BB

Example apartment with commong window and fensration configeration/arrangements

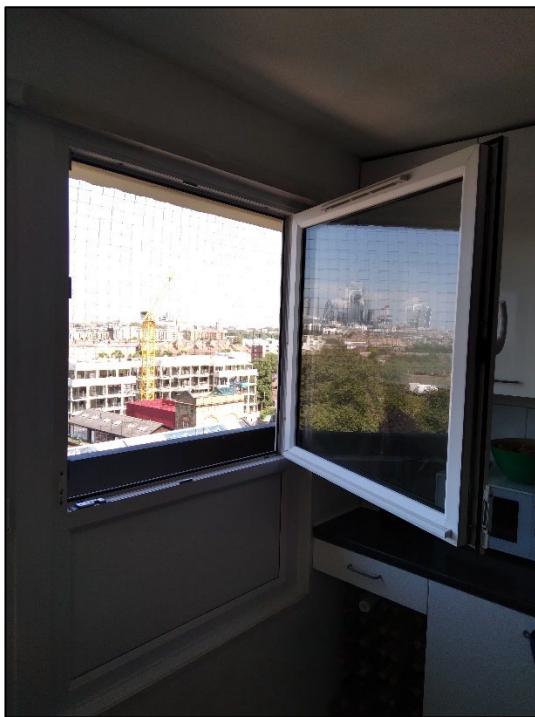


Restriction of opening light



Report on Windows
Regina Point, Canada Estate, London, SE16 7BB

Fully open opening light to allow cleaning/maintenance



Record of compliant height of 'barrier' to fenestration



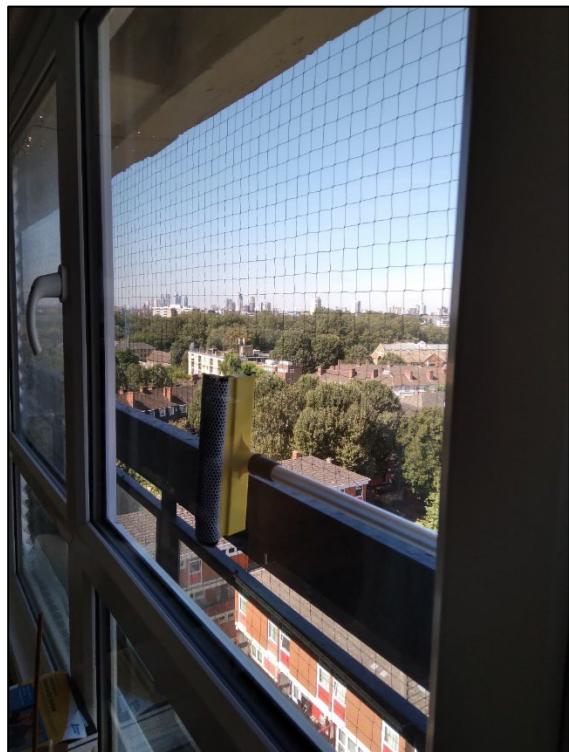
Report on Windows
Regina Point, Canada Estate, London, SE16 7BB

"Balcony" area



Report on Windows
Regina Point, Canada Estate, London, SE16 7BB

Example of cleaning equipment to assist with reach



Report on Windows
Regina Point, Canada Estate, London, SE16 7BB



**REVIEW OF WORKS PROJECT FOR THE
QUALITY HOMES INVESTMENT PROGRAMME**

**CANADA ESTATE
RENFORTH STREET
ROTHERHITHE
LONDON SE16**

**UNDERTAKEN ON BEHALF OF
THE LONDON BOROUGH
OF SOUTHWARK**

**Our Ref: SB/dr/705-2512684
Date: July 2025**

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1.0 CLIENT REQUIREMENTS

- 1.1. The London Borough of Southwark appointed consultant (Pellings) to carry out a detailed review of the works carried out at the Canada Estate as part of the LBS' QHIP including, the way in which the contract for these works was managed and delivered.
- 1.2. The project comprised a comprehensive programme of fire safety and refurbishment works both internally and externally, commissioned by Southwark Council across a mixed-tenure housing estate consisting of both high-rise and low-rise residential blocks. The primary objective was to address critical fire safety concerns identified through Fire Risk Assessments (FRAs), alongside delivering broader improvements to the external envelope and internal living conditions of the dwellings.

The key themes for this review are:

- Time
- Cost
- Quality

- 1.3. It is expected that the review will include at least the following key tasks:
- 1.4. An assessment of the suitability of the contract and tender documents used in the delivery of this project.
- 1.5. An assessment of the suitability and quality of the feasibility report that formed the basis of the scope of the works.
- 1.6. An assessment of the quality of the pre-tender surveys, specification and other related documentation issued to the contractor.
- 1.7. An assessment of the time taken to complete the works (duration of contract), taking into consideration any specific mitigating factors (Covid, for example).
- 1.8. An assessment of the cost of the works, considering the original tender documentation (including tendered rates, scope of works, feasibility report, measured rates), variations to the scope of the works and the estimated final value of the works. Specifically, a review and critical assessment of the budget overspend.
- 1.9. A sample inspection and review of the quality of the works carried out under this contract.
- 1.10. An assessment of the added benefits the works have provided and, an assessment of whether the works provided 'value for money'.
- 1.11. An assessment of the management and administration of the works in relation to cost control, quality of works and delivery times.
- 1.12. Recommendations relating to areas of improvement and lessons learned to inform future projects.

2.0 PROJECT SUMMARY

2.1. The Canada Estate External Decorations Project was commissioned by the London Borough of Southwark as part of its planned maintenance programme aimed at improving the visual appearance, weatherproofing, and general condition of the housing stock across the estate. The works covered several mid- and low-rise residential blocks located within the Canada Estate, SE16. The works were part of the 2018/19 Quality Homes Investment Programme (QHIP).

2.2. The block addresses for the project were as follows

High Rise -1-80 Regina Point
 High Rise -1-80 Columbia Point
 Low Rise -1-18 Calgary Court
 Low Rise -1-18 Manitoba Court
 Low Rise -1-18 Niagara Court
 Low Rise -1-18 Scotia Court
 Low Rise -1-18 Calgary Court

Scope of Works

2.3. The scope of the project comprised:

- Full external redecoration of previously painted surfaces including façades, balcony railings, soffits, fascia's, and exposed steelwork
- Concrete repairs to and brickwork re-pointing
- Replacement UPVC windows throughout
- New kitchens and bathrooms
- Fire compartmentation works
- New front entrance doors

Contractual Details

2.4.

- Contract Type: JCT Intermediate Building Contract with Contractor's Design (ICD)
- Procurement Route: Lot 2 of the LBS Major Works Constructor Framework Contractor: Durkan Limited
- Contract Start Date: 19th October 2019
- Original Completion Date: 10th December 2021
- Extended Completion Date: 28th April 2023
- Project Overrun – 72 Weeks
- Original Contract Value: £4,228,513.00
- Final Account Value (Forecast or Actual): £6,374,254.00
- Overspend: £2,145,741.00

Delivery Overview

2.5. While the scope was considered relatively low risk at inception, delivery was significantly affected by a combination of internal and external challenges. These included:

- Labour and material shortages linked to post-pandemic market volatility.
- Delays arising from performance issues within the contractor's supply chain.
- Changes in client-side personnel delaying key approvals.
- Temporary cessation of works pending clarification of scope for the low-rise blocks.
- Temporary cessation of works pending a decision on the colour scheme to be used for the external redecorations to the high-rise blocks.
- The colour scheme for high-rise communal decorations and ground-floor lobby tiling was significantly delayed.

2.6. The cumulative impact of delays and inefficiencies has raised concerns over value for money, programme control, and overall delivery performance — themes explored in greater depth within this report.

3.0 EXECUTIVE SUMMARY

3.1. This report presents an independent assessment of the Canada Estate external decorations project, commissioned to improve the visual appearance and weatherproofing of multiple residential blocks. The scope of works included full external redecoration, minor external fabric repairs, and associated access and safety measures.

3.2. Although originally planned as a relatively straightforward programme of improvement works, the project encountered several delays resulting in an overall extension of more than 72 weeks beyond the contract start date. Key factors contributing to the delays included the effects of the COVID-19 pandemic, contractor resource limitations, supply chain challenges, and delays in decision-making due to changes within the client-side fire safety team. Additional disruption was caused by a suspension of works pending clarification of scope for the low-rise blocks.

3.3. The financial position of the project has also come under pressure, with final outturn costs exceeding the original budget. This was primarily driven by extended preliminaries, price inflation across labour and materials, and the requirement for additional repairs not initially identified during the pre-tender surveys.

3.4. This report evaluates the extent to which the project delivered value for money and provides a series of recommendations to enhance future delivery of similar externally funded or council-led schemes. Key lessons include the need for stronger risk management, clearer scope definition pre-tender, and more robust programme controls.

4.0 FEASABILITY AND SURVEY REVIEW

- 4.1. Potter Raper Partnership were commissioned by the London Borough of Southwark to carry out surveys and prepare a Feasibility Report for the Cyclical Maintenance of the estate properties as part of their capital works programme.
- 4.2. This document was used when preparing the overall scope of works and specification for the project works at Canada Estate.
- 4.3. We have conducted an overall quality assessment of the report, and our findings are as follows.

Structure and Clarity

- 4.4. The report is logically structured with clearly defined sections: executive summary, methodology, survey findings, costings, and appendices (photographic and specialist reports). Both low-rise and high-rise blocks are comprehensively assessed, with each element of the building fabric separately addressed.
- 4.5. Strengths within the report were noted as follows:
 - Professional tone and format
 - Consistent headings and layout
 - Clear separation between block types
 - Use of condition-based priorities

Scope Coverage

- 4.6. The report effectively addresses all external and common part elements, including:
 - Roofs, balconies, railings, walls, doors, decorations
 - Communal areas, fire safety, refuse chutes
 - Known exclusions are explicitly listed (e.g. lifts, mechanicals, kitchen/bathrooms except 1–21 Edmonton Court).

Strengths:

- Broad and relevant coverage in line with your external decorations remit
- Identifies both urgent needs and lifecycle considerations
- Sound integration of third-party findings (e.g. Gunite and PRP window assessments)

Technical Relevance

- 4.7. The technical observations are well-evidenced with reference to site inspections, visual defects, and known maintenance issues. Recommendations are realistic, cost-conscious, and include projected life expectancies and access considerations.

Considerations

4.8.

- Several recommendations rely on *provisional allowances* due to limited access or inconclusive surveys
- Further testing is sometimes recommended (e.g. for asbestos, cavity trays, damp-related issues), which may require follow-up feasibility or intrusive investigations before tender.

Financial Planning Usefulness

4.9. The inclusion of detailed costs per element and per building provides a solid basis for budget forecasting. The division between low-rise and high-rise elements supports phased or prioritised tendering strategies.

Summary Judgment

4.10. This report is deemed to be a high-quality and professionally prepared pre-tender feasibility document.

5.0 TENDER DOCUMENTATION REVIEW

5.1. The project was delivered via Southwark's Major Works Constructor Framework (Lot 2).

5.2. These frameworks typically use the JCT D&B form with bespoke amendments to streamline procurement and delegate risk.

5.3. Pellings were given limited access to the tender documents but there was sufficient information around the overall delivery of the project to support the following conclusions.

Quality and Completeness of Tender Documents

5.4. Likely Issues:

The documents may have lacked fully coordinated designs or specifications, particularly for works like:

- FRA upgrades
- Window replacements
- Brick/concrete remedial works

Absence of detailed as-built drawings or intrusive surveys could have led to post-award design development, driving variation.

Survey and Scope Definition

5.5. Pre-tender surveys appear to have been insufficient or ambiguous. Several areas (e.g. window scope, concrete repairs, FRA scope) evolved during the contract.

5.6. This resulted in substantial site discovery variations, indicating the original surveys may not have been comprehensive.

Risk Allocation

5.7. Likely lacked clear allocation of risk for:

- Latent defects.
- Undocumented existing conditions.
- Scaffold durations and sequencing across multiple concurrent blocks.

5.8. The contractor may have priced the job based on optimistic access or logistics assumptions.

Programming and Phasing Guidance

5.9. Based on the programmes prepared by Durkan, it could be argued that the original tender may not have provided a robust phasing strategy, especially given the tight site logistics and overlapping works of the five low-rise blocks.

5.10. The tender likely left programme sequencing too open to interpretation, resulting in inefficiencies and clashes during delivery.

Specification Clarity

5.11. The specification may have lacked clear standards for:

- Replacement vs repair of elements (e.g. windows, roofing, balcony components).
- Materials/products approved for use in FRA upgrades.

5.12. This would have created delays during technical submittals and approvals, feeding into EoT claims.

Contractor's Tender Assumptions

5.13. Contractors may have made assumptions regarding:

- Condition of existing services and structures.
- Access arrangements.
- Working hours and resident liaison protocols.
- If the Employer's Requirements didn't explicitly challenge or clarify these, it created disparities post-award.

6.0 PROGRAMME AND SCHEDULING REVIEW

- 6.1. The expected duration of a project of this nature, a medium scale refurbishment, one could reasonably expect a project duration of no more than 18 months assuming that there were no major resident disputes, no rework or TRA-led stoppages, normal procurement lead times and approvals, Covid or contractor capacity issues.
- 6.2. The original contract period of circa 112 weeks (Oct 2019 to Dec 2021) was already quite generous — likely built to account for:
 - Seasonal constraints
 - Working in occupied buildings
 - Anticipated resident consultation delays
- 6.3. The baseline programme was already more than sufficient. The actual overrun of 72 weeks resulted from:
 - TRA objections
 - Client-side design indecision
 - Gateway 3 process delays – low-rise
 - FRAEW implications
 - Delays in window survey approvals
 - HRB and low-rise window replacement overruns
 - Preliminaries and handover phases were extended

Extensions of Time

- 6.4. There are 4 construction programmes pertaining to the Canada Estate project. The original and 3 subsequent for each of the 3 extensions of time.
- 6.5. The initial programme showed a start on site of 19th of October 2020 with a completion date around the week commencing 24th of May 2021 with high rise blocks commencing on the above date with the first of the low-rise blocks, 1-18 Calgary Court commencing on the 30th of November 2020. All the low-rise blocks were scheduled to be completed around week commencing 11th of October 2021 with 2nd of the 2 high-rise blocks due for completion week commencing 6th of December 2021.
- 6.6. The first of the 3 extension of time (EOT) programmes pushed the overall programme out to the 28th of July 2022. The second to the 28th of November 2022 and the third to the 28th of April 2023.
- 6.7. There was a significant increase in the overall programme duration from EOT 2 to EOT 3 of around 5 months.
- 6.8. The programme titled EoT-2a (dated 22/03/2022) scheduled completion by early December 2022, whereas the EoT-3 (dated 09/01/2023) shows an extended completion date to late April 2023, amounting to a delay of approximately 5 months.

Key Reasons for the 5-Month Extension

6.9. 1. Extended Durations Without Revised Start Dates

In EoT-2a, all low-rise blocks (Edmonton, Niagara, Manitoba, Calgary, Scotia) were programmed to conclude by December 2022.

In EoT-3, many tasks from the same blocks continue well into March–April 2023, despite the start dates remaining unchanged (e.g. 11 April 2022).

This suggests slippage in productivity, likely due to resource constraints, rescheduling, or disruptions.

6.10. 2. Additional Scope Introduced

EoT-3 includes new activities that were not present in EoT-2a, notably:

Communal decoration works to both high-rise blocks (Line 118)
Re-tiling of ground floor lobbies on both high-rise blocks (Line 119)

These tasks span into March–April 2023, adding to the overall duration.

6.11. 3. Prolonged Close-Out Activities

Snagging and scaffold removal activities across all courts are extended into 2023 in the EoT-3 version, whereas they concluded in 2022 in the EoT-2a programme.

6.12. For instance, Client snagging at Calgary Court:

- EoT-2a: Completed by November 2022.
- EoT-3: Runs until mid-January 2023.
- Scaffold removal and site clear-up activities extend into March/April 2023 in EoT-3.

Programme Delay Impact

6.13.

<u>Event</u>	<u>Date</u>	<u>Notes</u>
Original Completion (Contract)	10 December 2021	Based on initial 112-week programme.
Completion (EoT-3)	28 April 2023	Revised via formal EoT-3 submission.
Overrun	72 weeks	Driven by window design delays, FRA reprogramming, colour scheme indecision (HRB), and COVID-related supply chain lags.

7.0 FINANCIAL OVERVIEW AND BUDGET VARIANCE

Contract Value Summary

7.1.	<u>Description</u>	<u>Value (£)</u>	<u>Notes</u>
	Original Contract Sum	£4,228,513.00	Tendered value in 2019
	Final Account (Actual)	£6,374,254.00	As per Gateway 3 & Final Agreement
	Cost Overrun	£2,145,741.00	+50.7% increase over original

Budget Variance Breakdown (By Package)

7.2.	<u>Cost Element</u>	<u>Original Allowance</u>	<u>Final Cost</u>	<u>Variance</u>	<u>Notes</u>
	Preliminaries	£750,000	£1,250,000	+£500,000	72-week overrun impact.
	Window Replacements (Low-Rise)	£900,000	£1,500,000	+£600,000	Survey/design delays and re-sequencing.
	FRA Works (Low-Rise)	£500,000	£700,000	+£200,000	Updated spec and access issues.
	External Walls, Roofs, Concrete	£1,250,000	£1,350,000	+£100,000	Minor adjustments and repairs.
	HRB Communal Decorations (Added)	£0	£200,000	+£200,000	Entirely post-contract addition.
	Client Requested Changes	£200,000	£350,000	+£150,000	Lobby tiling, handrails, signage.
	Risk/Contingency	£250,000	£250,000 (used)	—	Fully expended.
	Total	£4,228,513	£6,374,254	+£2,145,741	

Key Delay & Cost Drivers (Cross-Referenced)

7.3.

<u>Category</u>	<u>Source Document(s)</u>	<u>Description</u>
Window Package Delays	Meeting Minutes (2022), EoT-3, Gateway 3	Delayed surveys, mock-ups, design approval and procurement.
Preliminaries Overrun	EoT-3 Programme, Gateway 3	Result of 72-week extension and trade resequencing.
FRA Works Expansion	Site Instructions, Gateway 3	Spec upgrade under revised PAS 9980 compliance.
Client-Side Indecision (HRB)	Meeting Minutes (Jul–Nov 2022), EoT-3	8–10 week delay due to colour scheme mock-up and late sign-off
Scope Additions (HRB décor)	Gateway 3 Variation Report	Communal redecoration and tiling added post-award.
COVID-19 Disruption	Noted in Progress Reports (2020–21)	Labour, scaffold, material volatility acknowledged early.

Risk and Governance Observations

7.4.

<u>Area</u>	<u>Commentary</u>
Contract Form	The JCT ICD allowed for contractor design responsibility but may not have supported evolving client-led variations without frequent negotiation.
Gateway Control Weakness	Gateway 3 variation was submitted after practical completion, highlighting a misalignment between delivery and governance.
Risk Allocation	Client retained latent design and resident engagement risk, which was not priced or programmed for adequately.
Pre-construction Surveys	Window scope was underdeveloped at tender stage; post-award survey findings materially changed programme assumptions.

Recommendations (Linked to Overruns)

- 7.5. 1. Ensure full design and scope lock-down pre-contract, especially for critical path items (e.g., windows).
2. Use interim Gateway checkpoints to formalise in-contract scope changes and avoid retrospective validation.
3. Mandate resident engagement and colour approvals prior to RIBA Stage 5, particularly for visible communal works.
4. Adopt early warning registers and escalation protocols for emerging risks tied to design or client-side changes.

8.0 SITE INSPECTION FINDINGS

- 8.1. A series of site visits/inspections were undertaken by Pellings to gain a better understanding of the quality of the completed project and the extent of the residual defects that were continuing to impact upon the residents' daily lives. This also served as an opportunity to informally interview the residents based on the interview.
- 8.2. The table below lists the properties that LBS offered up for Pellings to inspect along with the details of the defects and/or residual issues.
- 8.3. The items in ***italics*** were observations and/or additional items that were discussed or observed at the time of the inspection.

8.4.	<u>Address</u>	<u>Defects</u>
	Columbia Point	<ol style="list-style-type: none"> 1. Windows whistling when windy and silicone seals worn. 2. TV cables on wall were not fixed down properly. 3. Door lock faulty, does not always lock. <i>4. The balcony drainage from above blocks and overflows onto the balcony of 25 CP.</i> <i>5. The external mastic around the frames is showing signs of wear both internally and externally.</i> <i>6. There is little or no mastic joint where the external trim meets the rendered window reveal.</i> <i>7. The mastic joint to the brickwork reveal is insufficient.</i> <i>8. Cable ties have been used by the tenant to secure the IRS cables that run down the building.</i> <i>9. One window restrictor was not working correctly.</i>
	Scotia Court	<ol style="list-style-type: none"> 1. Back door not locking properly, causing draughts. 2. Draughts through front door. 3. Kitchen cupboard doors loose.

Manitoba Court		<ol style="list-style-type: none"> 1. Windows whistling when windy, shaking, draughty and not closing properly. 2. Front door cracking at bottom and issue with hinges. 3. Kitchen cupboard doors loose. 4. Bath panel missing. 5. Mrs. [REDACTED] stated that the original windows were "fine" and there was no need to replace them. 6. The kitchen window does not close. 7. The kitchen sink leaks. 8. The contractor damaged the front door whilst carrying out works inside the property. The damage was never fixed. 9. Front bedroom window does not operate correctly.
Manitoba Court		<ol style="list-style-type: none"> 1. Bedroom and bathroom ceiling cracked since window installation. 2. Balcony doors need adjusting as they are hard to close once opened. 3. Silicone overused for windows and doors to cover gaps. 4. Mastic finish is poor internally throughout. 5. External decorations generally poor.
Edmonton Court		<ol style="list-style-type: none"> 1. <i>New windows have no trickle vents fitted and now causing damp/mould.</i> 2. <i>Front door not closing properly.</i> 3. <i>Kitchen window difficult to close.</i> 4. <i>The kitchen extractor fan has been installed in the side of the boiler cupboard??</i> 5. <i>A double electric socket has been installed in the side of the boiler cupboard.</i> 6. <i>Internal plastic window trims are falling off.</i> 7. <i>Holes present in the bathroom ceiling adjacent to window.</i>
Regina Point		<ol style="list-style-type: none"> 1. Wind whistles through the windows in bad weather, especially in bedroom. 2. Cold water pressure is extremely low, particularly in kitchen. 3. <i>Ditto to the bathroom.</i> 4. <i>Window mastic to reveals is poor as before.</i> 5. <i>The internal widow trims are loose. The tenant has applied Gaffer tape to hold them in place.</i> 6. <i>Kitchen waste blocks on a regular basis. New layout has placed the sink unit furthest away from the main outlet.</i> 7. <i>Bedroom 1, window whistles. Original internal window trim has been overlaid with new.</i> 8. <i>Bedroom 2, external mastic as before.</i>

		<p>9. <i>Timber handrail to balcony has barely been painted.</i></p> <p>10. <i>The resident commented that during the course of the project nearly a month passed with workmen in the lobby with little or no work carried out.</i></p>
Regina Point		<p>1. The kitchen window handle makes a crunching sound when used and is difficult to close.</p> <p>2. The caps that cover the screws to the trickle vents keep falling off.</p> <p>3. <i>Windows vibrating.</i></p> <p>4. <i>Vent covers broken and falling off.</i></p> <p>5. <i>Windows generally not closing properly (kitchen window in particular).</i></p> <p>6. <i>Internal making good is poor to same.</i></p> <p>7. <i>Poor internal mastic to same.</i></p> <p>8. <i>Front door does not close properly.</i></p> <p>9. <i>internal pull handle to same keeps falling off.</i></p> <p>10. <i>Drafty front door.</i></p> <p><u>Lift/Staircase Lobby</u></p> <p>11. <i>Poor paintwork – incomplete in some areas.</i></p> <p>12. <i>Stair landings and bin chute room have louvred grilles instead of windows. The insect mesh is damaged and attracts a lot of dirt.</i></p> <p>13. <i>The grilles allow the wind to blow through causing lobby doors to slam.</i></p> <p>14. <i>The roof leaks in the area outside the lift and ponds there.</i></p>
Edmonton Court		<p>1. The door to the rear garden is difficult to close, parts of the door are coming off, top of the door has dropped and hits the frame when closing.</p> <p>2. Kitchen window is difficult to open and close properly.</p> <p>3. The clips and parts of the windows are coming off the kitchen and living room window.</p> <p>4. Bathroom toilet seat installation was poorly done.</p> <p>5. The paint is stained and peeling off from the wall at the back of the sink and the ceiling in the bathroom.</p>
Scotia Court		<p>1. Windows not sealed properly, and wind constantly comes through.</p> <p>2. Gaps around new door.</p> <p>3. Newly painted wall ruined, cracked near bedroom window.</p> <p>4. <i>Air bricks were introduced into the two cupboards either side of the front door which have been blocked off by the tenant as they only serve to create drafts.</i></p>

		<p>5. Cover strips have been fitted over the original cills to the rear door.</p> <p>6. The front bedroom carpet was damaged when the windows were installed.</p>
Scotia (not on the original list)		<p>1. Rear door not securely fixed to the external wall.</p> <p>2. Door does not latch (tenant is disabled).</p> <p>3. There is a restrictor limiting the door to 90 degrees opening. Tenant advised to use this as a means of support when exiting and accessing the property. This is unsafe.</p>
Edmonton Court		<p>1. Issues with window cills and mastic.</p> <p>2. Windows draughty and issue with vents.</p> <p>3. Issue with back door threshold, door doesn't close properly.</p> <p>4. Front door varnish gritty and scratched.</p> <p>5. Kitchen and bathroom lino needs fixing.</p> <p>6. Kitchen socket face plates don't close properly.</p> <p>7. Name on spur switched sockets incorrect and no fridge socket.</p> <p>8. Bathroom paint peeling.</p> <p>9. Top of internal gable wall has thermal board which is failing.</p> <p>10. Bottom of external drainpipe needs securing.</p> <p>11. There are gaps between the door frame and the reveal. These gaps are typically foam filled but there is no evidence of this.</p> <p>12. The windows are trimmed below the cills throughout. This is common to all low-rise blocks.</p> <p>13. Downpipe clips are not secured to the brickwork in places.</p> <p>14. The bathroom window winding gear does not operate correctly.</p> <p>15. There are trims on trims around many of the windows and rear door.</p>
Regina Point		<p>1. All windows installed in property have lost sealant in various places. This results in wind, noise and rain entering. Reveals are damp at low level.</p> <p>2. The bedroom window was whistling due to the wind at the time of the inspection.</p> <p>3. There are gaps between the window frame and the reveal. These gaps are typically foam filled but there is no evidence of this.</p>
Calgary Court		<p>1. Bedroom window has come off sash, will not close and has gaps.</p> <p>2. The balcony door handle is stuck and will not lock.</p> <p>3. Paint is peeling off all the walls next to the windows.</p>

8.5. All of the issues detailed above were observed first hand by a Senior Associate Building Surveyor from Pellings LLP and each resident provided their view of the events that lead to their respective issues as the project unfolded.

