

Item No. 5.	Classification: Open	Date: 29 November 2023	Meeting Name: Overview and Scrutiny Committee
Report title:		Devon Mansions Major Works – Scrutiny of Major Works Delivery	
Ward(s) or groups affected:		London Bridge and West Bermondsey	
From:		Desmond Vincent AD Building Safety and Major Works	

Recommendations

1. To note concerns highlighted following project review and concerns raised at RPG.
2. To note proposals by way of next steps to address concerns highlighted within this report, including time frames.

Background Information

3. Devon Mansions forms part of the 2020/23 Quality Homes Investment major works programme. Devon Mansions is made up of 21 blocks located in the London Bridge and West Bermondsey area.
4. The scope of works consisted of : -

S/No	Scope of Works - QHIP
1	Scaffolding and External Works
2	Concrete Works/Brickwork Repairs
3	Kitchens (those that meet the 20 year and above criteria)
4	Bathrooms (those that meet the 30 year old criteria)
5	Other Rooms
6	Mechanical and Electrical Works
7	Windows/Doors
	Asbestos Removal
9	FRA Works
10	External works and decorations
11	Roofing Repairs & Renewal

5. A Gateway 2 Report was approved on 6 April 2020, awarding Equans Ltd (formerly Engie) as the contractor to deliver the scope of works in table 1 above for the sum of £5,622,382, plus 5% contingency of £281,119.00 for unforeseen works making the total contract value £5,903,501.00.

6. Calford Seaden were commissioned to manage the project on behalf of the council to undertake: -
 - Review initial scope to ensure suitable feasibility in place to achieve QHIP criteria.
 - Prepare valuations for payment to Equans for works completed each month.
 - Ensure the quality of work undertaken and reported by contractor as complete are delivered to the correct standards.
 - Ensure the correct labour on site and ensuring that the Engie progresses with the works regularly and diligently.
 - All delays recorded and reported on risk register with clear owners of these risks
 - Capture any changes to the scope of works and present in cash flow forecasts and reports.
 - Monitor and report on the contractor's performance including health and safety matters
 - Manage any statutory elements within the scope of works
 - Issue any Payless certificates (reduction in payment for poor works) or default Notices (early warning of failed service delivery such as poor workmanship or insufficient labor to complete project on time.
7. The contract started on the 3 of August, 2020 with Equans, which incorporated site set up. The contract commenced on the 28 September 2020.
8. The contractual completion was set for 1st November, 2021.
9. The contract was extended for 102 weeks and forecasted completion date scheduled for the 20th of October, 2023.

Key Issues for Consideration.

Project Scope and Budget Increase

10. New AD of Building Safety and Major works objective to: -
 - Review the Major Works service: -
 - Make recommendations on service improvements and training.
 - Performance manage where applicable
 - Recruit new Head of Major Works

- Internal Quantity Surveyor to form part of the negotiations on final account

11. The AD has undertaken and reported to the council the following:

- Following on from the Major Works Service review, the next steps are the implementation of the recommendations from the review.
- Recruited new Head of Major Works.
- Complete review of the Devon Mansions Project
- Consultant and contractor to be made more accountable for the services they render
- The Council to undertake 'simple works' in-house to reduce consultant costs and impact on HRA.
- Internal and external Continued Professional Development has commenced to improve competencies.
- New Major Works Handbook developed to ensure consistency in approach to projects.
- Performance management of staff has commenced and continues
- Enhanced financial governance to a much higher threshold to challenge overspending through recruitment of in-house Quantity Surveyors.
- Better consultation and transparency for new schemes
- Higher degree of challenge on feasibilities commenced by Scrutiny Board commissioned by Director of Asset Management.
- Stronger Contract Administration commenced on monthly internal meetings to challenge delivery and report on status.
- Completion of newly appointed Head of Major Works
- Completion of Chartered RICS surveyor acting as Discovery Lead on high risk legacy projects.
- The Major works team has 29 projects on site this financial year and 4 out of the 29 projects are on the risk register.

12. The Head of Major Works is undertaking the commission of an Independent consultancy to review the entire project.

13. All leasehold bills have been suspended until the Independent Review is completed.

14. Calfordseaden & Equans have been called into senior Director Communication on the poor standard of the project. Outcomes to be reported on a later date once agreement to next steps have been made.

15. On completion of Independent Review recommendations on compensation will be considered.

16. Building Safety Relations Manager to have oversight on communication of project relating to response times and quality of response.

A. Next steps and timetables

S/N	Next Steps	Target Date
1	Equans has advised that they will remedy all outstanding snagging queries relating to their works before practical completion is issued at the end of November.	Practical completion is scheduled but may not be issued based on the scale of defects.
2	Updates with Lead Members and Cllrs	Scheduled for 23 rd November.
3	Continued engagement with the RPG until agreed recommendations from Independent Surveyor are actioned and completed.	Continued engagement sought with the RPG/TRA.
4	Better engagement between LBS and TMO on repairs - drainage and damaged rodent nets for resolution. TMOs repairing responsibilities, which are not part of the major works.	TMO will be invited to Scrutiny. Major Works separating on going repair matters and environmental matters such as pest control from the recent major works to set out clear lines of ownership and delivery.
5	Continued engagement with the LFB on project.	Fire Eng. has advised that there are no actions or Notices from LFB
6	Internal Quantity Surveyor to form part of the negotiations on final account	Agreed.
7	Building Safety Programme to undertake Type 4 FRA surveys.	The surveys are scheduled for January 2024. Residents will be contacted in December.
8	Zoom meetings for RPG/TRA	Reinstated
9	Concrete deterioration identified in localized areas to date.	Structural surveys have been commissioned and completed. Recommendations to form part of next steps. In the interim additional protection to be put in place to flats affected. This will be undertaken week commencing 20 th November.

10	On completion of remedial actions a report is brought back to scrutiny	TBC
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