8.6. There was a common theme throughout whereby most of the residents, tenants and leaseholders alike, that were interviewed commented on the following:-

- Poor workmanship
- Lack of labour on site
- Questions over the need to replace the windows in the HRB's
- Poor communication with Durkans RLO with some stating that the RLO was unreliable
- Poor communication with LBS – Late inclusion in the consultation process or not at all
- Lack of timely updates
- Residents feeling of exclusion from key decisions in the widow design process
- Missed survey or installation appointments due to re-scheduling or no-show trades
- Extended scaffold presence with little or no work taking place
- Works not sequenced correctly
- Excessive dust and debris on site
- Unsafe walkways
- Inadequate site security
- Poor internal finishing
- Leaks after roof refurbishments
- Post works cleaning not carried out in a timely manner
- Damage to residents fixtures and/or personal items

9.0 VALUE FOR MONEY REVIEW

9.1. Conclusion: Value for Money Not Achieved

9.2. The Canada Estate Phase 2 project did not deliver value for money. The final outturn cost exceeded the original contract value by over £2.1 million, with substantial elements of the work remaining defective at handover. The programme overran by 72 weeks, and despite this extended duration, quality shortfalls, poor sequencing, and unresolved snagging issues persist.

9.3. Key Value Failures with Leaseholder Implications

Disconnect Between Leaseholder Charges and Actual Delivery

- Leaseholders were invoiced substantial sums based on the original contract sum, under the assumption of a timely and quality-assured delivery.
- In reality, the service delivered was delayed, inefficient, and remains incomplete in parts—raising serious questions over the fairness of the recharge model.
- With an overspend exceeding 50%, the gap between what was paid for and what was delivered is materially significant.

9.4. Contractual and Commercial Mismanagement

- The late implementation of Gateway 3 meant cost overruns were not formally approved during delivery, leaving leaseholders exposed to unvetted variations.
- Key packages (e.g., windows, FRA works) lacked design maturity at tender stage, leading to retrospective cost growth rather than scoped enhancements.

9.5. Resident Value and Satisfaction Not Achieved

- Residents (including leaseholders) experienced prolonged disruption, repeat appointments, scaffold overstays, and unfinished communal areas.
- The continued presence of residual defects and the need for post-completion remedial works undermines any claim of service delivery in line with expectations.

9.6. Accountability and Transparency Concerns

- There is a reputational and governance risk for the council in justifying leaseholder contributions when:
 - Works were demonstrably delayed and defective
 - Programme logic was inefficient
 - Value engineering opportunities were missed
 - Future recharges may be challenged unless transparent financial reconciliation and remediation assurance is provided

Recommendation

9.7. The council must formally acknowledge that leaseholders have been charged on the basis of a project that failed to meet scope, quality, and delivery standards. A financial review should be conducted to determine whether:

- Any recharges should be adjusted to reflect actual delivery quality.
- Remedial costs should be excluded from further leaseholder billing.
- Contractual retention and framework mechanisms can be activated to recover unjustified overspend.

9.8. Going forward, the council should ensure that leaseholder recharges are only issued once works have been fully delivered and independently verified. Any further remedial costs arising from the current scheme should be absorbed through retention or contractual remedy—not passed on to residents. Capital programmes must start with complete, scoped designs and be governed through proactive, real-time approvals—not retrospective justification.

9.9. Future capital projects must align scope, design maturity, and leaseholder recharges under a unified value assurance framework.

10.0 DELIVERY PERFORMANCE EVALUATION

10.1. The delivery of the Canada Estate project was marred by significant delays, cost overruns, and persistent quality concerns that point to systemic issues in planning, execution, and oversight.

10.2. Programme Delivery

- The project overran by 72 weeks beyond the original contract completion date. While some delay can be attributed to industry-wide disruptions such as COVID-19, the scale and nature of the overrun suggest deeper-rooted causes, including:
- Repeated design indecision, particularly in relation to the colour scheme for the HRBs and the scope of the low-rise FRA works.
- Delayed approval and implementation of the Gateway 3 variation process, which was only concluded after practical completion.
- Multiple extensions of time issued due to poor sequencing, delayed surveys, and issues in window design finalisation.
- Extended scaffold presence on site despite minimal active works during long periods, adding to preliminaries costs without contributing to delivery.
- The EOT-3 programme, which extended completion into April 2023, was particularly symptomatic of slippage in productivity, weak programme governance, and late-stage additions (e.g., HRB communal decorations and lobby tiling) not originally scoped or programmed.

10.3. Contractor Performance

- Durkan's performance as principal contractor has been mixed at best:
- Site supervision appeared inconsistent, with long periods of inactivity noted by residents and independent inspections.
- Finishing quality was often poor, particularly around window trims, mastic seals, and internal reinstatement post-installation.
- Resident communication protocols were weak, with widespread dissatisfaction expressed around appointment scheduling, progress updates, and post-works cleanup.
- The Resident Liaison Officer (RLO) role, which is pivotal in maintaining tenant confidence during live works, was criticised as unreliable and ineffective.
- While some progress was made in completing the external works, it is evident that the contractor struggled to maintain both momentum and standards across a multi-block estate with complex logistics.

10.4. Client-side Oversight

- Oversight from the client team was similarly deficient in several areas:
- Scope changes and specification clarifications were often made reactively, after site discovery or resident complaint, rather than being anticipated during planning.
- The decision-making process around key design issues (e.g., HRB decoration schemes) was slow, contributing to idle periods and reduced productivity on site.
- Gateway 3 sign-off occurred post-completion, undermining its role as a financial control and exposing the council to retrospective spend.

- There were also gaps in how resident issues were tracked and responded to during the works, with no clear escalation framework for repeated or unresolved complaints.

10.5. Handover and Legacy Issues

- Despite the prolonged programme, the project was handed over with a number of unresolved defects — many of which were identified during post-completion inspections and tenant feedback. These include:
- Draughty or ill-fitting windows.
- Damaged or poorly sealed external mastic.
- Internal finishes left incomplete or to a poor standard.
- Loose fixtures, damp ingress, and unsafe or non-compliant detailing (e.g., vent positioning, door operation).
- The redecoration of previously painted surfaces, be they, concrete, metal or timber were poorly executed.
- The persistence of these defects suggests that quality assurance mechanisms were either absent or ineffective during the final phases of delivery.

11.0 CONCLUSIONS AND RECOMMENDATIONS

Conclusions

11.1. The Canada Estate refurbishment project, delivered under Southwark's 2018/19 Quality Homes Investment Programme (QHIP), was significantly affected by delivery inefficiencies, scope drift, and unresolved defects. While the initial intent of improving fire safety, energy performance, and general housing conditions was valid, the execution fell short in several key areas.

11.2.

- Programme Control: The project overran by 72 weeks, with extensions driven by scope uncertainty, design indecision, and ineffective sequencing of works. The final programme was bloated by late-stage additions and productivity slippage, despite generous original timeframes.
- Cost Management: The final account of £6.37m represents a 50% increase over the original contract value. Much of this overspend stemmed from extended preliminaries, delayed window procurement, and a reactive approach to site-discovered scope. The Gateway 3 variation, which should have provided financial governance, was signed off only after project completion.
- Quality and Workmanship: Site inspections revealed widespread residual defects, particularly with window installations, internal mastic finishes, and general reinstatement. Residents raised consistent complaints about poor communication, substandard workmanship, and inadequate post-works cleanup. Some expressed doubt as to whether window replacements were even necessary.
- Resident Experience: Poor engagement and a lack of clear communication led to dissatisfaction among both leaseholders and tenants. Prolonged scaffolding, rescheduling of works, and absence of follow-through on snagging contributed to a perception of disorganisation and indifference.

- Governance and Contract Administration: The client-side processes failed to keep pace with site requirements. Key decisions—such as colour scheme approval and FRA scope confirmation—were made too late. Contractual tools such as Gateway Reviews were not used proactively to steer or arrest performance issues.

Recommendations

11.3. In light of the above findings, the following recommendations are proposed to improve outcomes in future projects of a similar nature.

11.4. Lock Down Scope and Design Pre-Contract

- All critical design elements (e.g., windows, decorations) must be fully agreed, detailed, and resident-approved prior to tender. Avoid reliance on post-award decisions that risk introducing variations.

Tighter Governance Controls

- Ensure that Gateway processes—especially Gateway 3—are conducted before major expenditure or contract variation. Introduce interim checkpoints where scope evolution is likely.

Resident Engagement Strategy

- Formalise a structured engagement and communications plan with clear milestones. RLO performance should be monitored and reviewed, and escalation routes made available to residents.

Strengthen Contractor Accountability

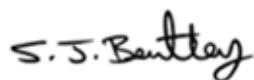
- Impose clearer KPI-based performance standards for site productivity, sequencing, and quality. Introduce milestone-based payments linked to visible delivery outputs.

Independent Quality Assurance

- Mandate independent inspections throughout the works programme, not just at handover. Early issue identification will reduce the volume of post-completion defects and disputes.

Cost Control Discipline

- Require financial forecasts to be updated monthly, with visibility on cumulative variation exposure. Introduce cost triggers that prompt early warning meetings between contractor, consultant, and client team.



Signed

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Date: 3rd July 2025Simon Bentley
On behalf of Pellings LLP

Countersigned

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Date: 3rd July 2025

(Pellings authorised signatory)

**REVIEW OF WORKS PROJECT FOR THE
QUALITY HOMES INVESTMENT PROGRAMME**

FAIR STREET/DEVON MANSIONS

**UNDERTAKEN ON BEHALF OF
THE LONDON BOROUGH
OF SOUTHWARK**

**Our Ref: SS/dr/705-2512685RevB
Date: July 2025**

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APPENDICES

APPENDIX A **PHOTOGRAPHS**

1.0 CLIENT REQUIREMENTS

- 1.1. The London Borough of Southwark appointed consultant (Pellings) to carry out a detailed review of the works carried out at the Fair Street/Devon Mansions works as part of the LBS' QHIP including, the way in which the contract for these works was managed and delivered.
- 1.2. The project comprised a programme of refurbishment works both internally and externally, commissioned by Southwark Council across a mixed-tenure housing estate consisting of Victorian mansion blocks and 20th century social housing.

The key themes for this review are:

- Time
- Cost
- Quality

- 1.3. The review will include the following key tasks:
- 1.4. An assessment of the suitability of the contract and tender documents used in the delivery of this project.
- 1.5. An assessment of the suitability and quality of the feasibility report that formed the basis of the scope of the works.
- 1.6. An assessment of the quality of the pre-tender surveys, specification and other related documentation issued to the contractor.
- 1.7. An assessment of the time taken to complete the works (duration of contract), taking into consideration any specific mitigating factors (Covid, for example).
- 1.8. An assessment of the cost of the works, considering the original tender documentation (including tendered rates, scope of works, feasibility report, measured rates), variations to the scope of the works and the estimated final value of the works. Specifically, a review and critical assessment of the budget overspend.
- 1.9. A sample inspection and review of the quality of the works carried out under this contract.
- 1.10. An assessment of the added benefits the works have provided and, an assessment of whether the works provided 'value for money'.
- 1.11. An assessment of the management and administration of the works in relation to cost control, quality of works and delivery times.
- 1.12. Recommendations relating to areas of improvement and lessons learned to inform future projects.

2.0 PROJECT SUMMARY

- 2.1. The Quality Homes Investment Programme (QHIP) encompassed improvement and refurbishment works to social housing properties at several locations, including Devon Mansions, a group of five residential mansion blocks located on the south side of Tooley Street in Bermondsey, London. Additional properties included Lewes House (Flats 1–32, Barnham Street) and the St Olave's Estate, covering Flats 1–61 on Druid Street, 2 Fair Street, and Flats 1–18.
- 2.2. The Fair Street/Devon Mansions works was commissioned by the London Borough of Southwark (LBS) as part of its planned maintenance programme. The works included improving the visual appearance, weatherproofing, renewal of life expired items and general condition of the housing stock.
- 2.3. The block addresses for the project were as follows:

Devon Mansions – Building 1 (blocks 1-3)
 Devon Mansions – Building 2 (blocks 4-7)
 Devon Mansions – Building 3 (blocks 8-13), Hartland House
 Devon Mansions – Building 4 (blocks 14-19)
 Devon Mansions – Building 5 (blocks 20-21)
 Lewes House – Flats 1-32. Barnham Street
 St Olaves Estate – Flats 1-61, Druid Street
 2 Fair Street – Flats 1-18

2.4. Scope of Works

- 2.4.1. The scope of the project comprised:

- Scaffolding and external works
- Kitchen, bathroom and WC replacements
- Concrete works / stone works / brickwork repairs
- Mechanical and electrical works
- Windows and doors
- Asbestos removal
- Fire safety improvement works
- External redecorations
- Remedial roof works and renewals.

2.5. Contractual Details

- 2.5.1. • Contract Type: JCT Intermediate Building Contract with Contractor's Design (ICD) 2011
 • Procurement Route: Lot 2 of the LBS Major Works Constructor Framework Contractor: Engie Regeneration Limited via a mini tender.
 • Employers Agent: Calfordseaden
 • Original Planned Contract Start Date: March 2020
 • Actual Start Date: September 2020 (delayed by six months due to the COVID-19 pandemic)
 • Original Completion Date: May 2021 (for 62 working weeks)
 • Extended Completion Date: October 20, 2023 (extended five times, for a total of 102 weeks). Practical Completion (PC) had still not been achieved.

- Project Overrun: 102 weeks
- Initial Tender Price: £5,622,382.0 0
- Initial Scheme Value (including 5% risk contingency and fees): £6,292,958
- Final Account Value (Forecast or Actual): £10.39 million
- Overspend: £4.1 million (more than 60% increase from the initial scheme value of £6.29 million).

Location and Description

2.6. Devon Mansions

2.6.1. Devon Mansions comprises five six-storey Victorian mansion blocks situated along the south side of Tooley Street in Bermondsey, London SE1, extending approximately 600 metres. Constructed in 1875 by Southwark-born developer James Hartnoll, the buildings were originally named the Hanover Buildings. They were renamed Devon Mansions during World War I to remove the German connotation. These structures represent early examples of social housing, intended to accommodate workers from the nearby Victorian warehouse complexes between Tooley Street and the River Thames.

2.6.2. Architecturally, the buildings are constructed of yellow London stock brick, featuring a repetitive pattern of timber sash windows. The façades are enhanced by painted natural stone dressings, including stone quoins that emphasise the building corners, stone string courses defining each storey, and moulded stone cornices crowning the upper elevations. These stone elements provide visual articulation to the otherwise plain brickwork and are typical of late Victorian mansion block architecture.

2.6.3. The roofing varies across the blocks: Blocks 1–13 are topped with flat roofs, while Blocks 14–21 have pitched slate roofs set behind brick parapet walls. Substantial brick chimney stacks punctuate the rooflines, contributing to the historic character of the Tooley Street frontage.

2.6.4. Blocks 8–13 include Hartland House, which is unique among the blocks. Located at the eastern end of Blocks 8–13, Hartland House incorporates a curved façade. Historical references suggest that it may have originally operated as a public house before being converted into five flats spread over five floors.

2.6.5. Originally, the development contained 549 flats; however, following the demolition of a section to make way for Tower Bridge Road and subsequent modernisations—including the installation of bathrooms and lifts—the number has been reduced to approximately 337 flats.

2.7. Lewes House

2.7.1. Lewes House, a residential block comprising flats 1–32, is located on Barnham Street in Bermondsey SE1. This mid-rise building forms part of the local social housing stock and contributes to the residential character of the area.

2.7.2. Lewes House exhibits characteristics typical of mid-20th-century social housing architecture in London. The primary roofs are pitched with concrete tiles. The walls are rendered and painted in a distinctive combination of burgundy and beige. It reflects a functional design with minimal ornamentation common for the period. The building's design was influenced by the architectural trends and housing needs of the post-war period, aiming to address housing shortages and urban development goals.

2.8. **St Olave's Estate**

2.8.1. St Olave's Estate includes several residential properties, comprising flats 1–61 on Druid Street and flats 1–18 on Fair Street. Developed as part of Bermondsey's interwar slum clearance programme, the estate was designed to provide improved housing conditions for local residents. It features a paved square and flats with private gardens, contributing to a modest yet functional residential environment.

2.8.2. Architecturally, the buildings are constructed of red stock brick, with concrete elements used for lintels and window cills. Pitched roofs finished with concrete tiles are a defining feature, along with prominent brick chimney stacks that add vertical articulation to the rooflines. These materials and design elements reflect the functional and durable approach typical of mid-20th-century social housing.

2.8.3. Similarly to other developments of the period, St Olave's Estate embodies a utilitarian architectural style with minimal ornamentation, focusing on practical and efficient living spaces. Its design aligns with the broader post-war priorities of addressing housing shortages and supporting urban renewal efforts in Bermondsey.

Ownership and Management

2.9. The freehold of Devon Mansions is owned by the London Borough of Southwark (LBS) and the property was managed by Fair Community Housing Services, a registered Tenant Management Organisation (TMO).

The Role of Calfordseaden

2.10. Calfordseaden's role in the Devon Mansions QHIP project was multifaceted and critical to the project's various stages.

2.11. Calfordseaden was appointed as the lead designer, project manager, and principal designer for the scheme. Their responsibilities extended to being the Contract Administrator (CA) and providing Clerk of Works (CoW) services.

2.12. In these capacities, their duties included:

- Initial Feasibility and Design: Conducting the initial feasibility studies and developing the project specifications.
- Contract Administration: Overseeing the contractual aspects, which involved reviewing the scope of works, preparing valuations of completed work, assessing and managing changes to the contract (variations), ensuring quality of deliverables, monitoring labour, and formally recording project delays.

- Quality and Compliance Oversight: As Clerk of Works, they were expected to monitor the standard of workmanship on-site and ensure adherence to the project specifications and overall quality standards.

2.13. Subsequent reviews indicated significant concerns regarding their performance in these roles, particularly concerning the adequacy of initial surveys and the effectiveness of their contract administration and quality oversight throughout the project.

Delivery Overview

2.14. Project delivery was significantly affected by a combination of internal and external challenges. These included:

External Challenges

2.15. • COVID-19 Pandemic: This caused a six-month delay to the project's start, pushing it from March 2020 to September 2020.

Internal Challenges

2.16. • Inadequate Feasibility Study and Surveys: Calfordseaden's initial feasibility survey was deemed inadequate and not comprehensive, being largely carried out at ground level. This led to the late discovery and extended magnitude of defects and repair works, which significantly impacted the program and costs.

• Deficient Specification and Documentation: The Specification (Materials and Workmanship) document was not fit-for-purpose, outdated, and difficult to read, contributing to issues during execution. The Preliminaries document also needed updating.

• Procurement Process Flaws: While compliant, the procurement process focused solely on price ("pass or fail" quality assessment), meaning opportunities to assess tenderers on communication, value for money, and quality were missed.

• Lack of Contract Formalisation: The contract between LBS and Equans had not been formalised, indicating a procedural weakness within LBS's Housing Asset Management Team.

• Breach of Gateway Process: Significant contract variations and cost increases (over £100,000) were not subjected to the required Gateway 3 report and approval process, which was a breach of Contract Standing Orders.

- Poor Project Management and Oversight:
 - Calfordseaden's Performance: Accused of being "incapable to measure the blocks" and providing "misleading statements" regarding site visits. They were criticised for inadequate oversight as Contract Administrator (CA) and Clerk of Works (CoW), particularly concerning quality control and accurate recording of delays and variations.
 - LBS Internal Control: Concerns were raised that LBS staff had "no control over the works specifications" and that consultation notes were ignored, leading to "mystery decision meeting[s]" for "unjustified works" with no supporting paperwork.
- On-site Management Issues:
 - Lack of Facilities: A two-month delay (Jan-Mar 2020) occurred due to "we don't have enough toilets" for workers, despite full scaffolding being in place.
 - Disputes: Delays also arose from "disputes over pointing colour."
- Quality of Work Concerns: Residents reported significant issues with the quality of brickwork, describing it as "vandalism" and stating that "jetwash cleaning" made bricks look worse. Hundreds of 14cm deep holes were left, and numerous flats reported damp and mould, indicating poor workmanship and inadequate supervision.

2.17. The cumulative impact of delays and inefficiencies has raised concerns over value for money, programme control, and overall delivery performance, themes explored in greater depth within this report.

3.0 EXECUTIVE SUMMARY

- 3.1. This report presents an independent assessment of the Fair Street/Devon Mansions project.
- 3.2. The project far exceeded its initial duration and budget, with an overrun of 102 weeks. Key factors contributing to the delays included the effects of the COVID-19 pandemic, contractor resource limitations, supply chain challenges, and delays in decision-making due to changes.
- 3.3. The financial position of the project has also come under pressure, with final outturn costs exceeding the original budget. This was primarily driven by extended preliminaries, price inflation across labour and materials, and the requirement for additional repairs not initially identified during the pre-tender surveys.

- 3.4. This report evaluates the extent to which the project delivered value for money and provides a series of recommendations to enhance future delivery of similar externally funded or council-led schemes. Key lessons include the need for stronger risk management, clearer scope definition pre-tender, and more robust programme controls.
- 3.5. It is important to note that this review was conducted based on the limited information made available for assessment.

4.0 FEASABILITY AND SURVEY REVIEW

- 4.1. Calfordseaden was initially instructed on 25/10/2017 to conduct a feasibility study. The purpose of this study was to prepare the works specifications, using the LBS brief and historical condition surveys as a guide.
- 4.2. This document was used when preparing the overall scope of works and specification for the project works.
- 4.3. We have conducted an overall quality assessment of the report, and our findings are as follows.
- 4.4. In January 2018, Calfordseaden LLP, a multi-disciplinary property and construction consultancy, was appointed as the lead designer, project manager, and principal designer for the scheme. Their role was to provide specifications and drawings under the LBS main building priced framework (High Value Schemes) with capping prices.

Structure and Clarity

- 4.5. From January 2018 to July 2018, feasibility reports were completed for 21 blocks in Devon Mansions (including Hartland House) and four other blocks (Lewes House, St Olaves, 2 Fair Street, and St Johns Estate). These reports aimed to identify defects associated with these properties and inform the production of cost estimates and tender documents, a phase H&S plan, tender analysis, and project management through to the final account.
- 4.6. The feasibility surveys involved inspections at ground level, flat roof levels, and internally via pitched roof fire escape passages. Some reports noted access limitations, potentially affecting the comprehensiveness of the internal and external surveys (e.g., Block 18, Block 17). The surveys identified various defects, with decisions made to include some in the specification and address others, such as certain roof repairs, in future works.
- 4.7. The Calfordseaden feasibility reports generally indicated that the brickwork was in reasonable condition, with recommendations for localised repairs rather than major replacement (e.g., Block 2, Block 3, Block 5).

4.8. The feasibility reports identified various works required, including:

- **M&E Works:** While the reports acknowledge existing M&E systems like the communal Integrated Reception System (IRS), they generally state that testing or surveying these systems was outside the scope of the study. Electrical works were however included in the proposed works.
- **Asbestos Removal:** Asbestos removal was listed as a work requirement.
- **External Repair works:** These included brickwork repairs and repairs to rainwater goods.
- **Window Overhaul:** The reports noted the presence of double-glazed windows in uPVC frames, and window condition assessments were included in the proposed works. The feasibility reports do not provide detailed specifications for window overhaul works. While they consistently mention "Condition of windows" as a required work item, they do not elaborate on the specific actions this entails. Therefore, the reports identify the *need* for window works but do not define the *scope* of those works.
- **Asphalt Repairs/Roof Repairs:** Roof repairs were identified as a general requirement. Specific asphalt repairs or new waterproofing layers were not consistently detailed.

Front entrance roof repairs: Roof repairs were identified as a general requirement, but specific front entrance roof repairs were not detailed separately.

- **Roof Renewal and Repairs:** Roofing works were identified as a general requirement.
- **Front Entrance Doors Compliance:** The reports mention door entry systems. Front entrance doors compliance isn't explicitly detailed.
- **Internal Communal Works:** The reports noted cracking to common area staircases, and redecoration was listed as a general work item.
- **Fire Safety Works:** Fire safety works were listed as a general work item

4.9. **Access Issues:** Several reports mention potential access issues, particularly due to the presence of TfL red routes. This could impact the logistics and cost of the works.

4.10. Some reports also highlight specific access constraints, such as limited access to certain areas or the need for scaffold licenses.

4.11. **Satellite Dishes and Cables:** Many reports note the presence of satellite dishes and potentially redundant cables on the building facades. The reports suggest that these may need to be temporarily relocated or rationalised during the works.

4.12. **Structural Investigation:** Some reports mention cracking in common area staircases and the commissioning of a separate structural investigation.

4.13. **Conservation Area:** It was noted that some of the blocks are located within a conservation area, which may have implications for the type of works and materials used.

4.14. Strengths within the report were noted as follows:

- **Initial Baseline Assessment:** The reports provide an initial baseline assessment of the visible condition of various building elements (e.g., roofs, brickwork, windows, M&E components) across multiple blocks.
- **Comprehensive Element Listing:** They systematically list and comment on the condition of different building components, which is useful for initial planning.
- **Identification of Visible Issues:** The reports identify clear and visible defects, such as cracking in concrete, poor rainwater goods, and weathered asphalt, signalling areas requiring intervention.
- **Outline of Work Categories:** They clearly outline the broad categories of works proposed (e.g., external repairs, kitchen/bathroom upgrades, M&E works, asbestos removal).
- **Professional tone and format**

4.15. Weaknesses within the report were noted as follows:

- **Limited Survey Methodology:** A major weakness is the explicit limitation of the survey methodology. The reports state inspections were "limited to those parts which could be viewed from ground level or from suitable vantage points" and that "no tests or specialist surveys have been carried out." This inherently restricts the depth and accuracy of the assessment.
- **Inadequate Detail for Hidden Defects:** Due to the limited access and lack of intrusive surveys, the reports acknowledge that they "cannot rule out" hidden defects or issues that could only be found with more thorough investigation (e.g., within concealed risers or voids).
- **Reliance on External Information:** For some internal aspects, the reports rely on existing LBS documents or general assumptions rather than direct inspection, introducing potential inaccuracies.
- **Ambiguity in Recommendations:** Some recommendations are phrased with conditional language (e.g., "inevitably be required if a full scaffold was erected" for repointing), indicating uncertainty regarding the full scope until more intrusive works are undertaken.
- **Potential for Underestimation:** The identified limitations suggest a high potential for underestimation of the true scope, cost, and complexity of required works, as later confirmed by the project's actual outcome.

4.16. The fact that the Feasibility Reports produced by Calfordseaden remained in draft form, with no clear evidence of formalisation or agreement by LBS presents several significant risks that directly impacted the Devon Mansions project and pose ongoing challenges for future undertakings.

4.17. As these reports are foundational, informing the crucial specification writing and subsequent tender documents, their unfinalised status creates a chain of potential liabilities:

1. **Ambiguity and Misalignment:** Without formal agreement, there is no definitive shared understanding between the consultant (Calfordseaden) and the client (LBS) regarding the precise scope, identified conditions, and recommended interventions. This ambiguity can lead to differing interpretations and expectations throughout the project lifecycle.
2. **Flawed Basis for Subsequent Stages:** The specifications, tender documents, and initial budget estimates are built directly upon the findings of the feasibility reports. If these foundational reports are not finalised and validated, any inaccuracies, omissions, or assumptions within them are propagated forward, creating a project plan built on potentially unstable ground. This significantly increases the likelihood of unforeseen works, design changes, and disputes.
3. **Compromised Accountability:** The absence of a formally agreed-upon document makes it challenging to establish clear accountability if initial assessments prove incorrect or incomplete. Both parties may have grounds to disclaim responsibility for issues arising from the unfinalised data, hindering effective problem-solving and recourse.
4. **Increased Risk of Delays and Cost Overruns:** As observed in the Devon Mansions project, an incomplete or unverified understanding of existing conditions (e.g., hidden defects, extent of necessary repairs) inevitably leads to costly variations and protracted delays as new issues emerge during construction, necessitating re-planning and additional approvals.
5. **Weakened Contractual Position:** An unformalised feasibility report weakens the client's contractual position. If disputes arise regarding the original scope or the contractor's performance against an incomplete baseline, the lack of a mutually agreed and signed-off starting point can make it difficult to enforce terms or recover costs for deviations.
6. **Challenges for Audit and Review:** For future internal or independent reviews (like those undertaken by the TFT or Pellings), the absence of a finalised feasibility report complicates the ability to accurately audit initial planning against actual project outcomes, making it harder to identify root causes and learn effective lessons.

In essence, an unformalised feasibility report creates a critical gap in project governance, fostering uncertainty, eroding accountability, and significantly escalating financial and operational risks.

Scope Coverage

- 4.18. The reports offer a broad overview of the condition of entire building blocks, covering major elements like roof structures, external envelopes (brickwork, render), windows, common internal areas (staircases, walkways), and general services (M&E, kitchens, bathrooms).
- 4.19. The scope is aligned with identifying areas for planned preventative maintenance and refurbishment.
- 4.20. While broad, the scope of the investigation itself is limited in depth for hidden or structural issues that would require more intrusive surveys. For example, while cracking in concrete elements is noted, the full extent and cause would require further structural investigation.

Technical Relevance

- 4.21. The reports serve as a foundational technical document, providing an initial assessment of the building's fabric and systems. They categorise defects and suggest common repair strategies relevant to the observed issues.
- 4.22. These feasibility studies would have been the technical basis for developing the project specifications. However, the specifications derived were ultimately not fit-for-purpose, implying that the technical information from these feasibility studies might not have been robust enough for detailed construction planning.
- 4.23. Despite their limitations, the reports do highlight existing technical risks, such as water ingress, corrosion of steelwork in concrete, and the age of electrical systems, which are valuable technical insights at the early stages.

Considerations

- 4.24.
 - Several recommendations rely on provisional allowances due to limited access or inconclusive surveys
 - Further testing is sometimes recommended which may require follow-up feasibility or intrusive investigations before tender.

Financial Planning Usefulness

- 4.25. The reports would have been crucial for initial high-level budgeting and estimating the project's overall cost. By outlining the scope of works and general condition, they provide a starting point for cost projections.
- 4.26. However, the inherent weaknesses due to limited survey methodology significantly undermine their usefulness for accurate financial planning. The frequent use of provisional sums and the acknowledgement of potential undiscovered issues mean that the initial cost estimates derived from these reports were likely to be optimistic and subject to substantial revisions, as proven by the project's massive cost overruns.

- 4.27. The lack of detailed investigation into hidden defects or the full extent of structural issues led to an underestimation of project risks that ultimately translated into significant financial liabilities not accounted for in early planning.
- 4.28. While not providing financial strategy directly, their limited technical detail would have influenced the procurement strategy, potentially leading to a tender process that did not adequately account for unforeseen complexities and cost escalations.

Structural Inspection Report

- 4.29. The Structural Inspection Report for Devon Mansions (K180013) by Calfordseaden, revised June 2018, provides a detailed analysis of the structural condition of the common parts of Blocks 1 to 21 at Devon Mansions.
- 4.30. Devon Mansions, constructed in 1897, features load-bearing masonry with 'filler-joist' landings in stairwells and lift lobbies. Stairwells are either supported by core walls and a central brick wall or structural steel spanning between landings.
- 4.31. The report details structural inspections of the common parts, including an initial scoping of Blocks 4 to 7, which was then expanded to cover all blocks (1-21) of Devon Mansions. Intrusive investigations were conducted in Building 2 (Blocks 4 & 5) to assess the underlying issues.
- 4.32. The most significant finding is the widespread "hairline cracking" to most landings across the blocks. This is attributed to the inherent acidity of "clinker aggregate" used in the 'filler-joist' slabs. When exposed to moisture, this acidic environment accelerates the corrosion of embedded steel or wrought iron joists. The expansion of these corroding joists causes the surrounding concrete to "burst" or "spall," leading to significant cracking not only in the concrete itself but also in the supporting masonry.
 - Specific examples include cracking to top landings (at roof level) in Blocks 4, 5, 6 & 7, with evidence of previous failed repairs.
 - Cracking was also noted in masonry walls below full landing slabs (up to 3-4mm wide).
 - Cracked lintels over top landing windows in Blocks 4, 20 & 21 showed severe cracking (up to 8-10mm wide).
- 4.33. The report also identified corrosion and pitting of steel elements in the roof-top fire escape stairs, along with associated cracking in masonry parapet walls. Other defects included cracking around refuse chute walls, lift shafts, and open joints in brickwork.
- 4.34. The report recommends a regime of concrete repairs, including localised 'hammer testing' and engineer inspection of each landing slab. Key to these repairs is eliminating water presence, wire-brushing corroded steel, and encasing it in alkaline repair concrete. Masonry and steelwork repairs, including repointing and repainting, are also recommended, along with the repair or replacement of a rotten timber purlin over the Block 3 Escape Stair. The report concludes by recommending these repairs be carried out at the next maintenance cycle.

Summary Judgment

4.35. The initial feasibility reports, while serving as a foundational step for the QHIP, exhibited significant limitations that ultimately impacted the project's scope definition and financial planning. Their professionalism was undermined by:

- Limited Survey Methodology
- Underestimation of Complexity
- Professional but Insufficient

4.36. In contrast to the initial feasibility studies, the Structural Inspection Report (K180013) by Calfordseaden demonstrates a high degree of quality and professionalism.

4.37. The report is comprehensive, detailing the extent of structural degradation across all blocks of Devon Mansions. It precisely identified the root cause of the widespread cracking and spalling (i.e., corrosive clinker concrete and corroding embedded steel/wrought iron joists).

4.38. It meticulously documented specific defects, including hairline cracking to landings, severe cracking in lintels, and issues with masonry parapet walls.

4.39. The report provided clear, practical, and technically sound recommendations for remedial works, outlining the necessary steps to address the identified issues, including concrete repairs, masonry repairs, and steelwork treatment.

4.40. The fact that the report was revised to expand its scope from an initial limited set of blocks to all 21 blocks (as indicated by "Revised to include Blocks 1 to 21" in the report's revision history) further highlights a professional and responsive approach to fully understanding the problem once its scale became apparent.

4.41. The structural report stands out as a competent and professional assessment of the building's structural integrity. Its findings underscore the severity of the issues and, by extension, highlight the critical failure of the QHIP to either fully incorporate or adequately manage the remediation of these identified structural deficiencies.

5.0 TENDER DOCUMENTATION REVIEW

5.1. The project was delivered via Southwark's Major Works Constructor Framework (Lot 2).

5.2. The framework mini competition utilised JCT Intermediate Building Contract with Contractor's Design (ICD) 2011 to streamline procurement and delegate risk.

5.3. Pellings were given limited access to the tender documents but there was sufficient information around the overall delivery of the project to support the following conclusions.

- 5.4. The tender package provided a comprehensive list of sections for contractors to review and complete. Key components included the Invitation to Tender (ITT), Articles of Agreement, Contract Particulars, Preliminaries to Specification and Works Schedules, Materials and Workmanship section, Pre-Construction Information (CDM), and a detailed Pricing Schedule.
- 5.5. A significant characteristic of this tender, owing to the JCT Intermediate Building Contract with Contractor's Design (ICD) 2011, was the delegation of design responsibility to the contractor for certain elements (e.g., walkway balustrades). Tenderers were also required to submit "Contractor's Proposals" and a narrative with their intended programme, shifting a portion of detailed design and planning onto the bidding entities.

Quality and Completeness of Tender Documents

- 5.6. The tender documents for the Devon Mansions QHIP project were found to have deficiencies in both quality and completeness, significantly contributing to the project's substantial delays, cost overruns, and quality issues.
- 5.7. **Quality:**
 - Outdated Specifications: Materials and Workmanship document was "outdated (last validated in 2014) making it unclear and difficult for contractors to interpret accurately.
 - Deficient Preliminaries Document: The Preliminaries document also required updating to align with current LBS standards and new legislation, indicating a lack of comprehensive and current contractual guidance.
 - Reliance on External Undocumented Information: The tender documents specifically referenced "JCT framework rates (see document dated 04 October 2014)" which was explicitly stated as "not provided as part of this tender package." This reliance on external, unprovided documents could introduce inconsistencies or misunderstandings in pricing.

Completeness:

- Absence of Formal Contractual Agreement: A critical issue was the lack of formalisation of the contract between LBS and the contractor (Equans) even as works proceeded. This meant the project was undertaken without a fully signed and legally complete agreement, introducing significant contractual risk and ambiguity.
- Inadequate Detailed Scope: As detailed below, the tender documents failed to fully capture the actual scope of work due to the incomplete initial assessments, leading to substantial unforeseen works and variations.
- "Omissions or Errors" Risk Transfer: The Preliminaries section included a clause stating that "OMISSIONS OR ERRORS: In the Tender Documents and/or drawings shall not vitiate the Contract nor release the Contractor from any of their obligations or liabilities under the Contract." This clause effectively transferred the risk of undocumented errors or omissions in the tender documents onto the contractor, a significant concern given the known inadequacies of the initial surveys.

- Ambiguity in Pricing Schedule: The pricing schedule required contractors to price "all-star rate items for use where there are no corresponding framework reference rates" competitively. This flexibility could lead to less standardised pricing for a portion of the works, potentially contributing to later cost discrepancies if the scope of these items expanded.

Survey and Scope Definition

5.9. The process of survey and subsequent scope definition, foundational to the tender documents, was a major weakness, critically impacting the project's progression and costs.

- **Inadequate Feasibility Study as Basis:** The tender documents were directly informed by the Calfordseaden feasibility reports.

However, these reports were characterised by significant limitations:

- They relied heavily on "limited ground-level inspections" and lacked "tests or specialist surveys."
- The reports themselves acknowledged these limitations, stating that they could not rule out hidden defects.

- **Consequences for Scope Definition:**

- **Undiscovered Defects:** Due to the insufficient initial surveys, numerous significant defects were only discovered during the construction phase. These issues were not accounted for in the original tender's scope, leading to extensive additional works.
- **Underestimated Scope:** The true magnitude of necessary repair works was significantly underestimated in the initial project scope, especially for elements requiring more intrusive investigation. This resulted in a massive increase in costs and multiple project extensions as the actual work required far exceeded the tender's definition.
- **"For Information Only" Appendices:** Several appendices in the tender document, such as those related to FRA reports or sample inspection data, were marked "FOR INFORMATION ONLY." While providing context, relying on such documents without explicitly integrating their findings as mandatory works contributed to a less precise scope definition.
- **Contractor's Design Responsibility:** While delegating design risk, the JCT ICD contract means the initial tender's scope for specific elements might be less defined, relying on the contractor's interpretation and design development which could introduce variations.

Tender Evaluation Methodology

5.10. The tender was to be assessed on the basis of the "most economically advantageous tender," which involved a three-stage process:

- **Stage 1: Compliance (Pass/Fail):** This stage checked for timely submission, correct completion, and adherence to all ITT requirements.
- **Stage 2: Quality (Pass/Fail):** Tenderers were required to submit method statements covering resources, management, sub-contracting, Health and Safety, and Design Proposals. A minimum threshold score (met Employer's Requirements) was required for each response to pass this stage.
- **Stage 3: Price:** For passing tenders, the lowest tender sum received maximum points, with others scored proportionally.

5.11. While a "Quality" stage was included, its "pass/fail" nature for individual criteria meant that price remained the dominant factor in the final assessment for tenders that met the minimum quality threshold.

Overall Impact

5.12. The collective shortcomings in the quality and completeness of the tender documents, directly stemming from the inadequate initial survey and scope definition, created a flawed foundation for the entire project. This led to a substantial escalation in costs (from approximately £5.6 million to over £10.39 million), significant delays, and numerous disputes, ultimately compromising the overall success and quality of the Devon Mansions QHIP project.

5.13. This resulted in substantial site discovery variations, indicating the original surveys may not have been comprehensive.

Risk Allocation

5.14. The allocation of only a 5% contingency fund for a project of the scale and complexity of the Devon Mansions QHIP Major Works proved to be significantly insufficient and represented a substantial underestimation of project risks.

5.15. The project's actual financial outcome starkly demonstrates the inadequacy of a 5% contingency. The initial scheme value, including this contingency, was approximately £6.29 million. However, the project's estimated final value surged to over £10.39 million, indicating an overspend of more than £4.1 million, far exceeding the initial 5%. This massive cost escalation clearly shows that the allocated contingency could not cover the emerging financial impacts.

5.16. Root Causes of Insufficiency: The reports highlight that this low contingency was likely based on an incomplete understanding of the project's true scope and condition. Key contributing factors include:

- Inadequate Feasibility Studies: The initial surveys conducted by Calfordseaden were limited (e.g., ground-level inspections only, no specialist surveys). This meant that many significant defects and the true magnitude of necessary repairs were not identified upfront.
- Poorly Defined Scope and Specifications: The tender documents were based on these incomplete feasibility studies and contained outdated specifications. This ambiguity and lack of detail made it impossible to accurately price the project, leaving substantial unknowns.
- Unforeseen Complexities: The nature of major refurbishment works on older mansion blocks (e.g., uncovering structural issues, extensive brickwork problems, asbestos issues) inherently carries a higher risk of unforeseen conditions. A 5% contingency is typically considered low for such projects, particularly when the initial investigative work is not comprehensive.

5.17. An insufficient contingency meant that every unforeseen issue immediately translated into a budget pressure, necessitating multiple contract variations and approvals. This not only drained project finances but also contributed to significant delays and administrative burdens, undermining overall project stability and control.

5.18. In conclusion, while a 5% contingency might be acceptable for very low-risk, well-defined projects, for a refurbishment project of this nature, especially one built on an incomplete understanding of existing conditions, it was a critically underestimated allocation that left the project highly vulnerable to cost escalations.

Programming and Phasing Guidance

5.19. The tender specification provides guidance on programming and phasing primarily by placing a significant responsibility on the tendering contractor for developing and demonstrating their proposed project timeline. However, it appears to offer limited prescriptive guidance from LBS itself in the main body of the specification.

5.20. Despite this general approach, the specification preliminaries did offer more specific guidance on the intended project phasing and block sequencing. It suggested that only two Devon Mansions blocks should commence at any one time, with a three-week overlap for scaffolding between each of these two blocks. A key recommendation was to start with the most difficult blocks (Blocks 1-3, located in a conservation area, and Block 18, with a fully recessed gutter) as the lead Devon Mansions blocks. This prioritisation was explicitly due to the expectation that "design issues will need to be addressed as soon as the scaffold is erected."

- 5.21. To accommodate this, the preliminaries suggested incorporating a minimum three-week pause in the programme for a "Pilot investigation exercise" to take place at Devon Mansions, with the understanding that works to the remaining Devon Mansions blocks might be put on hold until these key issues were resolved. During this proposed pause, contractors were advised to programme to use this time to move on to St Olaves and St Johns, identified as two other difficult blocks. The remaining Devon Mansions blocks were then to be undertaken building by building, with an agreed overlap for scaffolding strike/erection. Minor works at Lewis House and 2 Fair Street were to be undertaken at the end of the programme, reflecting a strategy to concentrate on the most difficult blocks first.
- 5.22. The specification explicitly requires tenderers to submit a detailed "narrative description of their intended programme for the works" accompanied by a Gantt chart as part of their "Contractor's Proposals." This indicates that LBS expected the contractor to fully develop the programme and demonstrate their planning capabilities.
- 5.23. The "Quality" stage of the tender evaluation mandates method statements that address contractor resources and management. While not directly a programming requirement, effective programming is inherently linked to resource allocation and overall project management, suggesting that the contractor's proposed programme would be assessed in this context.
- 5.24. The use of the JCT Intermediate Building Contract with Contractor's Design (ICD) 2011 implies that the contractor is responsible for both the design and construction programming. This means their proposed programme must logically integrate the design development phases with the physical construction sequences, including for elements where they take on design responsibility (e.g., walkway balustrades).

Appraisal of the Programming Guidance Provided

- 5.25. **Strength - Delegation of Planning:** The approach effectively delegates detailed programme development to the contractor, leveraging their expertise in construction sequencing and resource management. This can be efficient if the contractor is highly competent and the project scope is exceptionally well-defined.
- 5.26. **Weakness - Limited Prescriptive Phasing from LBS:** While the tender specification's preliminaries did offer detailed suggestions for phasing (e.g., starting with two blocks, prioritising difficult blocks, incorporating a pilot investigation pause), the main body appears to rely heavily on the contractor's interpretation and proposed programme, rather than providing clear, prescriptive phasing requirements from LBS. In a complex refurbishment project like Devon Mansions, with multiple interconnected blocks and occupied properties, a more explicitly mandated phasing strategy from the client side could be beneficial to manage disruption, maintain resident safety, and ensure logical progression. The status of these preliminary suggestions—whether they were firm requirements or merely guidance—is a critical point for analysis.

5.27. **Risk - Impact of Incomplete Scope:** Given the documented issues with the initial feasibility studies and the incomplete scope definition, relying heavily on contractor-developed programmes presents a significant risk. The preliminary guidance itself acknowledged that "design issues will need to be addressed as soon as the scaffold is erected" in the lead blocks, suggesting a "minimum three week pause for this Pilot investigation exercise." This foresight into potential scope challenges highlights that even with planned pauses, if the underlying scope was underestimated or unclear (as evidenced by substantial variations), any contractor-developed programme would quickly become obsolete. This inevitably leads to delays and disputes not fully accounted for in initial planning, as the programme would be based on an inaccurate understanding of the work to be done.

5.28. **Risk - Lack of Client Control:** Without robust, client-mandated phasing or key milestones beyond a general completion date (and despite the suggestions in the preliminaries), LBS might have had less definitive control over the sequencing of works. This could potentially impact their ability to proactively manage resident expectations, plan decant processes, or coordinate effectively with other internal departments, especially when unforeseen issues or delays arose.

5.29. **In conclusion:** The specification's programming guidance aimed to leverage contractor expertise in programme development. However, the inherent complexities of the Devon Mansions project, coupled with the evolving nature of the project scope, presented significant challenges to the effectiveness of any programme developed solely at the tender stage. While preliminary suggestions offered some strategic direction, the overall approach may have contributed to the significant project delays and inefficiencies observed by placing a high degree of adaptability onto the contractor in the face of unforeseen complexities.

Appraisal of Client Preferred Access Strategy

5.30. The tender preliminaries referenced a "Client Preferred Access Strategy," encouraging contractors to explore the use of methods such as Mobile Elevated Work Platforms (MEWPs), mobile towers, and abseiling, as alternatives to traditional full scaffolding. This approach required robust justification for the chosen access methodology.

Appraisal of Ambition and Realism

5.31. Given the eventual scope and complexity of the works at Devon Mansions, this preferred access strategy could be considered overly ambitious and potentially unrealistic for comprehensive execution.

- **Extensive Scope:** The project encompassed extensive external brick, concrete, and stone repairs, as well as the rectification of severe structural defects. These types of works typically demand continuous, stable, and widespread access across entire facades for prolonged periods, which full scaffolding provides most effectively.
- **Conservation Area Context:** Operating within a conservation area often necessitates meticulous work, protective measures for existing fabric, and consistent access to ensure quality and adherence to heritage considerations, which are better supported by full scaffolding.

- Early Acknowledged Unknowns: The preliminaries themselves acknowledged that "design issues will need to be addressed as soon as the scaffold is erected." This implies a need for thorough access even at early stages for detailed inspection and problem-solving, which less comprehensive access methods might not adequately facilitate across an entire façade.

5.32. For a project of this scale, relying primarily on or strongly encouraging more limited access solutions for the main body of works was likely to be insufficient.

Impact on Time Allocation

5.33. The preliminaries explicitly allocated a Works Construction Period of 62 Weeks for the project, with tenderers required to price their submission based on this duration, while also accounting for a "minimum three week pause in the programme for this Pilot investigation exercise."

5.34. Given this allocation, the eventual requirement for full scaffolding would have inevitably resulted in a longer works programme compared to what might have been initially envisioned with a primary reliance on alternative access methods:

1. **Fundamental Mismatch:** If the 62-week programme was conceived assuming widespread use of quicker-to-erect and dismantle access methods like MEWPs, the fundamental shift to full scaffolding would immediately create a mismatch. Full scaffolding, by its nature for a complex of this size, requires significant time for phased erection, ensuring public protection, and eventual dismantling—time that is substantially greater than that required for more limited access solutions.
2. **Increased Mobilisation/Demobilisation Time:** Had contractors attempted to use the preferred alternative methods initially, the subsequent necessity to switch to full scaffolding mid-project would have caused considerable delays due to the time required for demobilisation of the old equipment and the full mobilisation, erection, and certification of the comprehensive scaffolding system.
3. **Efficiency of Complex Works:** While scaffolding adds time for its setup, it provides the stable, continuous access essential for efficient execution of extensive, complex, and heavy-duty façade and structural repairs. However, if the initial 62-week programme did not fully factor in the complexities and time required for such comprehensive scaffolding (including its erection, weather protection, and progressive strike), then the actual execution would extend beyond the preliminary allocation.
4. **Amplified Pilot Delays:** The "minimum three week pause" for the pilot investigation could have been significantly extended if initial limited access proved insufficient for full assessment of design issues, further pushing the overall timeline.

5.35. Therefore, the discrepancy between the preferred, potentially less invasive, access strategy and the actual need for full scaffolding, coupled with the inherent complexities of the discovered works, would have contributed directly and significantly to the project exceeding its initial 62-week time allocation.

5.36. In conclusion, while potentially aiming for efficiency or cost-saving, the "Client Preferred Access Strategy," if pursued for the full extent of the works, was likely unrealistic given the project's scale and nature, and would have contributed significantly to programme delays and overall inefficiencies by necessitating substantial changes and adaptations during execution.

Contractor's Tender Assumptions

5.37. It is highly probable that contractors made significant assumptions during the tendering process. The nature of the documentation, particularly the lack of comprehensive preliminary information and the shift of risk, would have compelled contractors to fill gaps with their own interpretations, leading to disparities post-award.

5.38. Given the documented characteristics of the tender documentation and the project's subsequent challenges, contractors tendering for the Devon Mansions QHIP project likely made a number of critical assumptions regarding various aspects of the works. If the Employer's Requirements (ERs) within the tender documents did not explicitly challenge or clarify these assumptions, it would have created significant disparities between expectation and reality post-award, leading to disputes, variations, and delays.

5.39. Potential areas where contractors may have made assumptions include:

- Condition of Existing Services and Structures:
 - Assumption: Contractors likely assumed a "reasonable" underlying condition of hidden services (e.g., pipework, electrical wiring within walls) and structural elements based on the limited visual surveys provided in the Calfordseaden feasibility reports. They might have anticipated typical wear and tear but not extensive, unforeseen structural defects or widespread issues with concealed services.
 - Relevance from Documents: The feasibility reports explicitly states their limitations (e.g., "limited ground-level inspections," "no tests or specialist surveys"). Crucially, the tender's Preliminaries included an "Omissions or Errors" clause that placed the risk of undocumented errors or omissions onto the contractor. This contractual clause, coupled with the incomplete initial surveys, would have forced contractors to either price significant risk contingencies (which the winning tender evidently did not adequately do, given the 5% contingency) or make optimistic assumptions about the absence of major hidden defects. The "Internal Review from Southwark" later confirmed the discovery of significant "structural defects to the stair core landings identified in 2018 [that] have not been addressed."

- Access Arrangements:
 - Assumption: Contractors would have assumed standard access arrangements typical for occupied multi-residential buildings, potentially overlooking complexities arising from the specific configuration of Devon Mansions (five separate buildings, interconnected blocks spanning 600m) or specific resident needs. They might have assumed relatively unimpeded access to work areas.
 - Relevance from Documents: While the tender document mentions the site's complexity, the level of detail regarding daily access constraints, specific resident liaison requirements for individual units, or methods for maintaining access during scaffolding erection across multiple blocks would need to be very explicit to prevent assumptions. Problems with access management are common causes of delays on such projects.
- Working Hours and Resident Liaison Protocols:
 - Regarding resident liaison, they might have assumed a standard level of cooperation and communication, potentially underestimating the time and resources required for managing resident queries, complaints, and access scheduling.
 - Details on specific working hours, noise restrictions, tenant notification processes, or dedicated resident liaison requirements would typically be detailed in the Preliminaries section of the tender. If these were vague or not sufficiently stringent, contractors' assumptions about efficient workflow without significant resident-related interruptions could lead to underestimated durations and costs for soft-skills management.
- Clarity and Interpretation of Specifications:
 - Assumption: Despite the stated flaws, contractors would have attempted to interpret the "outdated" Materials and Workmanship section to the best of their ability, potentially making assumptions about the intended standard where clarity was lacking.
- Extent of Client-Supplied Information:
 - Assumption: Contractors might have assumed that "FOR INFORMATION ONLY" appendices (e.g., FRA reports, sample inspection data) were purely supplementary and did not conceal critical, unpriced work items.
 - The presence of such appendices, coupled with the general lack of comprehensive initial surveys, could lead contractors to assume that the client had sufficiently defined the project's boundaries, when in fact, these "information only" documents might have hinted at underlying issues that later emerged as costly variations.

- In summary, the tender documentation's reliance on limited initial surveys, its ambiguous "Omissions or Errors" clause, and the documented quality issues within the specification itself created an environment where contractors were likely compelled to make assumptions. When these assumptions proved incorrect during project execution, it directly contributed to the extensive variations, budget overruns, and delays experienced.

6.0 PROGRAMME AND SCHEDULING REVIEW

- 6.1. The Devon Mansions QHIP project experienced significant and protracted delays, resulting in a substantial extension of the project timeline far beyond its initial planned duration. These delays were a direct consequence of a confluence of factors, partially rooted in the inadequacy of early project planning and documentation, alongside ongoing issues with work sign-off.
- 6.2. The scheme was originally expected to start in March 2020 and be completed in May 2021, with a planned duration of 62 working weeks, as per the Invitation to Tender (ITT) preliminaries. The Contractor's Progress Reports indicate an original contract completion date of 1/11/2021.
- 6.3. However, the project faced continuous issues, and as late as August 2024 (the date of the "Devon Mansions report.pdf" provided by LBS), the works were still not fully completed, indicating an extension of over three years beyond the original target. LBS have indicated that the works have still not been signed-off.

Extensions of Time

- 6.4. Based on all information provided by LBS, including the crucial insights from the Clerk of Works Reports and the Contractor's Progress Reports, an evaluation of Extensions of Time (EOTs) for the Devon Mansions QHIP project reveals a project severely hampered by initial planning deficiencies and ongoing issues, necessitating frequent and substantial time adjustments. While comprehensive formal EOT documentation (e.g., issuance dates, precise durations for each) is not fully present across all LBS-provided documents, the Clerk of Works and Contractor records provide concrete evidence of their occurrence and the reasons behind them.
- 6.5. Direct Evidence of Extensive EOTs and Programme Slippage:
 - The Clerk of Works reports provide direct evidence of programme slippage and formal Extensions of Time being agreed upon. For instance, Report 113 explicitly mentions "A further Extension of Time (No.3) has been agreed taking the contract completion date to 9 December 2022," with a "further EOT anticipated."
 - The Contractor's Progress Reports further corroborate this, detailing specific instances: A notable 14-week EOT was granted in October 2021, pushing the project's completion date to 04/02/2022. Furthermore, these reports highlight that EOTs were still being discussed and applied for as late as April 2023, underscoring the protracted and ongoing nature of the delays.

- Multiple reports (e.g., Clerk of Works Reports 113 through 116) consistently marked the project as "On Programme: Amber," indicating persistent delays. Later reports (Clerk of Works Reports 121-124) continued to show delays, noting that works at "54 Devon Mansions will not be completed until the end of August 2023."
- The Contractor's Reports highlight that the original contract completion date of 1/11/2021 was repeatedly revised. By October 2021, the completion was projected to be August 2022, and even in April and June 2023 reports, "Revised programme and EOT costs have been issued" remained a recurring statement, indicating the project was running significantly behind schedule despite multiple attempts at re-planning. This demonstrates that the initial programme rapidly became unachievable due to on-site realities.

6.6. Root Causes Driving the Necessity for EOTs (Corroborated by Clerk of Works Reports):

- Inadequate Pre-Contract Information & Unforeseen Physical Conditions: The Clerk of Works reports illustrate the direct consequences of an incomplete initial scope. The feasibility studies initially pointed to limited surveys. The Clerk of Works reports concretely show these issues emerging on site, with mentions of "more Heli bars fitted" at 54 Devon Mansions (Report 125), suggesting initial work insufficiency. The "Recurring Concrete Repairs" (Reports 111, 112, 114) also imply widespread defects discovered during the project, directly demanding programme extensions. The Contractor's Reports' hints of "potential variations or additional works" (e.g., "New CCUs" in November 2022) align with this.
- Contractual & Governance Lapses: There was a lack of a formally signed contract and breaches in the Gateway Process. While the Clerk of Works and Contractor reports don't explicitly detail these administrative failings, the consistent programme slippage and the need for multiple EOTs are a direct consequence of an underlying breakdown in project control and the inability to quickly resolve issues that cause delays.
- Quality and Workmanship Issues: The Clerk of Works reports provide evidence of quality concerns that inevitably led to delays and rework. Issues such as "liquid coating bubbling" (Report 107), problems with "Building 2 roofing and boxes to valves" (Report 113), and a "St John's Cat ladder leak" (Report 113) would have necessitated additional time for investigation, rectification, and re-inspection. Critically, these reports foreshadowed the ongoing major issue with the flat roofs failing Building Control sign-off due to insufficient gradient and water pooling, which impacts fire escape routes and headroom compliance, leading to an indefinite programme extension. The Contractor's Report mention of a "Roofer Retender" with a "40% cost increase" further underscores the significance of roofing quality issues as a delay factor.

- External and Logistical Challenges: The Clerk of Works analysis confirms the early impact of Covid-19 restrictions on inspections and works (Reports 3, 5, 9, 17, 29). This aligns with other reports identifying the pandemic as a contributing factor to delays. The Contractor's Reports specifically noted scaffolding to Building 1 being "4 weeks late to complete" in January 2021, highlighting a direct logistical challenge that impacted the programme and had a "knock-on effect" on subsequent works.

Implications for Project Management and Control

6.7.

- The Clerk of Works and Contractor reports confirm that time was not effectively controlled or recovered once initial delays set in. The consistent "Amber" programme status signifies a project continuously behind schedule. The continuous need for EOTs and programme revisions strongly suggests inherent challenges with programme management and coordination on the contractor's side, possibly exacerbated by the client's ambiguities.
- While specific EOT certificates have not been provided for review and are not in the "Contract Instructions" documents, the Clerk of Works and Contractor reports provide on-the-ground validation that EOTs were recognised and agreed, even if their detailed formal log across all LBS-provided documents raises concerns about centralised, transparent record-keeping for such critical contractual adjustments.
- The continuous need for EOTs, coupled with the detailed quality issues raised by the Clerk of Works and the programme breakdowns noted by the Contractor, underscores fundamental problems in initial scope definition, risk assessment, contractor performance, and client oversight. The reports also directly link "revised programmes" to "EOT costs," confirming that delays invariably led to increased preliminaries and overheads for the extended duration. This financial burden is consistent with the massive cost escalations identified in other reports.

Conclusion

6.8. The Clerk of Works and Contractor's Progress Reports provide critical, evidence that substantiates the extensive Extensions of Time experienced by the Devon Mansions QHIP project. They move the assessment beyond mere speculation, confirming that EOTs were formally agreed upon (e.g., EOT No. 3, 14-week EOT), and directly link these extensions to specific on-site issues related to programme slippage, unforeseen works, and persistent quality deficiencies, particularly with the roofing and scaffolding. They demonstrate that the project was caught in a cycle of delay and re-planning, indicating that the initial programme was not robust enough to accommodate the realities encountered during execution, ultimately leading to significant overruns in both time and cost.

Key Reasons for Delays

Incomplete Scope and Unforeseen Works

6.9. This was the most significant driver of delays:

- The initial feasibility studies were limited and lacked specialist surveys, leading to an underestimated scope of work in the tender documents.
- Numerous structural defects (e.g., to stair core landings, brickwork) and other hidden issues were only discovered during the construction phase. These discoveries necessitated extensive additional works, significantly extending the programme as new designs, approvals, and procurement processes were required.
- The "Omissions or Errors" clause in the tender, which shifted risk to the contractor for undocumented issues, meant these discoveries directly led to variations and programme impacts.

Persistent Issues with Work Sign-off (Flat Roofs and Fire Escapes)

6.10. A critical unresolved issue contributing to the project's protracted nature is that the flat roof works to Devon Mansions blocks have not been signed off by Building Control.

- The primary reason for this non-compliance is insufficient gradient/falls for rainwater (typically 1:40 required), leading to water pooling on the roofs.
- Compounding this, these roofs are designated as fire escape routes between different Devon Mansion blocks, featuring an enclosed walkway. Building Control has deemed this unsuitable as a fire escape route due to the water accumulation, stating that the escape route should have a raised surface unaffected by water.
- However, raising the walkway height presents a severe challenge due to the restricted headroom within the existing enclosure. UK building regulations (Part K) mandate a minimum headroom of 2 meters above stairs and landings to ensure safe passage and avoid collisions. Raising the surface to address water pooling would likely lead to a breach of this headroom requirement, creating a significant compliance and safety issue that prevents final sign-off and contributes to ongoing project delays and complications.

Poor Quality and Outdated Specifications

6.11. The Specification document was deemed not fit-for-purpose and outdated. This lack of clarity could have led to misinterpretations, rework, and disputes on site, thereby contributing to delays.

Lack of Contract Formalisation

6.12. • A critical issue was the absence of a formally signed and completed contract between LBS and the contractor (Equans) even as works proceeded. This contractual ambiguity likely hindered efficient project governance, approvals, and dispute resolution, contributing to delays.

6.13. Breaches of Gateway Process:

- There were failures in adhering to the LBS's internal Gateway process for approving cost variations. Delays in approving necessary variations for unforeseen works would have directly stalled progress on site.

6.14. External Factors:

- The COVID-19 pandemic was an external factor that caused initial disruptions and delays to the project timeline.
- Scaffolding issues were also cited as a cause of delays, likely related to logistical challenges, safety requirements, or coordination complexities across the multiple buildings.

7.0 FINANCIAL OVERVIEW AND BUDGET VARIANCE

7.1. Contract Value Summary

<u>Cost Element</u>	<u>Original Allowance</u>	<u>Final Cost</u>	<u>Variance</u>	<u>Notes</u>
Total	£5,622,378	£9,943,012	+£4,320,634	

7.2. Budget Variance Breakdown (By Package)

<u>Cost Element</u>	<u>Original Allowance</u>	<u>Final Cost</u>	<u>Variance</u>	<u>Notes</u>
Scaffolding	£740,506	£2,323,777	+£1,583,271	
Concrete works	£253,318	£1,705,226	+£1,451,908	
Brickwork repairs	£304,582	£673,406	+£368,824	
External works	£160,963	£198,654	+£37,691	
Window repairs	£211,284	£286,434	+£75,150	
Fire safety works (FRA)	£131,977	£202,612	+£70,635	
Decoration works	£74,853	£199,080	+£124,227	
Sundry works	£4,029	£1,440	-£2,589	
Roof works	£314,373	£573,041	+£258,668	
Metal works	£21,500	£17,264	-£4,236	
Asphalt works	£139,423	£135,554	-£3,869	
Doors	£132,262	£266,251	+£133,989	
Kitchens	£533,403	£234,582	-£298,821	
Bathrooms	£764,705	£147,611	-£617,094	
Other rooms	£28,340	£0	-£28,340	
Mechanical & electrical	£493,940	£104,668	-£389,272	

Asbestos removal	£73,901	£50,212	-£23,689
Sub-Total:	£4,594,915	£7,474,832	+£2,879,917
Preliminaries	£1,027,463	£2,468,180	+£1,440,717
Total	£5,622,378	£9,943,012	+£4,320,634

Key Delay & Cost Drivers (Cross-Referenced)

7.3.	Category	Source Document(s)	Description
	Incomplete Scope & Unforeseen Works	Feasibility Studies Clerk of Works Reports Invitation to Tender Contractor Progress Reports	Initial limited feasibility studies and surveys led to an underestimated scope in the tender. Numerous structural defects (e.g., stair core landings, brickwork requiring "Heli bars" and "concrete repairs") were only discovered during construction, necessitating extensive additional works and design/approval processes. The "Omissions or Errors" clause in the tender shifted the risk of undocumented issues, leading to variations and programme impacts.
	Persistent Flat Roof & Fire Escape Non-Compliance	Clerk of Works Reports, On-site review of project issues with LBS Officer.	The flat roofs have failed Building Control sign-off due to insufficient gradient leading to water pooling. As these roofs also served as fire escape routes, this issue created a severe compliance problem due exacerbated by restricted headroom, preventing final sign-off and causing indefinite programme extensions.
	Lack of Contract Formalisation & Governance		The absence of a formally signed and completed contract between LBS and the contractor, coupled with failures in adhering to LBS's internal Gateway process for approving cost variations, led to ambiguities, hindered efficient project governance, delayed approvals, and stalled on-site progress.
	Poor Quality & Outdated Specifications	Specification (Materials and Workmanship) document	The "Specification (Materials and Workmanship) document" was deemed "not fit-for-purpose" and outdated. This lack of clarity could have resulted in misinterpretations, rework, and disputes on site, thereby contributing to programme delays and increased costs.

Extensions of Time (EOTs) & Programme Overruns	Clerk of Works Reports (e.g., 113, 121-124), Contractor Progress Reports (analysis), Devon Mansions report.pdf	The project experienced multiple EOTs (e.g., a 14-week EOT granted in Oct 2021, EOT No.3), repeatedly revising the contract completion date (from initial May 2021/Nov 2021 to Aug 2022 and beyond). EOTs were still being discussed as late as April 2023, indicating significant and ongoing time extensions which directly led to increased preliminaries and overheads.
Scaffolding Delays	Contractor Progress Reports Clerk of Works Reports	Specific early delays were noted, with scaffolding to Building 1 being "4 weeks late to complete" in January 2021. This initial logistical challenge had a direct "knock-on effect" on the commencement of subsequent works and the overall programme.
COVID-19 Disruption	Clerk of Works Reports (e.g., 3, 5, 9, 17, 29)	The COVID-19 pandemic acted as an external factor causing initial disruptions and delays to the project timeline, impacting inspections, labour availability, and general site works.
Roofer Retender Cost Escalation	Contractor Progress & Reports	A significant "Retender of Flat roofs" was noted due to previous issues, resulting in a substantial "40% cost increase." This specific re-procurement and associated cost hike implies considerable disruption and delay to the critical path of the project's roofing works.

Risk and Governance Observations

7.4. Area	Commentary
Contract Form	The project proceeded without a formally signed and completed contract between LBS and the contractor (Equans). While the tender documents referenced JCT framework rates, this contractual ambiguity likely hindered effective project governance, approval processes for variations, and swift dispute resolution, contributing to delays and cost escalations.
Gateway Control Weakness	There were failures in adhering to the LBS's internal Gateway process for approving cost variations. This meant that necessary variations for unforeseen works were delayed in approval, directly stalling progress on site and impacting the project timeline and costs.

Risk Allocation	The project's tender included an "Omissions or Errors" clause which effectively shifted the risk for undocumented issues to the contractor. However, LBS ultimately retained or bore the consequences of significant latent design issues and unforeseen physical conditions (e.g., structural defects, the flat roof non-compliance) which were not adequately priced or programmed for in the original scope. This created substantial financial and programming impacts that fell back on the client.
Pre-construction Surveys	Initial feasibility studies and pre-contract surveys were limited and lacked specialist detail, leading to an underestimated and incompletely defined scope of work in the tender documents. Significant issues, such as numerous structural defects (e.g., stair core landings, brickwork requiring "Heli bars" and "concrete repairs"), and the critical flat roof design flaw were only discovered post-award during construction. These post-award findings materially changed programme assumptions, necessitating extensive additional works, revisions, and significant delays.

Recommendations (Linked to Overruns)

- 7.5. 1. Ensure Comprehensive Pre-Contract Scope Definition and Design Lock-down:
 - Mandate exhaustive pre-construction surveys and specialist investigations (e.g., structural, roofing) to accurately define the full scope of works, including unforeseen conditions, prior to tender.
 - Require a fit-for-purpose and detailed specification document, free from ambiguities or outdated information, to reduce misinterpretations, rework, and disputes during execution.
2. Strengthen Contract Formalisation and Gateway Process Adherence:
 - Ensure all contracts are formally signed and completed before works commence to establish clear terms, responsibilities, and dispute resolution mechanisms.
 - Strictly adhere to internal Gateway processes for all variations and cost approvals, ensuring timely decision-making and avoiding retrospective validation of changes that lead to programme delays.
3. Implement Robust Programme & Risk Management with Early Warning Systems:
 - Establish and enforce early warning registers and clear escalation protocols for all emerging risks, including unforeseen site conditions, logistical challenges (e.g., scaffolding), and quality issues, to enable prompt mitigation.

- Develop a comprehensive risk allocation matrix pre-contract that explicitly addresses latent defects and unforeseen conditions, ensuring appropriate contingencies are priced and programmed.

4. Prioritise Design Compliance and Quality Assurance for Critical Elements:

- For critical path elements like roofing, ensure that design specifications (e.g., gradients for flat roofs) are rigorously reviewed by relevant authorities (e.g., Building Control) at the design stage to prevent fundamental non-compliance issues post-construction.
- Implement enhanced quality assurance protocols and independent inspections for works crucial to regulatory sign-off (e.g., fire escapes, roofing) to avoid protracted completion delays caused by re-work and failed inspections.

8.0 SITE INSPECTION FINDINGS

8.1. A series of site visits/inspections were undertaken by Pellings to gain a better understanding of the quality of the completed project and the extent of the residual defects that were continuing to impact upon the residents' daily lives. This also served as an opportunity to informally interview the residents based on the interview.

8.2. During the review process, site inspections were conducted at various properties where meetings with residents took place to gather direct feedback on the works performed as part of the Quality Homes Investment Programme. The findings highlight a range of issues from quality of workmanship and material specification to communication and project management, alongside general satisfaction in some areas.

8.3. Individual property addresses have been redacted from this report.

8.4.	Address	Defects
	<u>St Olaves Way</u> Inspection 1	<p>Kitchen:</p> <ul style="list-style-type: none"> • <i>One of two installed cooker isolators is non-functional.</i> • <i>Missing backing to a kitchen cupboard base unit required a call-back for installation.</i> • <i>One less double electrical socket was installed than previously existed.</i> <p>General comments:</p> <ul style="list-style-type: none"> • <i>The resident is generally satisfied.</i> • <i>Numerous Section 21 notices (eviction notices) were sent.</i> • <i>The bathroom replacement was omitted from the scope, despite initial inclusion, a change not communicated to the resident. This scope change affected all building</i>

	<p>blocks.</p> <ul style="list-style-type: none"> • <i>Significant delays were experienced, coupled with poor communication from both LBS and the Contractor.</i> • <i>Meetings continued via Zoom post-Covid restrictions, with no Councillor attendance.</i> • <i>Observations of contractor inactivity and poor cleanliness (shared bucket among three cleaners).</i> • <i>Asphalt balconies had to be re-laid due to a slippery finished surface.</i> • Comments on St John's Estate works: <i>Window ledges installed "back-to-front" and incorrect roof tiles requiring replacement.</i>
<p><u>St Olaves Way</u> Inspection 2</p>	<p>Kitchen:</p> <ul style="list-style-type: none"> • Kitchen is generally satisfactory. • No issues with electrical sockets. • Contractor attempted to change resident's chosen colour for units; issue resolved after dispute. • New extractor fan window provides insufficient air closure compared to the previous unit. • One less wall unit was installed than planned. • Internal corner wall units abut each other, creating an unsightly gap and wasted space. • Sealant began peeling shortly after completion. <p>General Comments:</p> <ul style="list-style-type: none"> • Work scheduled for 3 days extended to 2.5/3 months. • Bathroom was not replaced, despite prior communication, with the contractor citing budget constraints; LBS failed to communicate this omission to the resident. • Council never visited for work sign-off. • Residents primarily interacted with contractors only.
<p><u>St John's</u> Inspeciton1</p>	<p>Kitchen:</p> <ul style="list-style-type: none"> • Replacement kitchen door is not a fire door as specified, has an old painted-over intumescent seal, and

	<p>an excessive gap at the bottom.</p> <ul style="list-style-type: none"> • Architrave was replaced but required the resident to apply caulk. • Resident was satisfied with kitchen style selection. • Kitchen window and extractor fan have been non-functional since installation. • Equans promised repairs and extractor fan replacement, which did not occur. Resident attributes fault to cheap extractor fan specified by LBS. • Kitchen light has paint over it. • Services previously managed by Fair Community Homes are now managed by Equans. <p>Bathroom:</p> <ul style="list-style-type: none"> • Pipework had been leaking for one year, causing damage to both the resident's property and the flat below, requiring two floor replacements due to water damage. • Poor tiling finish behind pipes. • Extractor fan to window non-functional since installation. • Leak from WC caused wall damage. <p>Asphalt walkways:</p> <ul style="list-style-type: none"> • First application was unsuccessful, requiring a second lay by a different subcontractor. <p>General comments:</p> <ul style="list-style-type: none"> • Observations of workforce quality ("one professional worker and ten others described as 'students'") and language/communication issues. • Other windows are satisfactory. • Work initially quoted as three weeks took six weeks without explanation. • Previous management by Fair Community Services was poor, with LBS management proving better since then. • Fair Community Services did not attend meetings.
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<p><u>Fair Street</u> Inspection 1</p>	<p>External Door:</p> <ul style="list-style-type: none"> • UPVC trim to the external door is separating from the brickwork. <p>Kitchen:</p> <ul style="list-style-type: none"> • New kitchen base units, wall units, worktop, sink, and vinyl flooring installed. • Resident generally satisfied with the kitchen. • New light installed but no heat detector. • Work perceived to take a long time. • Workers broke a curtain pole and failed to replace it as promised, requiring resident to pay for a new one. • Fridge and freezer relocated to an inconvenient position, making door access difficult. • Fewer kitchen cabinets installed than previously. • Isolation switch installed for an extractor fan, but no extractor fan was fitted.
<p><u>Lewes House</u> Inspection 1</p>	<p>Kitchen:</p> <ul style="list-style-type: none"> • Resident generally happy with the kitchen. • Work (including bathroom) meant to take 2 weeks, took 4 weeks. • Extractor fan is working. • Contractor stated only magnolia paint was available despite resident's preference for another colour. • Resident dislikes vinyl flooring but deems it not a major issue. • Drawers clash with the washing machine. • Internal corner wall units abut each other, creating an unsightly gap and wasted space. <p>Bathroom:</p> <ul style="list-style-type: none"> • Electric shower installed in the wrong location, with shower head pointing outwards from the bath. Shower tap controls are at a low height. • Leak occurred, subsequently repaired by Southwark. • Decorating works did not cover old

	<p><i>red paint along radiator edge.</i></p> <ul style="list-style-type: none"> • <i>Extractor fan is working.</i> • <i>Resident unhappy with boxing in.</i> • <i>Some cutouts for pipework could have been neater.</i> <p>General:</p> <ul style="list-style-type: none"> • <i>The main issue was the prolonged duration of the work.</i>
<p><u>St Olaves</u> Inspection 3</p>	<p>Bathroom:</p> <ul style="list-style-type: none"> • <i>Extractor fan is not working and is hanging off the wall.</i> • <i>Radiator has been leaking for a prolonged period.</i> • <i>Bath side panel does not reach the floor, causing the resident to catch their foot, resulting in cuts, exacerbated by compact bathroom size.</i> • <i>Side panel is missing screw caps.</i> • <i>Panel behind bath taps is swelling due to water ingress, indicating poor material choice.</i> • <i>Toilet seat was of poor quality and broke.</i> • <i>Shower head height is exceptionally low (approx. 300mm above bath) and faces outwards to the side of the bath.</i> <p>Kitchen:</p> <ul style="list-style-type: none"> • <i>Resident generally satisfied with the kitchen.</i> • <i>Protective film left on kitchen doors, suggesting rushed work.</i> • <i>One cupboard installed in the wrong place over the sink, accepted by resident.</i> • <i>Resident consulted on and agreed to units and worktops.</i> • <i>Asbestos was removed.</i> <p>Electrical Works:</p> <ul style="list-style-type: none"> • <i>Electrical rewiring completed.</i> • <i>Pendant light left hanging down.</i> • <i>Bedroom socket not working.</i>
<p><u>Lewes House</u> Inspection 2</p>	<p>Kitchen:</p> <ul style="list-style-type: none"> • <i>Resident consulted on and agreed to work design and plans.</i> • <i>Resident provided their own sink/taps and extractor hood, which were installed.</i> • <i>Internal corner wall units abut each</i>

	<p>other, creating an unsightly gap and wasted space.</p> <ul style="list-style-type: none"> • No power to the gas hob ignition. <p>Bathroom:</p> <ul style="list-style-type: none"> • Drainage pipework to the bath has insufficient incline for proper drainage. • Council unblocked drainage, but concerns remain regarding pipework angle. <p>General Comments:</p> <ul style="list-style-type: none"> • Resident is generally happy. • Julie Spencer was noted as very helpful. • Work overran, but this was expected due to a major leak with old existing pipework which the board sorted. • Despite prolonged works, resident believes the work was rushed.
<u>Fair Street</u> Inspection 2	<p>Kitchen:</p> <ul style="list-style-type: none"> • Resident is overall satisfied with the kitchen. • Replacement kitchen door was hung the wrong way, opening into the kitchen and hitting the fridge, causing great inconvenience and was not agreed with the resident. <p>Bathroom:</p> <ul style="list-style-type: none"> • Resident is overall satisfied with the bathroom and reported no issues. <p>General Comments:</p> <ul style="list-style-type: none"> • The resident was not provided timescales for the work but noted the contractors were organised, efficient, and hard-working.
<u>St Olaves</u> Inspection 4	<p>Kitchen:</p> <ul style="list-style-type: none"> • Damage to kitchen door paint. • Poor quality extractor fan installed by contractor, replaced by Southwark. • Hole cut out for pipes in sink base unit backing was damaged by contractor. • Boxing in not fixed in place. • Tap is leaking. • Resident wanted an extractor hood but received a smaller, unsuitable

	<p>sink.</p> <ul style="list-style-type: none"> • Problems with wall unit hinges, fixed by resident. • Cheap materials used for cabinets and paint (resident repainted with vinyl paint). • Plinth to base units not fixed in place. • Vinyl flooring was satisfactory. <p>WC:</p> <ul style="list-style-type: none"> • Small toilet doesn't flush effectively and gets blocked, requiring a plunger; old toilet had no such issue. Toilet perceived as cheap. <p>Bathroom:</p> <ul style="list-style-type: none"> • Poor quality extractor fan installed by contractor, replaced by council. • Damp issues within the bathroom. • Shower head installed at a very low height. • Tiling installed where a mirror was meant to go. • Taps are leaking. <p>General Comments:</p> <ul style="list-style-type: none"> • Contractor observed to be going between jobs rather than completing works sequentially.
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Evaluation of Resident Feedback

8.5. The direct engagement with residents provided invaluable insights into the on-the-ground experience of the Quality Homes Investment Programme works. While some residents expressed general satisfaction, a clear pattern of recurring issues emerged across multiple properties, indicating systemic challenges in project delivery, quality control, and communication.

8.6. Common Themes Identified

Several key themes consistently appeared across the resident feedback, highlighting areas of significant concern:

- **Prolonged Delays and Programme Overruns:** Nearly all residents reported significant delays, with work scheduled for days or weeks often stretching into months. This was frequently reported without clear explanation from the contractor or council.

- **Poor Communication and Lack of Information:** Residents consistently cited a lack of communication from both the London Borough of Southwark (LBS) and the Contractor (Equans). Crucial scope changes, such as the omission of planned bathroom replacements, were often not communicated by the council, leaving residents feeling misled. Meetings were noted as not being attended by councillors and continuing via Zoom even when restrictions lifted.
- **Quality of Workmanship and Materials:** A widespread issue was the perceived poor quality of materials and workmanship, leading to defects shortly after completion. This included:
 - **Faulty/Missing Electrical Installations:** Non-functional isolators, fewer sockets than prior, and non-working extractor fans were noted across several properties.
 - **Substandard Joinery and Finishes:** Issues such as missing cupboard backings, peeling sealant, excessive gaps in doors, uncalked architraves, and poor boxing-in were frequently mentioned.
 - **Plumbing Issues:** Leaking pipes, non-draining baths, and low-quality WCs were reported, leading to water damage and recurring issues.
 - **Incorrect/Damaged Installations:** Instances of cooker isolators not functioning, extractor fans not installed despite switches, and doors hung incorrectly were observed.
 - **Cheap Materials:** Multiple residents commented on the use of "cheap" materials for kitchen units, paint, and toilets.
- **Scope Discrepancies and Omissions:** Several residents reported that parts of the work initially promised, particularly bathroom replacements, were subsequently omitted without proper notification. There were also instances of fewer kitchen units being installed. There were multiple reports that the Contractor did not follow originally agreed plans.
- **Lack of Project Oversight and Sign-off:** The absence of council and Calfordseaden visits for work sign-off was a notable concern, leaving residents feeling that completed works were not properly validated.
- **Contractor Conduct:** Some residents observed contractor inactivity, language barriers, and a lack of professionalism, with some teams described as "students". There were also instances of contractors failing to replace items they broke.

8.7. Comparison and Contrast of Findings

While the above themes are pervasive, the severity and specific manifestations of issues varied between properties, offering points of comparison and contrast:

- **Consistent Delays vs. Relative Efficiency:** While nearly all properties experienced delays, the resident at Fair Street, despite not being provided timescales, found the contractors "organised, efficient, and hard-working," contrasting sharply with experiences at St Olaves (2.5-3 months for 3-day job). This suggests that while overall project management suffered from delays, individual contractor teams might have varied in their on-site efficiency.
- **Kitchen Satisfaction vs. Significant Issues:** The kitchen works received mixed reviews. Residents at St Olaves, Fair Street, Lewes House, St Olaves, and Fair Street were generally satisfied with their kitchens. However, properties like St Olaves, St John's, and St Olaves reported significant issues, including non-functional electrics, missing components, incorrect installations, and poor material quality. This highlights inconsistency in quality and specification adherence across different installations.
- **Bathroom Omissions vs. Issues with Installed Bathrooms:** The omission of bathroom replacements was a major point of contention for residents at St Olaves and St Olaves. For properties where bathrooms were replaced, issues varied from significant leaks and water damage (St John's, St Olaves) to poor installation of fixtures like showers and extractor fans (Lewes House, St Olaves, St Olaves). This indicates a dual problem of unfulfilled scope and, when scope was fulfilled, frequently compromised quality.
- **Communication Breakdown:** The theme of poor communication was almost universal, extending from lack of clear timescales to uncommunicated scope changes and absence of council oversight. This was a critical element undermining resident trust and satisfaction across the board.
- **Recurring Defects:** Specific issues like non-working extractor fans were reported across multiple properties (St John's, Fair Street, St Olaves, St Olaves), suggesting a problem with a specific component supplier or installation method. Similarly, the issue of internal corner wall units creating wasted space (St Olaves, Lewes House, Lewes House) points to a design or specification flaw for standard kitchen installations.

8.8. In summary, while there were pockets of satisfaction, the overwhelming feedback points to a project plagued by extensive delays, significant quality shortcomings, and a critical failure in transparent communication and oversight. These findings corroborate the need for robust project management, stringent quality control, and proactive resident engagement strategies in future QHIP initiatives.

Comparison with Documented Findings

8.9. The direct insights gathered from resident meetings and on-site observations provide critical corroboration and detail to the systemic issues identified in the project's official documentation and previous analyses. The patterns observed from resident feedback directly validate and amplify the concerns raised in the Clerk of Works reports and other reports, particularly in the following areas:

- **Pervasive Delays and Programme Overruns:** The residents' consistent experience of significantly prolonged work durations, where jobs spanning days stretched into months, unequivocally confirms the extensive Extensions of Time (EOTs) and programme slippage detailed in the "Programme and Scheduling Review" and Devon Mansions report.pdf. This ground-level feedback underscores the severe impact of the project's protracted timeline on daily lives, moving beyond mere contractual adjustments to highlight the tangible disruption to residents.
- **Scope Discrepancies and Unforeseen Conditions:** Residents' reports of initial scope promises (e.g., bathroom replacements) being unfulfilled or altered without proper communication, along with specific instances of design shortcomings (e.g., internal corner units), directly align with the documented "Incomplete Scope & Unforeseen Works" and the issues related to inadequate pre-construction surveys identified in the feasibility studies. The resident accounts provide specific examples of how these higher-level planning deficiencies manifested as tangible omissions or quality issues in their homes.
- **Quality of Workmanship and Materials:** The extensive list of defects, ranging from non-functional electrical fittings and leaking pipework to poor finishes, cheap materials, and critical non-compliance issues (e.g., the kitchen door not being a fire door), directly substantiates the concerns about Poor Quality and Outdated Specifications and Quality and Workmanship Issues highlighted in the Clerk of Works reports and other reports. The resident feedback provides invaluable, detailed examples of the direct impact of these quality failures on habitability and safety.
- **Communication and Governance Lapses:** The overwhelming frustration expressed by residents regarding poor communication from both LBS and the Contractor, coupled with a perceived lack of council oversight and sign-off, strongly reinforces the lack of contract formalisation & governance and Breaches of Gateway Process. Resident accounts vividly illustrate the real-world consequences of these administrative and contractual shortcomings, leading to confusion, unmanaged expectations, and a breakdown of trust.

8.10. In essence, the resident testimonies serve as a critical validation and human-centred amplification of the project's documented failures, confirming that the identified systemic issues permeated down to the individual property level, directly impacting the quality of life for those residing in Devon Mansions and Fair Street.

Concrete Works/Stone/Brickwork Repairs

8.11. These external repairs emerged as a significant element of the increased scope, primarily identified once comprehensive scaffold access was achieved. The feasibility studies had initially highlighted issues like cracking to common area staircases. Subsequent Clerk of Works reports (as noted in analysis for Section 9.1) documented "Recurring Concrete Repairs" and the need for "more Heli bars fitted," confirming the discovery of additional structural defects during the project's execution.

Appraisal of On-Site Conditions:

A thorough appraisal of the concrete works, stone, and brickwork repairs on site reveals several critical issues, aligning with and providing further detail to previously identified concerns regarding scope clarity, quality control, and documentation:

- **Difficulty in Identifying QHIP Works:** Based on direct site observations, it was "difficult to distinguish which areas of pointing or brickwork had been completed." The on-site pointing visibly "varied in colour and application," making it challenging to categorically identify QHIP-specific repairs from older, ad-hoc works. This inherent lack of clear demarcation severely impedes effective assessment and verification of the QHIP's scope and quality in this area. Similarly, the "window cill replacement selection rationale is not clear" from visual inspection.
- **Random and Ad-hoc Nature of Repairs:** Site observations corroborated other report findings that the concrete and brickwork repairs attributed to the QHIP project appear to be sporadic and poorly coordinated, with no clear pattern or reasoning behind where they were applied. Furthermore, specific examples of inconsistency were observed:
 - **Inconsistently Sized Window Cills:** Some of the replaced window cills are incorrectly sized based on the original dimensions, which becomes obvious when they are located in close proximity to original cills.
 - **Inconsistent Stone Coine Refacing/Painting:** Substantial sections of stone coines had been replaced or refaced, with quality good in places, with some areas looking less good. Significantly, some lower levels on stone coines had been painted over with the fresh exposed stonework above, with the circumstances around this unclear. This suggests uncoordinated or incomplete finishing for certain stone elements.

- **Concerns regarding “Jet Washing”:** While not directly observed prior to works, concerns from other reports describe the jet washing of brickwork as "vandalism." The actual use of jet washing for cleaning is unclear. Materials & Workmanship section C40/110 specifies "*All elements of external facades Brickwork, Concrete, External Render etc. Clean using high pressure DOFF steam system as clauses 332A and 352 for removal of atmospheric soiling, biological growth, paint and vegetation. Jos/TORC low pressure system as clause 322 for the removal of any remaining lime scale and Cryptol-6 as clause 362 for any remaining graffiti, subject to EMPLOYER instruction.*" Gentler methods like DOFF cleaning, utilising superheated steam at low pressure, are generally considered more suitable for delicate or historic brickwork than "jet washing" to minimise damage and avoid chemicals. Jos Torc Cleaning System uses low air pressure, inert abrasive and a small amount of water and is efficient for removing dirt, carbon, stains, many types of coatings and graffiti from various delicate surfaces. The precise cleaning method employed remains unclear, though widespread reports indicate that it caused damage.
- **Concerns from Independent Surveys:** Leaseholders, concerned about the works, commissioned their own independent surveys on the concrete and brickwork repairs. These surveys, which have been made available to LBS, highlight issues with both the standard of workmanship and the validity of the quantities and costs submitted. This independent verification provides strong external validation of the deficiencies observed.
- **Inconsistent and Sub-standard Quality:** The overall quality of the concrete works and brickwork repairs carried out under the QHIP was assessed as varying quality. While some work appears satisfactory, a significant portion has been executed poorly. Specific examples include:
 - **Sub-standard Pointing:** Direct observation confirmed that there are areas of pointing that look poor, which is of poor quality and entirely unsympathetic to the original architectural character of the buildings. This aligns with prior observations of Inconsistent pointing types and finishes are evident across the elevations, with differing colours and visual impact.
 - **Inappropriate Material Replacement:** Notably, for some of the Devon Mansions external wall brickwork which is white glazed (referred to as glass in some reports), observations confirmed that on certain elevations, replacement brickwork has been used that fails to replicate the original's distinctive appearance, is unsympathetic to the character of these historic buildings, and does not comply with conservation area requirements. This represents a significant deviation from sympathetic restoration and an impact on the building's aesthetic and heritage value.
 - **Unrepaired Scaffolding Holes:** The brickwork contains multiple exposed holes, seemingly resulting from the scaffolding fixings, which have not been made good. This now presents a risk of water ingress, potentially leading to damp and mould within residents' homes.

Equans is reportedly disputing responsibility for these holes, asserting that they pre-existed their works and were caused by previous scaffolding erections. In such disputes, a photographic schedule of condition (SoC) is a crucial document. An SoC documents the existing state of a property before works commence, serving as a reference point to assess any potential damage that may occur during the works. This detailed record, typically including both written descriptions and photographs, helps protect all parties involved by providing objective evidence of the property's condition prior to the work.

However, a comprehensive photographic schedule of condition for Devon Mansions, essential for objectively reviewing this specific dispute and similar claims, is reportedly not readily available for review. This lack of critical baseline documentation complicates the resolution of responsibility for defects, potentially leading to further disputes and delays in rectifying issues impacting residents.

Unrepaired holes were personally noted during the site visits for this report, it remains a documented concern from the Internal Review and highlights a significant evidential gap.

8.12. In conclusion, the appraisal of the concrete, stone, and brickwork repairs, combining documented findings with direct site observations, reveals a troubling picture of inadequate planning, inconsistent and ad-hoc execution, and compromised quality. The difficulty in distinguishing QHIP works, the seemingly random nature of repairs, the findings of independent surveys, and specific examples of sub-standard workmanship and inappropriate material substitutions collectively point to a significant failure in delivering comprehensive and high-quality external fabric repairs sympathetic to the buildings' character.

Asbestos Removal

8.13. Asbestos removal was a component of the original scheme scope. Resident feedback (St Olaves, Section 8.6) confirmed that asbestos was removed from their property. No specific issues or complaints regarding the asbestos removal process itself were highlighted in the resident feedback or other provided documents. The feasibility studies also refers to asbestos, indicating its presence was known pre-contract.

Fire Safety Improvement Works

8.14. Fire safety elements were a critical part of the QHIP, yet several significant issues emerged:

- **Flat Roofs as Fire Escapes:** A major unresolved problem is that the flat roofs, designated as fire escape routes, have not received Building Control sign-off due to insufficient gradient leading to water pooling, and critically, restricted headroom within the enclosed walkways impacting compliance with safety regulations (Section 6.10). This issue alone has indefinitely stalled the project's final completion.

- **Fire Door Compliance and Resident Expectations:** A replacement kitchen door at St John's was noted as not being a fire door, despite the resident reportedly being told it was. It also exhibited an old painted-over intumescent seal and excessive gaps (Section 8.3). This is a compliance and safety concern. Furthermore, the resident's statement highlights a potential pattern: residents may have been under the impression that their new kitchen doors were fire doors, even when this was not the case. This discrepancy between expectation and reality represents a significant communication failure and a potential widespread fire safety risk. This requires further investigation to determine the intended specification for kitchen doors and whether this was consistently communicated to residents.
- **Missing Detectors:** One property (Fair Street) had a new kitchen light installed but no heat detector (Section 8.4). There was inconsistency with the inclusion of heat (and smoke detectors) amongst properties that formed part of the QHIP works. This suggests a broader inconsistency in the provision and installation of heat and smoke detectors across properties, indicating a potential omission in ensuring comprehensive fire detection provisions as part of the works.
- **Pre-existing Issues:** The feasibility reports highlighted pre-existing fire safety issues such as a lack of emergency lighting, missing fire door signage, and issues with fire stopping and self-closing devices, which were meant to be addressed by the scheme. The ongoing problems indicate these were not fully or adequately resolved.

Remedial Roof Works and Renewals

8.15. Roofing works proved to be one of the most problematic and costly elements of the project.

- **Flat Roof Failures:** The most significant issue is the ongoing non-compliance of the flat roofs, particularly concerning their gradient and suitability as fire escape routes, leading to a failure to secure Building Control sign-off (Section 6.10). This has led to indefinite delays and a major unresolved design and compliance challenge.
- **Cost Escalation and Retender:** The severity of the roofing issues necessitated a "Roofer Retender" with a substantial "40% cost increase" (as identified in previous analysis from Contractor Progress Reports), indicating significant unforeseen problems or initial specification deficiencies.
- **Incorrect Materials:** Resident feedback from St Olaves (Section 8.1) noted that "the roof tiles were incorrect and had to be changed" at St John's Estate, highlighting material specification or procurement issues early in the project.
- The widespread and persistent nature of the roofing issues points to fundamental problems in initial design, specification, contractor expertise, or quality control for this critical building element.

Omission of Internal Concrete Stairwell Structural Repairs

- 8.16. Despite the presence of documented structural issues, specifically "cracking to common area staircases" (as identified in the feasibility studies), the critical structural repairs to the internal concrete stairwells at Devon Mansions were omitted from the works that were ultimately carried out. These necessary repairs pertain to areas where the concrete has cracked and spalled, exposing the structural steel reinforcement.
- 8.17. The Structural Inspection Report for Devon Mansions (K180013) by Calfordseaden, dated June 2018, provides a comprehensive overview of these pre-existing conditions. The report identified widespread structural degradation in the common parts of Devon Mansions, particularly within the internal concrete stairwells and landings. The primary cause was identified as the use of 'clinker concrete filler joist' slabs. This material, when exposed to moisture, promotes rapid corrosion and expansion of embedded steel and wrought iron joists, leading to characteristic concrete "spalling" and cracking in both the concrete elements and their supporting masonry.
- 8.18. The omission of these repairs is particularly critical as these stairwells serve as a protected means of escape for residents, making the maintenance of their condition and structural integrity paramount for fire safety and evacuation protocols. The failure to address these pre-existing structural defects therefore represents a significant gap in the comprehensive nature of the QHIP works, potentially compromising the long-term structural integrity and safety of these communal areas.
- 8.19. This omission highlights a critical failure in translating identified needs from initial surveys into the executed scope of works, underscoring the broader issues of scope definition and project governance discussed earlier in this report. It is also relevant to note that specific blocks at Devon Mansions are designed with an alternative means of escape across the flat roof, further emphasizing the interconnected nature of the building's overall fire safety strategy and the importance of all escape routes being fully functional and structurally sound.

9.0 VALUE FOR MONEY REVIEW

- 9.1. This section provides an assessment of whether the Quality Homes Investment Programme (QHIP) at Devon Mansions delivered satisfactory value for money, considering the initial budget, project execution, quality of works, and outcomes. The review draws upon the significant cost escalations, extensive delays, scope discrepancies, and concerns over workmanship identified throughout this report.
- 9.2. The project's initial budget and its subsequent escalation are central to assessing value for money. The original Contract Sum was specified at £5,622,382.14 (as per Contract Instruction 1041 K170856/E2-01A/0185). However, this initial figure proved to be a severe underestimation of the project's true cost, driven by a combination of unforeseen works, design failures, and inadequate project management. While a 5% risk contingency was included, this was demonstrably insufficient for a project of this value and complexity on aging, historic buildings. The consistent increase in the contract sum through numerous variations and contract instructions, culminating in a significant final expenditure, indicates a substantial divergence from initial financial planning, directly impacting value for money.

- 9.3. A primary driver of poor value for money was the ineffective management of project scope and the substantial volume of "unforeseen works" that emerged post-contract award.

Inadequate Initial Surveys

- 9.4. As highlighted in Section 4.0, the initial feasibility studies (by Calfordseaden) suffered from limited survey methodology and inadequate detail for hidden defects. This led to an inaccurate estimation of the required scope, particularly concerning extensive external brick, concrete, and stone repairs, which were only fully identified once scaffolding provided access.

Critical Structural Discoveries

- 9.5. The subsequent Structural Inspection Report (K180013), commissioned after initial feasibility, confirmed widespread severe defects (e.g., cracking and spalling due to corrosive clinker concrete) that were largely unquantified in the initial scope. The need for these critical structural repairs significantly increased the necessary work, but their management and execution remained problematic.

Flat Roof Complications

- 9.6. The fundamental design and execution failures related to the flat roofs, necessitating a costly "Roofer Retender" with a "40% cost increase," demonstrate a significant unforeseen work package that severely impacted the project's financial viability and timeline.
- 9.7. The iterative discovery and instruction of these extensive additional works points to a reactive rather than proactive project planning approach, where significant expenditure was incurred to address issues that should have been better understood and priced at the outset.
- 9.8. Despite the substantial expenditure, the quality of delivered works has been inconsistent and, in many areas, sub-standard, directly undermining the value received.

Internal Works (Kitchens/Bathrooms)

- 9.9. Resident feedback (Section 10.2) consistently highlighted poor workmanship and cheap materials in kitchen, bathroom, and WC replacements. Issues ranged from non-functional electrics, leaking pipework, and poor tiling to incorrect installations and rapid deterioration of new components. This suggests that money spent did not translate into durable or high-quality finishes, leading to resident dissatisfaction and potential future remedial costs.

External Works (Concrete/Brickwork)

- 9.10. As detailed in Section 10.3, the quality of concrete and brickwork repairs varied widely. Site observations confirmed "random" application of pointing, inconsistent colours, inappropriate replacement of original glazed bricks with standard ones, and potentially damaging cleaning methods (jet washing). This indicates a lack of consistent quality control and sympathetic restoration for a conservation area, meaning the investment did not consistently deliver aesthetically appropriate or durable external fabric repairs.

Fire Door and Detector Inconsistencies

- 9.11. The issues with fire door compliance (kitchen doors not being fire doors despite resident impression) and inconsistencies in smoke/heat detector installation (Section 10.6) represent fundamental quality failures that compromise life safety, demonstrating poor value for money in critical safety provisions.
- 9.12. Extensive delays and programme overruns significantly eroded value for money by increasing overheads, extending consultants' fees, and prolonging disruption to residents.

Initial Delays

- 9.13. Early issues with scaffolding erection (4 weeks late for Building 1) set a precedent for programme slippage.

Major Stalling Points

- 9.14. The most significant impact came from critical issues including:
 - **COVID-19 pandemic:** Caused an initial six-month delay.
 - **Late discovery of extensive defects:** Resulted from inadequate initial feasibility studies and surveys, significantly impacting the programme.
 - **Deficient documentation and specifications:** Led to misinterpretations and rework.
 - **Breaches of governance processes:** Including the Gateway Process for variations and lack of contract formalization.
 - **Poor project management and oversight:** From both the client-side (LBS) and the consultant (Calfordseaden).
 - **On-site logistical issues:** Such as lack of facilities and disputes over quality.
 - **Non-compliance of critical elements:** Specifically, flat roofs failing Building Control sign-off as fire escape routes, and unresolved structural issues, which prevented final completion.
- 9.15. These acted as major roadblocks, leading to prolonged project stagnation and preventing final completion.

Extended Contractor Presence

- 9.16. The project far exceeded its initial duration, implying extended periods of contractor presence on site without productive output, thus consuming budget without delivering completed works. This protracted timeline represents poor efficiency and a significant financial drain.
- 9.17. Perhaps the most glaring aspect impacting value for money is the documented omission of critical works, despite substantial investment.

Omitted Structural Repairs

9.18. As detailed in Section 10.9, essential structural repairs to internal concrete stairwells (where concrete had cracked and spalled, exposing structural steel) were omitted. These were identified issues, vital for the structural integrity of a protected means of escape. Failing to address such fundamental defects means the project did not deliver a complete solution for known, severe building deficiencies.

Unfulfilled Promises for Residents

9.19. The omission of promised bathroom replacements for some residents (Section 10.2) after significant works were undertaken represents a direct failure to deliver the full scope implied to stakeholders, leading to dissatisfaction and the need for future expenditure by residents or the landlord.

9.20. The expenditure incurred on the project thus did not translate into a complete, defect-free, or structurally sound outcome, implying significant wasted investment on unaddressed fundamental issues.

Overall Assessment of Value for Money

9.21. Based on the evidence, the QHIP at Devon Mansions did not deliver satisfactory value for money.

9.22. The project was characterised by significant cost escalation far exceeding initial estimates, largely due to inadequate initial scope definition and the subsequent discovery of extensive unforeseen structural and fabric defects.

9.23. The quality of executed works was inconsistent and frequently sub-standard, particularly in internal finishes (kitchens/bathrooms) and external fabric repairs (concrete/brickwork), leading to a high volume of defects and low resident satisfaction despite considerable expenditure.

9.24. Extensive delays and programme overruns further eroded financial value, increasing overheads and prolonging disruption without commensurate productive output.

9.25. Crucially, the omission of critical structural repairs (e.g., to stairwells) and the failure to fully resolve fundamental fire safety compliance issues (e.g., flat roofs as fire escapes) mean that the substantial investment did not result in a truly comprehensive or structurally sound remediation of the building's core problems.

9.26. In essence, a significant amount of money was spent without achieving the expected complete scope, consistent quality, or resolution of fundamental building defects, representing poor financial stewardship and an unsatisfactory return on investment for the London Borough of Southwark.

Key Value Failures with Leaseholder Implications

9.27. Disconnect Between Leaseholder Charges and Actual Delivery

Some leaseholders have raised serious concerns about the scale of the service charges they are being asked to pay for their share of the QHIP works. Given the issues outlined above, these concerns are entirely understandable. However, the primary issue for most leaseholders appears to be the validity and cost of the works — a matter addressed in more detail elsewhere in this report. This reinforces the fact that leaseholders have been charged substantial sums.

- Leaseholders were presented with substantial bills based on the original contract sum and subsequent variations, under the assumption of a timely, quality-assured, and complete delivery.
- In reality, the service delivered was characterised by significant delays, inefficiencies, and remains incomplete in critical parts—raising serious questions over the fairness and justification of the recharge model.
- With a substantial overspend, the gap between what was paid for and what was delivered is materially significant, impacting leaseholder trust and financial equity.

9.28. Contractual and Commercial Mismanagement

- The project suffered from significant contractual and commercial mismanagement. Instances such as the late or inadequate implementation of Gateway 3 reviews meant that substantial cost overruns and numerous contract variations were not formally scrutinised or approved in a timely manner during delivery, leaving leaseholders and the council exposed to unvetted expenditure.
- Key packages (e.g., structural repairs, flat roofs, internal fit-out components) often lacked sufficient design maturity at the tender stage. This absence of detailed and finalised designs led to significant retrospective cost growth through reactive solutions, rather than planned, cost-effective enhancements, inherently diminishing efficiency and value.

9.29. Resident Value and Satisfaction Not Achieved

- Residents (including leaseholders) experienced prolonged disruption due to the extended programme, compounded by the necessity for repeat appointments for incomplete or defective works, scaffold overstays, and unfinished communal areas.
- The continued presence of residual defects in key areas and the ongoing need for post-completion remedial works fundamentally undermines any claim of service delivery in line with expectations or the substantial sums expended.

9.30. Accountability and Transparency Concerns

- The project's performance creates a significant reputational and governance risk for the council in justifying leaseholder contributions. This is particularly salient given that:
 - Works were demonstrably delayed and delivered with persistent defects.
 - Programme logic and sequencing were inefficient.
 - Value engineering opportunities were missed, leading to higher costs where more efficient alternatives might have existed.
- Unless comprehensive and transparent financial reconciliation and robust remediation assurance are provided for the outstanding issues, future recharges may be justifiably challenged, creating a significant trust deficit with leaseholders.

9.31. Based on the evidence, the QHIP at Devon Mansions did not deliver satisfactory value for money.

Recommendation

- 9.32. The council must formally acknowledge that leaseholders have been charged on the basis of a project that failed to meet scope, quality, and delivery standards. A financial review should be conducted to determine whether:
 - Any recharges should be adjusted to reflect actual delivery quality.
 - Remedial costs should be excluded from further leaseholder billing
 - Contractual retention and framework mechanisms can be activated to recover unjustified overspend.
- 9.33. Going forward, the council should ensure that leaseholder recharges are only issued once works have been fully delivered and independently verified. Any further remedial costs arising from the current scheme should be absorbed through retention or contractual remedy—not passed on to residents. Capital programmes must start with complete, scoped designs and be governed through proactive, real-time approvals—not retrospective justification.
- 9.34. Future capital projects must align scope, design maturity, and leaseholder recharges under a unified value assurance framework.

10.0 DELIVERY PERFORMANCE EVALUATION

10.1. The delivery of the Fair Street/Devon Mansion QHIP project was marred by significant delays, cost overruns, and persistent quality concerns that point to systemic issues in planning, execution, and oversight.

The project fundamentally underperformed against its objectives, characterised by significant delays, substantial cost overruns, and inconsistent quality of work.

- The project experienced an initial six-month delay, shifting its start from March 2020 to September 2020, primarily due to the COVID-19 pandemic.
- Despite multiple extensions, the project overran its original May 2021 completion date by 102 weeks, with Practical Completion still not achieved by October 20, 2023.
- This timeline escalation was accompanied by significant cost overruns, eroding the project's value for money.

Programme Delivery

10.2. The project's programme delivery was severely compromised by a confluence of factors, leading to prolonged delays and a failure to adhere to the initial 62-week construction period.

10.3. The original "Works Construction Period" was set at 62 weeks, with an additional "minimum three week pause" for a pilot investigation. However, the project's actual duration significantly exceeded this.

10.4. Key contributing factors to programme delays included:

- **Inadequate Feasibility Study and Surveys:** The initial surveys by Calfordseaden were deemed "inadequate" and "not comprehensive," being largely carried out at ground level. This led to the late discovery of extensive and costly defects (e.g., structural issues, hidden elements) during the construction phase, necessitating significant variations and programme adjustments.
- **Deficient Specification and Documentation:** The "Specification (Materials and Workmanship) document" was "not fit-for-purpose," outdated, and difficult to read, which caused misinterpretations and delays during execution.
- **Procurement Process Flaws:** The procurement process's sole focus on price meant opportunities to assess tenderers on comprehensive programming capabilities and value for money were missed.
- **Lack of Contract Formalisation:** The contract between LBS and Equans had not been formally signed and completed before works commenced, creating ambiguities regarding responsibilities and programme enforceability.

- **Breach of Gateway Process:** Significant contract variations and cost increases exceeding £100,000 were not subjected to the required Gateway 3 approval process, a breach of Contract Standing Orders. This lack of formal approval led to retrospective validation of changes, further delaying progress.
- **On-site Management Issues:** Delays arose from logistical issues such as a two-month delay (Jan-Mar 2020) due to inadequate worker facilities ("we don't have enough toilets"), and disputes over pointing colour.

10.5. Multiple Extension of Times (EOTs) were granted, with discussions and applications for further EOTs continuing as late as April 2023. The project was consistently marked as "On Programme: Amber," indicating persistent delays.

10.6. Specific early delays included scaffolding to Building 1 being "4 weeks late to complete," causing a "knock-on effect" on subsequent works.

10.7. A retender of flat roofs was necessitated by previous issues, resulting in a substantial 40% cost increase and significant disruption to the critical path of roofing works.

10.8. Major stalling points included fundamental non-compliance of flat roofs (failing Building Control sign-off as fire escape routes) and unresolved structural issues, preventing final completion.

Contractor Performance

10.9. The performance of the appointed contractor (Equans) and the contracted consultant (Calfordseaden) exhibited significant shortcomings in quality, project execution, and communication.

- Workmanship and Quality:
 - Internal Works: Resident feedback consistently highlighted poor workmanship and the use of materials of inconsistent quality in internal refurbishments. Issues ranged from non-functional electrics, leaking pipework, and poor tiling to incorrect installations and rapid deterioration of new components. Specific examples included non-functional cooker isolators, missing cupboard backing, fewer electrical sockets, peeling sealant, unsightly gaps at internal corners, non-functional windows/extractor fans, and leaking pipework causing extensive damage.
 - External Works: The quality of concrete and brickwork repairs varied widely. Site observations confirmed "random" application of pointing, inconsistent colours, and inappropriate replacement of original glazed bricks with standard ones. Residents reported significant issues with the quality of brickwork, describing it as "vandalism," and stated that "jetwash cleaning" made bricks look worse. Hundreds of 14cm deep holes were left in brickwork, though this is disputed. Critical safety failures included kitchen doors not functioning as specified fire doors and inconsistencies in smoke/heat detector installation.

- Site Management and Communication:
 - The Contractor was noted for poor communication, including failure to explain scope omissions or delays to residents. Language and communication issues were reported with the workforce.
 - Works initially quoted for three weeks sometimes extended to six weeks without explanation.
 - Calfordseaden, in its role as Contract Administrator (CA) and Clerk of Works (CoW), faced accusations of inadequate oversight, being "incapable to measure the blocks" and providing "misleading statements" regarding site visits, particularly concerning quality control and accurate recording of delays and variations.

Client-side Oversight

10.10. LBS's internal oversight and project governance mechanisms demonstrated significant weaknesses, which directly contributed to the project's failures.

Lack of Internal Control: Concerns were raised that LBS staff had "no control over the works specifications," and consultation notes from residents were ignored, leading to "mystery decision meeting[s]" for "unjustified works" without supporting paperwork.

Communication Failures: LBS reportedly failed to communicate significant scope omissions (e.g., removal of bathroom replacements) to residents and never visited for work sign-off, leaving residents primarily to interact solely with contractors.

Governance Breaches: The critical failure to adhere to the internal Gateway process for approving cost variations (especially those exceeding £100,000) meant that proper financial and scope oversight was circumvented. The lack of formal contract completion further compounded governance issues.

Insufficient Pre-Contract Formalisation: Feasibility reports remained in draft form without formal LBS sign-off, weakening the project's foundational basis and accountability.

Variations/Contract Administrator Instructions

10.11. Furthermore, it was observed that Contract Administrator Instructions (CAIs), despite frequently having high-cost implications, almost invariably lacked specific values for the works instructed. This critical absence of financial detail within the official instructions contributed significantly to the opacity surrounding how substantial project variations, ultimately amounting to a £4.1 million overspend and over a 60% increase from the initial scheme value, were continuously approved and proceeded with. This process fostered an ever-escalating situation that appeared to lack effective financial control and oversight, directly contributing to the project's severe budget overruns.

Handover and Legacy Issues

10.12. The project's significant delays and unresolved issues by October 2023 indicate a severely compromised handover process and a substantial negative legacy for both LBS and residents.

- **Incomplete Practical Completion:** The inability to achieve Practical Completion by October 2023, 102 weeks beyond the original schedule, signifies that critical works (e.g., flat roof compliance, structural issues) remained unresolved, preventing formal project closure.
- **Ongoing Resident Dissatisfaction:** The pervasive quality issues in both internal and external works, coupled with poor communication throughout the project, have led to deep-seated dissatisfaction among residents. This includes continued experiences of damp, mould, and non-functional installations, creating an immediate negative living environment.
- **Future Remedial Costs:** The documented poor workmanship, use of inappropriate methods, and specific defects (e.g., "jet wash" damage, hundreds of holes in brickwork, faulty fire doors) indicate a high likelihood of significant future remedial works and associated costs for LBS.
- **Erosion of Trust:** The project's mismanagement, delays, and quality failures have likely eroded trust between LBS, its residents, and potentially its contracting partners, complicating future collaborations.
- **Financial Burden:** The substantial cost overruns represent a significant financial burden on LBS, diverting resources that could have been used for other housing improvement initiatives.

11.0 CONCLUSIONS AND RECOMMENDATIONS

Conclusions

11.1. The Fair Street/Devon Mansions project, despite its intention to improve social housing, suffered from severe systemic failures. These failures led to massive time overruns, significant cost overspends, and ultimately, an inconsistent and often poor quality of work, profoundly eroding the project's value for money.

11.2. **Overall Project Underperformance:** The project far exceeded its initial duration and budget, with an overrun of 102 weeks beyond the original completion date and a cost overspend of £4.1 million (more than a 60% increase from the initial scheme value). This resulted in widespread resident dissatisfaction and an unfulfilled project objective.

11.3. **Fundamental Planning Deficiencies:** The root causes of the project's issues can be traced back to critical shortcomings in pre-contract planning:

- **Inadequate Feasibility Studies & Surveys:** Initial surveys by Calfordseaden were "inadequate" and "not comprehensive," being largely carried out at ground level, which led to the late discovery of extensive and costly defects (including structural issues) during the construction phase. This resulted in an inaccurate scope definition and overly optimistic initial cost estimates.

- **Deficient Tender Documentation:** The Specification was deemed not fit-for-purpose, outdated, and difficult to read, directly contributing to issues during execution, potential misinterpretations, rework, and disputes on site.
- **Lack of Formalisation:** Crucially, foundational documents like feasibility reports remained in draft form, without formal agreement by LBS, creating significant ambiguity and hindering accountability throughout the project lifecycle. Similarly, the main contract itself was not formally signed and completed.

11.4. **Weak Project Governance and Oversight:**

- **Breach of Gateway Process:** There was a critical failure to adhere to LBS's internal Gateway process for approving cost variations, circumventing proper oversight and delaying progress.
- **Inadequate Contract Administration:** Calfordseaden's oversight as Contract Administrator (CA) and Clerk of Works (CoW) was criticised for deficiencies in quality control and accurate recording of delays and variations.
- **Poor LBS Internal Control:** Concerns were raised that LBS staff had "no control over the works specifications," ignored consultation notes, and engaged in "mystery decision meeting[s]" for "unjustified works" without supporting paperwork.
- **Misplaced Risk Allocation:** While the tender included an "Omissions or Errors" clause seemingly shifting risk to the contractor, LBS ultimately bore the financial and programming consequences of significant latent design issues and unforeseen physical conditions (e.g., structural defects, flat roof non-compliance).

11.5. **Poor Quality of Delivery:** There were widespread and significant issues with the quality of both internal and external works. This included poor workmanship, the use of inappropriate materials or methods (e.g., "jet washing" described as "vandalism"), inconsistencies in finishes (e.g., pointing, inappropriate brick replacement), and critical safety failures (e.g., fire doors not as specified, inconsistent smoke/heat detector installation). These directly led to resident dissatisfaction and necessitated potential future remedial costs.

11.6. **Erosion of Value for Money:** The cumulative effect of extensive delays, significant cost overruns driven by unforeseen works, and the inconsistent, often sub-standard, quality of delivered works profoundly eroded the project's value for money.

Recommendations

11.7. In light of the above findings, the following recommendations are proposed to improve outcomes in future projects of a similar nature:

11.8. Lock Down Scope and Design Pre-Contract

- Mandate Comprehensive Surveys: Implement rigorous and exhaustive pre-construction surveys, including specialist and intrusive investigations (e.g., structural, roofing, M&E), to accurately define the full scope of works and identify unforeseen conditions *prior* to tender. This is crucial to avoid late discoveries and cost escalations.
- Develop Fit-for-Purpose Specifications: Ensure all specification documents are detailed, unambiguous, current, and free from grammatical errors. This will reduce misinterpretations, minimise rework, and prevent disputes during execution.
- Formalise Foundational Documents: All foundational documents, particularly feasibility reports and initial survey findings, must be formally finalised, agreed upon, and signed off by all relevant parties (client and consultant) before proceeding to tender. This establishes a clear, auditable baseline and enhances accountability.
- Integrate Specialist Findings: Actively incorporate findings and recommendations from all specialist reports (such as structural inspections) into the project's scope, design, and budget during the initial planning phase, ensuring identified critical defects are adequately addressed and priced.
 - All critical design elements (e.g., windows, decorations) must be fully agreed, detailed, and resident-approved prior to tender. Avoid reliance on post-award decisions that risk introducing variations.

11.9. Implement Robust Pre-Works Documentation

- To prevent disputes over existing or newly caused damage and to ensure clear accountability, it is recommended to implement a mandatory requirement for comprehensive photographic schedules of condition and detailed site surveys prior to the commencement of any significant works. These documents must clearly establish the baseline condition of the property, particularly for external elements potentially affected by access solutions like scaffolding. Ensuring these schedules are formally reviewed, approved, and made readily accessible to all parties (client, contractor, consultants) is crucial. This will facilitate the objective resolution of disputes regarding existing or newly caused damage, such as the unrepainted scaffolding holes, thereby preventing delays and additional costs associated with protracted responsibility claims.

11.10. Enhance Project Governance and Contract Management

- Formalise Contracts Promptly: Ensure all contracts are formally signed and completed *before* works commence. This is fundamental to establishing clear terms, responsibilities, and effective mechanisms for dispute resolution.
- Ensure Transparent Variation Approvals and Documentation: Implement rigorous protocols requiring all Contract Administrator Instructions (CAIs) and other variation approvals to explicitly state the full financial impact and detailed justification for the proposed works before approval. This is crucial for maintaining real-time financial control and preventing an uncontrolled, ever-escalating situation of project costs. Strengthen oversight to ensure all significant variations are formally approved through the prescribed Gateway processes, with full financial transparency and strict adherence to established thresholds, thereby preventing future overspends of the magnitude experienced in this project.
- Strict Gateway Process Adherence: Strictly adhere to all internal Gateway processes for project progression, including the formal approval of variations and cost changes. This ensures timely decision-making, maintains financial control, and avoids retrospective validation of changes that lead to programme delays.
- Robust Risk Management: Establish and enforce robust programme and risk management frameworks. This includes implementing early warning systems and clear escalation protocols for all emerging risks, such as unforeseen site conditions, logistical challenges, and quality issues, to enable prompt mitigation.
- Clear Risk Allocation: Develop a comprehensive risk allocation matrix pre-contract that explicitly addresses latent defects and unforeseen conditions. This ensures appropriate contingencies are priced and programmed, aligning risk with responsibility.
- Strengthen LBS Internal Controls: Empower LBS staff with appropriate control over works specifications and project delivery. Ensure that all consultation notes, including resident feedback, are formally recorded, reviewed, and acted upon, avoiding undocumented "mystery decision meetings".

11.11. Improve Quality Assurance and Site Oversight

- Prioritise Design Compliance & Quality Assurance: For all critical path and life safety elements (e.g., roofing, fire escapes), ensure design specifications are rigorously reviewed by relevant authorities (e.g., Building Control) at the design stage to prevent fundamental non-compliance issues post-construction. Implement enhanced quality assurance protocols and independent inspections *throughout* the works programme, not just at handover, to identify and rectify issues early.

- Mandate Competent Supervision: Ensure that Clerk of Works (CoW) and Contract Administrator (CA) roles are adequately resourced with competent professionals capable of providing accurate site reporting, rigorous quality control, and effective contract administration.
- Improve On-site Management: Address fundamental on-site management issues, such as ensuring adequate worker facilities. Implement clear and transparent communication protocols between contractors, LBS, and residents, especially regarding scope changes, delays, and defect resolution.

11.12. Enhance Value for Money Framework

- Holistic Procurement Assessment: Move beyond a price-only ("pass or fail") procurement approach to include a comprehensive assessment of tenderers' capabilities in communication, proposed quality management systems, and demonstrated value for money during the tender process.
- Link Payments to Performance: Introduce milestone-based payments explicitly linked to demonstrable delivery outputs and adherence to quality benchmarks. This will strengthen contractor accountability and incentivise efficient, high-quality project delivery.

11.13. Resident Engagement Strategy

- Formalise a structured engagement and communications plan with clear milestones. RLO performance should be monitored and reviewed, and escalation routes made available to residents.

11.14. Strengthen Contractor Accountability

- Impose clearer KPI-based performance standards for site productivity, sequencing, and quality. Introduce milestone-based payments linked to visible delivery outputs.

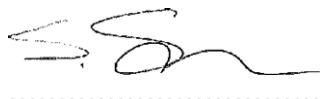
11.15. Independent Quality Assurance

- Mandate independent inspections throughout the works programme, not just at handover. Early issue identification will reduce the volume of post-completion defects and disputes.

11.16. Cost Control Discipline

- Require financial forecasts to be updated monthly, with visibility on cumulative variation exposure. Introduce cost triggers that prompt early warning meetings between contractor, consultant, and client team.

Signed



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Steven Slator
On behalf of Pellings LLP

Date: 11th July 2025

Countersigned



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(Pellings authorised signatory)

Date: 11th July 2025

Agenda Item 6

Meeting Name:	Housing Scrutiny Commission
Date:	28 July 2025
Report title:	Management Response to the Outcome of the Review of the Canada Estate 2017/18, Fair Street/Devon Mansions 2018/19 and Kirby Estate 2018/19 QHIP Major Works Projects
Ward(s) or groups affected:	Rotherhithe London Bridge and West Bermondsey
Classification:	Open
Reason for lateness (if applicable):	No
From:	Ryan Collymore, Director of Repairs and Maintenance

RECOMMENDATIONS

This paper recommends:

1. That the Housing Scrutiny Commission:

- considers, notes and comments on the report and Action Plan submitted by the Director of Repairs and Maintenance in response to the outcome of the Task and Finishing Team's (TFT) Internal Review of the Canada Estate (Phase 2) 2017/18 QHIP Major Works Project, Fair Street/Devon Mansions 2018/19 QHIP Major Works Project and the Kirby Estate 2018/19 QHIP Major Works Project
- notes the progress made in the Action Plan in response to the recommendations made in the TFT's report
- notes the response from the Director of Repairs and Maintenance to specific recommendations made by Pellings, in relation to leaseholders, in its reports on the outcome of its independent external reviews on the Canada Estate (Phase 2) 2017/18 and the Fair Street/Devon Mansions 2018/19 QHIP Major Works Projects

BACKGROUND INFORMATION

2. At this meeting, the Housing Scrutiny Commission has been presented with and considered a report on the outcome of the TFT's Internal Review of the Canada Estate (Phase 2) 2017/18 QHIP, Fair Street/Devon Mansions 2018/19 QHIP and the Kirby Estate 2018/19 QHIP Major Works Projects.
3. The TFT was recruited specifically to carry out the above task and to report back to the Overview and Scrutiny Committee (now the Housing Scrutiny

Commission) on its findings, the lessons to be learned and its recommendations for improvement. All the officers recruited to the TFT were entirely independent and, none of them had any previous involvement in the Canada Estate (Phase 2) 2017/18 QHIP, Fair Street/Devon Mansions 2018/19 QHIP and the Kirby Estate 2018/19 QHIP Major Works Projects.

4. This report sets out the management response (primarily in the form of an Action Plan) to the findings and recommendations made in the TFT's report that will hopefully reassure members that lessons have been learned, and the necessary improvements are being made to improve service delivery for future major works projects.
5. This report also sets out the management response to specific recommendations made by Pellings, in relation to leaseholders, in its reports on the outcome of its independent external reviews of the Canada Estate (Phase 2) 2017/18 and the Fair Street/Devon Mansions 2018/19 QHIP Major Works Projects.

KEY ISSUES FOR CONSIDERATION

6. The work of the TFT was effectively completed several months ago and, the findings and recommendations made in the TFT's outcome report are accepted by the Director of Repairs and Maintenance and his senior management team.
7. The emerging themes and areas for improvement identified in the TFT's review of the three major works projects were shared at an early stage to help develop a Management Action Plan and, to allow work to start as soon as possible on the recommendations made.
8. The Action Plan, which is attached as Appendix 1 to this report, sets out management's response to each of the 36 recommendations made by the TFT in its outcome report considered earlier by members in this meeting. Members will hopefully be reassured by the progress that has been made to ensure that lessons have been learned, and the necessary improvements are being made.
9. The Action Plan identified that 15 of the 36 recommendations made in the TFT's report have been addressed and completed. Good progress is being made with all the other recommendations, with target dates set for completion to assist in monitoring progress. There is still however, some work to be done.
10. Members will note that references are made within the Action Plan to specific new projects where several of the recommendations made by the TFT have already been implemented. Attached as Appendix 2 to this report, is a summary of two 'case studies' that demonstrates how we have used and implemented the findings and recommendations of the TFT in new projects/contracts to help bring about the necessary improvements to service delivery.
11. In addition to the management response set out in the Action Plan, the Housing Scrutiny Commission is asked to note that:

- the Council has recently recruited a Head of Commercial and Contract Management, who will help address the weaknesses identified around the management of these three contracts
- going forward, all new projects will have a project specific 'Risk Register' that will be used to identify, consider and monitor risks that could have an impact on the delivery of the projects particularly, in relation to cost, service delivery, quality, timescales and reputation

12. The outcome report of the TFT's internal review of the three major works projects, refers to various fire safety improvement works across all three estates. Whilst some of the identified works were completed as part of the scope of the three projects, further works are still required. These further works will be included in the Council's estate-wide Fire Safety Remediation Programme that forms part of the current two-year Planned Maintenance Programme.

13. As members will be aware, it has taken much longer than anticipated for Pellings to complete its independent external reviews of the Canada Estate (Phase 2) 2017/18 QHIP and the Fair Street/Devon Mansions 2018/19 QHIP Major Works Projects. Pellings has only recently submitted its final reports.

14. For the most part, the Pellings reports corroborate the findings of the TFT's internal review, and the implementation of the Action Plan attached to this report, will go a long way to addressing the recommendations made in the two Pellings reports.

15. There are, however, specific recommendations made by Pellings in its reports relating to leaseholders that the Director of Repairs and Maintenance and his senior management team wish to address through this management response, as set out below.

Pellings Report - Canada Estate (Phase 2) 2017/18 QHIP

16. Paragraph 9.7 of the Pellings report includes the following commentary and recommendations:

'The Council must formally acknowledge that leaseholders have been charged on the basis of a project that failed to meet scope, quality, and delivery standards. A financial review should be conducted to determine whether:

- Any recharges should be adjusted to reflect actual delivery quality
- Remedial costs should be excluded from further leaseholder billing
- Contractual retention and framework mechanisms can be activated to recover unjustified overspend'

Management Response

- I. The commentary and recommendations in the Pellings report fail to reflect that it is not just leaseholders who have paid for these works, tenants have paid for the works as well.

- II. As outlined in the TFT's internal review, leaseholders should only be recharged their fair and proportionate cost of works and services that have been delivered and completed to the required standard, as set out in the terms of their respective leases.
- III. The recommendation that recharges should be adjusted to reflect actual service delivery is ambiguous. Any reduction in the legitimate recharges to leaseholders will effectively mean that the Housing Revenue Account (HRA) will pick up the shortfall and, this cannot be right. If the services delivered to leaseholders have been completed to an acceptable standard, there is no need to consider reducing the recharges. If, however, services/works have not been done or have not been done to the required standard, leaseholders could have a legitimate claim for a reduction in the recharges. However, the Council's preferred option in any such cases, is to carry out the necessary remedial works (at no additional cost to leaseholders) to complete the works and achieve the required standard.
- IV. The cost of remedial works would not be recharged to leaseholders and, the provisions of the contract would be used to recover any 'unjustified' additional costs.

17. Paragraph 9.8 of the Pellings report includes the following commentary and recommendations:

'Going forward, the council should ensure that leaseholder recharges are only issued once works have been fully delivered and independently verified. Any further remedial costs arising from the current scheme should be absorbed through retention or contractual remedy—not passed on to residents. Capital programmes must start with complete, scoped designs and be governed through proactive, real-time approvals—not retrospective justification'.

Management Response

- I. The recommendation that leaseholder recharges are only issued once works have been fully delivered and independently verified, is not in accordance with the Council's current processes and procedures and, as such, is not something that the Council can commit to at this stage.

Currently, the Council makes a reasonable estimate of the cost of the works that will be payable by the leaseholder before the commencement of each year and, the leaseholder is required to pay the Council in advance on quarterly payment days. This process is in accordance with Section 19 of the Landlord and Tenant Act 1985 (as amended) and, is provided for within the conditions of the lease.

The Pellings recommendation has merit especially, in that it would reduce contention that leaseholders are paying for works that are either incomplete or, not up to the required standard. However, implementation of the recommendation may have significant financial implications for the Council (especially, potential pressure on the HRA).

The management response, at this stage, is that the Council will review its current position in relation to leaseholder recharges for major works to assess the impact of implementing the Pellings recommendation and whether it is a viable alternative.

Target Date: 31 March 2026

- II. As stated previously, it is agreed that any further remedial costs arising from the current project should be absorbed through the held retention or via a contractual remedy. Remedial costs will not be passed on to residents.
- III. It is also agreed that future major works projects should, wherever possible, start with complete, scoped designs and be governed through proactive, real-time approvals.

Pellings Report – Fair Street/Devon Mansions 2018/19 QHIP

- 18. Paragraphs 9.32 and 9.33 of the Pellings Fair Street/Devon Mansions report includes the same (identical) commentary and recommendations as Paragraphs 9.7 and 9.8 of its Canada Estate (Phase 2) report. As such, the Management Response set out above in Paragraph 12 and 13, equally applies to Paragraphs 9.32 and 9.33 of the Pellings Fair Street/Devon Mansions report.

BACKGROUND DOCUMENTS

Background Papers	Held At	Contact
None		

APPENDICES

No.	Title
Appendix 1	Action Plan
Appendix 2	Case Studies

AUDIT TRAIL

Lead Officer	Hakeem Osinaike, Strategic Director of Housing	
Report Author	Ryan Collymore, Director of Repairs and Maintenance	
Version	Final	
Dated	18 July 2025	
Key Decision?	No	
CONSULTATION WITH OTHER OFFICERS / DIRECTORATES / CABINET MEMBER		
Officer Title	Comments Sought	Comments Included
Assistant Chief Executive, Governance and Assurance	Yes	No
Strategic Director of Resources	No	No
Cabinet Member	No	No
Date final report sent to Scrutiny Team		18 July 2025

APPENDIX 1 ACTION PLAN:
Management Response to Summary of TFT Findings and Recommendations

Common Findings	Recommendations	Page No.	Management Response/Target Date
The procurement process for the projects does not provide for a true assessment of the quality of the tenderer's submission. As such, the award of the contracts was essentially based on price only.	<p>Recommendation 1: Future tenders should be awarded on the basis of the 'most advantageous tender' (MAT) where, the award criteria include a 'true' assessment of quality which, forms an integral part of the tender evaluation and subsequent award of the contract.</p>	10.	<p>Implemented for all future tenders. Completed</p>
The contracts for the projects have not been formalised.	<p>Recommendation 2: For future contracts, processes should be put in place to ensure that, wherever possible, contracts are formalised before works commence on site.</p>	10.	<p>Implemented for all future tenders. Example – recently procured Consultancy Contract. Completed</p>
The Preliminaries document used for the projects is out-of-date.	<p>Recommendation 3: The Preliminaries document used for this project should be reviewed and updated to ensure it remains robust, relevant and fit-for-purpose for future projects of a similar nature.</p>	11.	<p>We are working with our consultant to update and review the Preliminaries document for the Chilton Grove QHIP (Phase 2) project. This will be used as the template for all future projects. Target Date: 31/07/25</p>
The Specification (Materials and Workmanship) document used for the projects requires updating and standardising.	<p>Recommendation 4: The Specification (Materials and Workmanship) document should be reviewed and rewritten to ensure it remains robust, relevant, specific to the scope of works, up-to-date and fit-for-purpose.</p>	11.	<p>We are working with our consultant to update and review the Specification (Materials and Workmanship) document for the Chilton Grove QHIP (Phase 2) project. This will be used as the template for all future projects. Target Date: 31/07/25</p>

APPENDIX 1 ACTION PLAN:
Management Response to Summary of TFT Findings and Recommendations

<p>The Schedule of Rates (SoR) used for the projects is linked and referenced to the LBS' Specification (Materials and Workmanship) document.</p>	<p>Recommendation 5: The Schedule of Rates (SoR) should be reviewed and updated for future projects, to reflect the changes made to the LBS' Specification (Materials and Workmanship) document.</p>	<p>11.</p>	<p>We are working with our consultant to update and review the SoR for the Chilton Grove QHIP (Phase 2) project. This will be used as the template for all future projects. Target Date: 31/07/25</p>
<p>There is no approved Gateway 3 for the contract variation costs for the three projects.</p>	<p>Recommendation 6: On the assumption that it is deemed fit-for-purpose, officers should be instructed that for future projects, the Gateway process must be adhered to. The use of the 'one-page' report should be scrapped to avoid doubt and confusion.</p>	<p>12.</p>	<p>The use of the 'one-page' report has been scrapped and greater control measures have been introduced to monitor, verify and approve variations. Staff have been instructed on their responsibilities under the Gateway process. Completed</p>
<p>Consultancy contracts have no provision for a formal contractual default process. This means that currently, consultants cannot be held meaningfully accountable for the additional cost of the works on a project that it may, at least in part, have been responsible for.</p>	<p>Recommendation 7: Consultancy contracts should be reviewed and amended to ensure that the consultant is held liable for its failings in carrying out its professional duties. This may be in the form of a prescribed formal contractual default process or, some other legally binding agreement. At worst, the consultant must not be in a position where, it can claim fees against the cost of additional works arising from its own failings.</p>	<p>13.</p>	<p>The recently procured JCT Consultancy Agreement (Public Sector), which will be used for consultants for all future major works contracts, provides that consultants will not be entitled to additional fees if such services have not been instructed in writing by the Client (Clause 6.2A, 2.1) and/or, there is a need for additional services due to any act, negligence, omission or default on the part of the</p>

APPENDIX 1 ACTION PLAN:
Management Response to Summary of TFT Findings and Recommendations

			consultant Clause 6.2A, 2.2). In addition, there are KPIs in the contract that the consultants are required to meet. A failure of 3 KPIs within any reporting period will lead to the Council requesting an improvement plan from the consultant. After this, if there is further failure of the 3 KPIs, the Council will be entitled to terminate the contract without prejudice. Completed
There are no clear incentives for consultants to manage the costs of major works projects. If the cost of the works increases, generally, so do the consultants' fees.	Recommendation 8: Future consultancy contracts should be 'incentivised' in a way that the consultant is rewarded for ideas that reduce the cost of the works included in the contract (value engineering options such as alternative design solutions, alternative suppliers/manufacturers etc.)	13.	The incentivisation of future contracts is not straightforward and will require further research. This may be considered on a project-by-project basis. Target Date: 31/3/26
There are concerns with the quality of new window installations and accountability under the FENSA self-certification scheme.	Recommendation 9: The use and suitability of the FENSA self-certification should be reviewed and, if appropriate, additional measures be put in place to improve its validity including, for example, additional independent quality checks during the installation process.	15.	We are in the process of updating the specification for future window replacement projects. We will also be increasing the level of inspections to be undertaken (during and on completion of the works) including, in-house (by our own CoW's) and through

APPENDIX 1 ACTION PLAN:
Management Response to Summary of TFT Findings and Recommendations

			independent bodies where appropriate. This process will be completed in advance of any future window replacement projects. Target Date: 28/11/25
The quality of the new window installations carried out under the Canada Estate project has been raised by several residents.	Recommendation 10: The LBS should consider the outcome of the Pellings LLP overview of the quality of the replacement windows and decide whether a more extensive specialist survey of the installations is required.	16.	Further surveys of the quality of the window installations are required to identify the full extent of the remedial works, as not all properties have been surveyed. This will be needed to inform the ongoing legal negotiations with the contractor. Target Date: 30/09/25
The communications between residents and the LBS' Project Team were tense, challenging and occasionally hostile.	Recommendation 11: The lessons learned from the projects in relation to the breakdown in communications between residents and the LBS' Project Team (in respect of both sides) should be used to inform and improve communications on future projects.	17.	We have introduced robust procedures to ensure the involvement of residents at an early stage and for the duration of future projects. This will help ensure clarity and transparency in all decisions taken in relation to the works. Example – Consort Estate (Fire Safety and Refurbishment). Completed
There is a lack of clarity around the roles of the respective PM and CM. This is particularly pertinent to the	Recommendation 12: The role of the posts in the LBS Project Team (and their respective Job Descriptions) should be reviewed to ensure	18.	The roles of staff for new projects have been reviewed and updated to

APPENDIX 1 ACTION PLAN:
Management Response to Summary of TFT Findings and Recommendations

accountability of the internal Project Team for the management of the project in terms of the performance of the contractor and the CA, the control of budgets and project spend, the authorisation of additional works and representing the interests of residents.	that the postholders have clearly defined responsibilities and accountabilities. Staff should be given the necessary support and training to ensure that they are able to fulfil their roles.		ensure staff can adequately fulfil their roles. Completed
The role of the internal Project Team is crucial to the success of future major works programmes. There are currently gaps in the skill sets of some officers responsible for the management of housing major works projects.	Recommendation 13: A skills appraisal of all staff responsible for the management and delivery of housing major works projects should be undertaken to ensure that staff have the appropriate qualifications and experience to carry out their roles.	19.	We are currently undertaking a skills appraisal of staff involved in the delivery of major works projects. We will soon be carrying out a 'gap analysis' to help us identify training and development needs and start upskilling staff as appropriate. Target Date: 26/09/25
There is an absence of robust, relevant stock condition and other supporting data to inform major works projects.	Recommendation 14: Future major works projects of any kind should be based on priorities emanating from robust stock condition information or, based on regulation relating to the safety of the buildings (including fire) and the residents in them.	19.	The Council has commissioned an independent Stock Condition Survey (SCS) of its social housing stock. This will be used to inform all future major works programmes. The SCS is a four-year project due to be completed March 2029.
Findings Specific to the Canada Estate (Phase 2) 2017/18 QHIP Major Works Project	Recommendations	Page No.	Management Response/Target Date
A considerable length of time has passed since the works included in this project were completed however, the	Recommendation 15: The Council should endeavour to reach an agreement with the contractor on a way forward as soon as possible to	20.	Negotiations with the contractor are ongoing. Target Date: 31/10/25

APPENDIX 1 ACTION PLAN:
Management Response to Summary of TFT Findings and Recommendations

identified defects and remedial works remain outstanding. The Council is currently involved in ongoing discussions with the contractor to agree a way forward.	facilitate the completion of the outstanding defects and related remedial works on the Canada Estate.		
Concerns have been raised that residents continue to climb through the lounge windows in the high-rise blocks to clean their windows.	Recommendation 16: The LBS should write to all residents in Columbia Point and Regina Point to make them aware of the dangers of trying to access the balconies in their homes.	21.	A letter is being prepared and will be sent out to residents upon approval. Target Date: 31/7/25
Some properties in the low-rise blocks suffer from damp and mould problems which, some residents believe is due in part to the poor-quality construction of the cavity walls.	Recommendation 17: The LBS should carry out further inspections of the cavity wall construction to the low-rise blocks on the Canada Estate every two years to monitor potential issues with water penetration and to assess the efficiency of the remedial works undertaken.	24.	This will be monitored through reports received by the Council's Damp and Mould and Repairs Teams. Completed
The LBS had to replace fire resisting front entrance doors to the flats in the two high-rise blocks because, it could not provide the necessary accreditation for the doors that had been replaced in 2010.	Recommendation 18: The LBS must put in place robust processes and procedures to obtain, maintain and retain all necessary documentation for key components such as fire resisting doors. This should include clear 'signposting' processes for all staff involved in the maintenance and repair of the LBS housing stock and clear lines of responsibility.	28.	All documentation is now entered onto 'True Compliance', the Council's new platform for recording and storing relevant fire and safety related documentation. Completed
Significant delays and associated additional costs have been incurred on this project due to the length of time taken to make key decisions affecting the progress of the works.	Recommendation 19: Key issues that will have a significant impact on cost, progress with the works, the LBS' reputation etc, should be prioritised to ensure that decisions are made quickly and efficiently. Project management procedures should be reviewed to provide the necessary guidance and support to staff managing projects in dealing with key issues.	30.	Processes in place: Non -critical variations follow standard GW3 process. Critical/urgent variations – urgent approval from appropriate level of senior management. Retrospective GW3 to follow as soon as possible afterwards. Completed

APPENDIX 1 ACTION PLAN:
Management Response to Summary of TFT Findings and Recommendations

The need for additional consultation with residents has led to significant delays and associated additional costs.	Recommendation 20: The LBS should ensure that there is clarity around the level and scope of consultation with residents (and their representatives) on future major works projects. There needs to be clear guidance on the level of involvement residents can have in the decision-making process and the extent to which they can be involved in the day-to-day management of projects.	30.	Adopting the principles of 'Putting Residents First', we have introduced robust procedures to ensure the involvement of residents at an early stage and for the duration of future projects. This will help ensure clarity and transparency in the decision-making process and help manage resident expectations. Example – Consort Estate Fire Safety/Refurbishment. Completed
Concerns have been raised about the conduct of members of the T&RA and, a considerable amount of bad feeling remains.	Recommendation 21: The LBS should undertake a 'deep dive' audit into the relationship between residents and officers for the duration of this project and, the respective conduct of officers and members of the T&RA.	32.	A Code of Conduct for the T&RA's to be developed by Housing officers and agreed with all T&RAs. A standard format exists in other social housing organisations which, can be easily adopted for use in Southwark, with the agreement of the T&RA's. Target Date: 31/01/26
Findings Specific to the Fair Street/Devon Mansions 2018/19 QHIP Major Works Project	Recommendations	Page No.	Management Response/Target Date
The quality of the concrete works/brickwork repairs carried out under the QHIP is generally inconsistent. The pointing to the external brickwork in places, for example, is sub-standard and is totally	Recommendation 22: Once the extent of the sub-standard work to the concrete/brickwork to the external façade has been identified, the LBS should ensure that the contractor and the CA are held to account for carrying out all necessary	34.	To be carried out as part of the Making Good Defects provision within the contract. Target Date: 31/10/25

APPENDIX 1 ACTION PLAN:
Management Response to Summary of TFT Findings and Recommendations

unsympathetic to the original character of the buildings.	remedial works in accordance with their contractual obligations.		
The flat roof coverings to Block 4 Devon Mansions (Flats 43-54) were replaced and the brick tank rooms on the roof were demolished. Unfortunately, the roof to the block continues to suffer leaks causing distress and disruption to residents.	Recommendation 23: The remedial works to the roof coverings to Block 4 Devon Mansions should be completed urgently and signed off by the CA and the material supplier providing the insurance-backed warranty. The contractor should be held accountable for all damage caused by the leaks and for any claims made against the LBS for damages and/or losses suffered by affected residents.	34.	The remedial works have been completed. There is still some essential improvement work to be completed to prevent further issues of water ingress. Target Date: 29/8/25
	Recommendation 24: All other flat roofs replaced as part of the QHIP works should be thoroughly inspected and signed off by the CA and the material supplier to ensure that the works are up to the required standard and the respective warranties can be issued.	34.	Completed
Arrangements will need to be made to issue Practical Completion (PC) for this project.	Recommendation 25: Before issuing PC, the CA and the LBS should carry out a comprehensive post-inspection process to ensure that all defects and issues with the works are identified and collated into a Schedule of Defects to be served on the contractor. The CA should monitor the remedial works undertaken to ensure that all works are carried out to an acceptable standard within a reasonable timeframe.	35.	This process is underway and the recommendations in the Pellings report will be included. Agreed and underway. Target Date: 28/11/25
The preferred specified methods for access to the blocks of flats in this QHIP project were found to be unsuitable.	Recommendation 26: LBS should ensure that robust processes and procedures are in place before making key decisions on health and safety matters such as the preferred methods for access and working at heights including, risk assessments, options appraisals, and appropriate professional expert advice.	36.	This will be a key consideration for all future Feasibility Studies. The brief for the consultants will be updated to reflect the importance of this recommendation. Target Date: 29/8/25
The CA recommended the use of a 'pilot' block of flats to help inform the	Recommendation 27:	37.	The principle is sound but may not always be

APPENDIX 1 ACTION PLAN:
Management Response to Summary of TFT Findings and Recommendations

<p>scope of the works for this project however, the LBS rejected this proposal.</p>	<p>Wherever possible and appropriate, LBS should endeavour to use 'pilot' blocks/properties for future major works projects especially, on complex sites such as Fair Street/Devon Mansions. Pilots are useful in identifying potential issues, as well as providing opportunities for residents to see how the works will be carried out, the expected quality of the works and the disruption the works may cause. It will also help manage resident expectations.</p>		<p>practical. To be assessed on a project-by-project basis. Completed</p>
<p>There is a lack of available information to evidence the locations and numbers of the concrete and brickwork repair works undertaken on this project.</p>	<p>Recommendation 28: Prior to issuing PC, the CA must obtain, confirm and provide all necessary evidence to justify the cost of the concrete works and brickwork repairs carried out under this QHIP project. The LBS should seek to recover the cost of any unsubstantiated works from the contractor and the CA.</p>	38.	<p>This process is underway and will be completed as part of the Making Good Defects provision within the contract.</p> <p>Target Date: 31/10/25</p>
	<p>Recommendation 29: For future projects, where works such as concrete repairs that will subsequently be covered up (by decoration for example), wherever possible, there should be robust systems in place to accurately photograph and record the location, scope, and quantity of the works to facilitate a robust audit trail.</p>	38.	<p>This will be a key consideration for all future Feasibility Studies. The brief for the consultants will be updated to reflect the importance of this recommendation.</p> <p>Target Date: 29/8/25</p>
<p>The remaining manufacturer's warranty for the flat roof coverings to Blocks 4 and 5 Devon Mansions was found to have been invalidated by the LBS' failure to adequately maintain the roofs in accordance with the requirements of the warranty.</p>	<p>Recommendation 30: To ensure that the cost and purpose of manufacturer's warranties is justified, the LBS should ensure that robust processes and procedures are in place to maintain the warranties in accordance with the warranty provisions. This includes clear 'signposting' processes for all staff involved in the maintenance and repair of the LBS housing stock and, robust procedures for making claims under the warranty, with clear lines of responsibility.</p>	39.	<p>There is a clear signposting (flag) system in place but, it is currently not achieving its full potential. Procedures are being developed to ensure relevant staff understand the system, use it and keep it updated.</p> <p>Target Date: 31/10/25</p>
<p>The TFT was unable to establish why officers were instructed to use Langley</p>	<p>Recommendation 31: The use of nominated or sole providers of services, supplies, goods etc should be reviewed to ensure that there are</p>	40.	<p>The future use of nominated or sole providers of services,</p>

APPENDIX 1 ACTION PLAN:
Management Response to Summary of TFT Findings and Recommendations

<p>products for all future flat roof replacement projects).</p>	<p>tangible benefits to the LBS in their application. There should be a register of nominated or sole providers that is accessible to all officers with procurement responsibilities. All such arrangements should be validated and approved by the Procurement Team and notified to the relevant committees.</p>		<p>supplies, goods etc will be strictly in accordance with the Council's Procurement Regulations. Any decisions taken around sole providers will be appropriately evidenced, approved, registered and documented.</p> <p>Completed</p>
<p>Residents expressed concerns that reports they made of serious breaches of health and safety during the project were ignored.</p>	<p>Recommendation 32: All reports and incidents of breaches of health and safety should fully investigated and documented, with appropriate action taken (with due regard to the appropriate legislation) to prevent further recurrence. An audit trail of all incidents should be maintained on site and included in the project documentation.</p>	<p>41.</p>	<p>The Council, its consultants and contractors have legal obligations in respect of breaches of health and safety. The Council will ensure these obligations are met through robust site processes and procedures including random site health and safety audits.</p> <p>For all projects, health and safety issues must be recorded at site level.</p> <p>Health and safety is a standing item on the agenda for the monthly site progress meetings.</p> <p>Completed</p>
<p>Several tenants in Devon Mansions were told that their kitchens and bathrooms would be upgrades as part of the QHIP project. All internal works</p>	<p>Recommendation 33: The LBS should write to tenants in Devon Mansions who were previously told that their kitchens and bathrooms would be upgraded to inform them of the current position.</p>	<p>42.</p>	<p>The Assistant Director Planned Maintenance has written to residents across the borough to inform</p>

APPENDIX 1 ACTION PLAN:
Management Response to Summary of TFT Findings and Recommendations

to the flats in Devon Mansions were omitted but, tenants do not appear to have been informed of this.			them of the suspension of the QHIP. Completed
Structural defects to the stair core landings to blocks in Devon Mansions identified in 2018 have not been addressed. There is a potential risk to the structural integrity of the stair core landings in Devon Mansions and, a potential risk to the safety of residents in the blocks.	<p>Recommendation 34: The LBS should review the position with the structural defects to the stair core landings to the flats in Devon Mansions and develop an Action Plan for any subsequent interim and long-term remedial works.</p>	42.	<p>The Council has commissioned structural surveys of all the stair core landings to the blocks in Devon Mansions to identify the full extent of the problem and the necessary remedial works. The completion of this survey and the subsequent remedial works identified will address this recommendation.</p> <p>Target Date: 31/10/25</p>
Devon Mansions requires significant future investment to bring the buildings up to the required standard. A piecemeal approach to future major and planned maintenance works to Devon Mansions would be a mistake.	<p>Recommendation 35: The LBS should take a 'holistic' approach to future works at Devon Mansions and develop an overarching asset management strategy for its future maintenance and investment needs.</p>	43.	<p>A Working Group of senior managers from various teams in Housing has been set up to review the various issues the Council is facing at Devon Mansions.</p> <p>The Working Group will be submitting a report to the Housing Senior Management Team on the various options for addressing the current issues.</p> <p>Target Date: 28/11/25</p>
Some residents on the Kirby Estate have complained about problems with	<p>Recommendation 36:</p>	46.	This recommendation has been implemented.

APPENDIX 1 ACTION PLAN:
Management Response to Summary of TFT Findings and Recommendations

damp and mould which, some of the attribute to the impact of the replacement windows.	For all future major works projects, residents should be given a copy of the LBS Damp and Mould Advice and Guidance leaflet.		Completed
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APPENDIX 2 – CASE STUDIES

Case Study 1

Contract Title:

JCT Consultancy Agreement (Public Sector)

Contract Value:

£1.9million

Scope:

This recently procured contract is to be used for all future agreements between the Council and its appointed specialist consultants appointed to help the Council deliver future major works projects.

TFT Recommendation 7:

Consultancy contracts should be reviewed and amended to ensure that the consultant is held liable for its failings in carrying out its professional duties. This may be in the form of a prescribed formal contractual default process or, some other legally binding agreement. At worst, the consultant must not be in a position where, it can claim fees against the cost of additional works arising from its own failings.

Management Response:

Provision has been made in the terms and conditions of this newly procured contract that will ensure that consultants will be held liable for their failings in carrying out their professional duties.

Clause 6.2A (2.1): Consultants will not be entitled to additional fees if, such services have not previously been instructed in writing by the Client.

Clause 6.2A (2.2): Consultants will not be entitled to additional fees if, there is a need for additional services due to any act, negligence, omission or default on the part of the consultant.

In addition to the above, a comprehensive suite of Key Performance Indicators (KPI's) has been included in the contract conditions that the consultants are required to meet. If the consultant fails to achieve the required level of performance in any three of the KPI's within a reporting period, the consultant will be required to provide the Council with an Improvement Plan setting out how it will remedy its poor performance. If there is a further failure of the three KPI's, the Council will be entitled to terminate the contract without prejudice.

Summary

The changes made to the terms and conditions of the new consultancy contract will provide for greater transparency and improved consultant performance and will go some way to addressing the issues raised by the TFT.

APPENDIX 2 – CASE STUDIES

Case Study 2

Contract Title:

Consort Estate – Fire Safety and Refurbishment Works

Contract Value:

£14million

Scope:

Fire safety and planned refurbishment works to the Consort Estate which includes the following:

- external envelope repairs
- asbestos removal
- Fire Risk Assessment (FRA) works
- kitchen and bathroom renewals

TFT Recommendations:

Where appropriate and applicable, several of the recommendations from the TFT outcome report have been implemented for this contract, which commenced in May 2025. Some examples are set out below:

TFT Recommendation 2:

For future contracts, processes should be put in place to ensure that, wherever possible, contracts are formalised before works commence on site.

Management Response:

The contract for this project was formalised before work commenced under the provisions of the existing Partnering Contract.

TFT Recommendation 7:

Consultancy contracts should be reviewed and amended to ensure that the consultant is held liable for its failings in carrying out its professional duties. This may be in the form of a prescribed formal contractual default process or, some other legally binding agreement. At worst, the consultant must not be in a position where, it can claim fees against the cost of additional works arising from its own failings.

Management Response:

Provision has been made in the terms and conditions of the consultancy contract to ensure, wherever possible, that site instructions issued by the consultant are fully costed to ensure that the financial implications for the contract are highlighted immediately.

All site instructions must be countersigned by the Council's own Project Manager (PM), to ensure that not only is there a clear audit trail, but the PM is aware and has oversight of the instructions being issued and their financial implications and, if necessary, can challenge the consultant on the decisions taken.

APPENDIX 2 – CASE STUDIES

TFT Recommendation 11:

The lessons learned from the projects in relation to the breakdown in communications between residents and the LBS' Project Team (in respect of both sides) should be used to inform and improve communications on future projects.

Management Response:

For this project, new processes were introduced to encourage and promote greater transparency and resident engagement and involvement including:

- meetings were held with leaseholder representatives and the ward councillors to go through the specification and costs of works.
- for transparency, information was shared with residents to demonstrate why the works are necessary and how the costs were arrived at. The resident representatives have indicated that they are happy with how the project is progressing to date.
- the TRA representatives are invited to attend the monthly progress meetings and minutes of the meetings are shared with them.

TFT Recommendation 12:

The role of the posts in the LBS Project Team (and their respective Job Descriptions) should be reviewed to ensure that the postholders have clearly defined responsibilities and accountabilities. Staff should be given the necessary support and training to ensure that they are able to fulfil their roles.

Management Response:

The roles of the Contract Administrator, Project Manager, Contract Manager and Clerk of Works have been clearly identified, discussed and agreed with the relevant postholders. All Council staff involved in the delivery of this project are included in meetings and site visits and some, are partly based on site so they are close to the works and the residents.

TFT Recommendation 13:

A skills appraisal of all staff responsible for the management and delivery of housing major works projects should be undertaken to ensure that staff have the appropriate qualifications and experience to carry out their roles.

Management Response:

A Skills Matrix of the Planned Maintenance Team has been carried out to ensure that staff allocated to this project have the necessary skills and experience to fulfil their respective roles.

In addition, a Learning & Development Manager has been allocated to the Planned Maintenance Team to assist in identifying skills gaps and identifying appropriate training. A budget for the necessary training is being sought.

TFT Recommendation 18:

The LBS must put in place robust processes and procedures to obtain, maintain and retain all necessary documentation for key components such as fire resisting doors. This should include clear 'signposting' processes for all staff involved in the maintenance and repair of the LBS housing stock and clear lines of responsibility.

APPENDIX 2 – CASE STUDIES

Management Response:

For this project (and all other future projects), all documentation must be entered on to ‘True Compliance’, the Council’s new platform for recording and storing relevant fire and safety related documentation.

TFT Recommendation 19:

Key issues that will have a significant impact on cost, progress with the works, the LBS’ reputation etc, should be prioritised to ensure that decisions are made quickly and efficiently. Project management procedures should be reviewed to provide the necessary guidance and support to staff managing projects in dealing with key issues.

Management Response:

Provision has been made in the terms and conditions of the consultancy contract to ensure, wherever possible, that site instructions issued by the consultant are fully costed to ensure that the financial implications for the contract are highlighted immediately.

All site instructions must be countersigned by the Council’s own Project Manager (PM), to ensure that not only is there a clear audit trail, but the PM is aware and has oversight of the instructions being issued and their financial implications and, if necessary, can challenge the consultant on the decisions taken.

TFT Recommendation 27:

Wherever possible and appropriate, LBS should endeavour to use ‘pilot’ blocks/properties for future major works projects especially, on complex sites such as Fair Street/Devon Mansions. Pilots are useful in identifying potential issues, as well as providing opportunities for residents to see how the works will be carried out, the expected quality of the works and the disruption the works may cause. It will also help manage resident expectations.

Management Response:

For this project, a pilot block has been identified and, once the scaffolding has been erected and the intrusive surveys undertaken, the findings and subsequent works identified will be shared with the TRA and a decision of which works to include on the rest of the blocks will be taken in consultation with residents.

Summary

The above case study demonstrates that many of the recommendations made in the TFT outcome report have been implemented for this new project. Early indications are that the changes that have been made are beneficial and are helping promote greater resident involvement and improved service delivery.

Agenda Item 7

Meeting Name:	Housing Scrutiny Commission
Date:	28 July 2025
Report title:	Housing Scrutiny Commission Work Programme 2025-2026
Ward(s) or groups affected:	N/a
Classification:	Open
Reason for lateness (if applicable):	No
From:	Scrutiny Officer

RECOMMENDATION

1. That the Housing Scrutiny Commission agrees its work programme for the 2025-26 municipal year.

BACKGROUND INFORMATION

2. The general terms of reference of the scrutiny commissions are set out in the council's constitution (overview and scrutiny procedure rules - paragraph 5). The constitution states that:

Within their terms of reference, all scrutiny committees/commissions will:

- a) review and scrutinise decisions made or actions taken in connection with the discharge of any of the council's functions
- b) review and scrutinise the decisions made by and performance of the cabinet and council officers both in relation to individual decisions and over time in areas covered by its terms of reference
- c) review and scrutinise the performance of the council in relation to its policy objectives, performance targets and/or particular service areas
- d) question members of the cabinet and officers about their decisions and performance, whether generally in comparison with service plans and targets over a period of time, or in relation to particular decisions, initiatives or projects and about their views on issues and proposals affecting the area
- e) assist council assembly and the cabinet in the development of its budget and policy framework by in-depth analysis of policy issues

- f) make reports and recommendations to the cabinet and or council assembly arising from the outcome of the scrutiny process
- g) consider any matter affecting the area or its inhabitants
- h) liaise with other external organisations operating in the area, whether national, regional or local, to ensure that the interests of local people are enhanced by collaborative working
- i) review and scrutinise the performance of other public bodies in the area and invite reports from them by requesting them to address the scrutiny committee and local people about their activities and performance
- j) conduct research and consultation on the analysis of policy issues and possible options
- k) question and gather evidence from any other person (with their consent)
- l) consider and implement mechanisms to encourage and enhance community participation in the scrutiny process and in the development of policy options
- m) conclude inquiries promptly and normally within six months

4. The work programme document (Appendix 1) lists those items which have been or are to be considered in line with the committee's terms of reference.

KEY ISSUES FOR CONSIDERATION

3. The Housing service areas that fall within the scope of the Housing Scrutiny Commission are:

- Housing Needs and Support – focused on supporting residents with accessing housing and tackling homelessness.
- Landlord Services – which include Area Management (north, south and central), Resident Involvement and Tenancy Management and TMOs.
- Southwark Construction – responsible for delivering the council's new homes programme.
- Repairs and Maintenance – includes Building Safety and Compliance, Commercial and Contract Management, Planned Maintenance and Responsive Repairs.

4. The commission has within its remit the cabinet portfolio elements listed below:

Council Homes (Councillor Sarah King)

- **Delivering Southwark's Good Landlord Plan** - to provide better homes, better estates and a stronger voice for tenants and leaseholders
- **Management of the council's homes** – including council homes, sheltered and extra care homes, council owned temporary accommodation, high needs hostels and homes and sites for Gypsy, Roma and traveller communities
- **Housing allocations** – lettings policy and allocation policy. Allocation of council, social rent and key worker homes to Southwark residents, supporting them to find a home the right size for their needs
- **Residents' involvement and services** - including services and advice for council tenants, leaseholders and freeholders and support for Tenants and Resident Associations and Tenant Management Organisations, including Getting Involved Grants
- **Housing maintenance** - including repairs* and major works; heat networks; communal repairs*; gas and electrical safety and refurbishment of empty council homes
- **Fire safety** - ensuring council homes meet fire safety standards and leading the council's work on fire safety, cladding and remediation for private sector and housing association residential buildings
- **Tenants and residents' halls** - including their maintenance, ongoing improvement and ensuring they are the best possible facilities for residents of our estates and broader community

* The Customer Relationship Management function of housing repairs sits within the remit of the Environment, Community Safety and Engagement Scrutiny Commission, the operational function sits within the remit of the Housing Scrutiny Commission.

New Homes and Sustainable Development (Councillor Helen Dennis)

- **New council homes** – the council's work to build thousands of new council homes; including new council homes for older people; net-zero homes; and working with the Cabinet Member for Council Homes to deliver new council homes on the Aylesbury, Tustin, Ledbury and Abbeyfield estates
- **New affordable homes** – including housing association social rent homes; keyworker homes; community land trusts and housing cooperatives; homes for refugees; and temporary accommodation.
- **Homelessness** – Including support for people who are at risk of being or who become homeless; working to end rough sleeping; securing good quality temporary accommodation; and establishing the council's Good Lettings Agency
- **Empty homes and short-term lets** – including the council's Empty Homes Action Plan; tackling empty homes across the private rented sector
- **Renewal of the Aylesbury, Tustin, Ledbury and Abbeyfield estates** -

working with residents to deliver new and improved homes and estates

Supported Housing (Councillor Sam Dalton)

- **Supported Housing Strategy** – Setting out the future provision of supported housing for older people, people with disabilities and vulnerable people

5. Set out in Appendix 1 are the dates of the Housing Scrutiny Commission for 2025-26 municipal year and any items identified for consideration prior to this meeting.
6. The work programme is a standing item on the Housing Scrutiny Commission agenda and enables the Commission to consider, monitor and plan issues for consideration at each meeting.

BACKGROUND DOCUMENTS

Background Papers	Held At	Contact
None		

APPENDICES

No.	Title
Appendix 1	Housing Scrutiny Commission Work Programme 2025-2026

AUDIT TRAIL

Lead Officer	Everton Roberts, Head of Scrutiny	
Report Author	Adam Wood, Scrutiny Officer	
Version	Final	
Dated	16 July 2025	
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 of Resources	No	No
Cabinet Member	No	No
Date final report sent to Scrutiny Team	16 July 2025	

Housing Scrutiny Commission Work Programme 2025-2026

Meeting	Agenda items	Comment
28 July 2025	Devon Mansions and Canada Estate Major Works	To receive reports relating to Major Works on the Devon Mansions and Canada Estate and to hear from resident representatives from these estates.
	Housing Scrutiny Commission Work Programme 2025-2026	To consider the Work Programme for the 2025-2026 municipal year.
Upcoming Meetings	Agenda Items	Comment
21 October 2025 2 December 2025 4 February 2026 5 March 2026	To be confirmed / scheduled	Housing Scrutiny Commission to agree its 2025 – 2026 Work Programme at the 28 July meeting

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HOUSING SCRUTINY COMMISSION

MUNICIPAL YEAR 25/26

AGENDA DISTRIBUTION LIST (OPEN)

NOTE: Original held by Scrutiny Team; all amendments/queries to Adam Wood Tel: 020 7525 0265

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Councillor Jason Ochere (Chair) Councillor Emily Tester (Vice-Chair) Councillor Barrie Hargrove Councillor Ketzia Harper Councillor Richard Livingstone Councillor Catherine Rose Councillor Jane Salmon		Oliver Bradfield – Liberal Democrat Group Office	
Co-opted Members Bassey Bassey, Southwark TMO Ina Negoita, Homeowners Forum Althea Smith, Tenants Forum		Everton Roberts – Head of Scrutiny Adam Wood – Scrutiny (Spares)	10
RESERVES Councillor Sunil Chopra Councillor Ellie Cumbo Councillor Adam Hood Councillor Laura Johnson Councillor Hamish McCallum Councillor Bethan Roberts Councillor Kath Whittam		Dated: July 2025	