

HOUSING AND COMMUNITY SAFETY SCRUTINY SUB-COMMITTEE

Fire Safety Works at Canada Estate
Scrutiny Report and Recommendations

November 2011



1. Background to and purpose of the review

- 1.1 Columbia Point and Regina Point are two blocks of council flats on the Canada Estate. The flats house a combination of council tenants and leaseholders.
- 1.2 As a result of a fire safety assessment in October 2009 some substantial remedial works were identified. A major works procurement process was begun to identify suitable contractors to undertake this work.
- 1.3 Before a contractor was identified or any work commenced, two fire safety notices were issued to the council relating to Columbia Point and Regina Point with a deadline of 17 August 2010 by which work had to be completed to avoid legal action.
- 1.4 The purpose of the scrutiny review was to
 - establish what happened next, which led residents of the estate to request a scrutiny review into the works which were still not completed in February 2011 when this scrutiny began
 - make some recommendations for change

2. How the evidence was collected

- 2.1 In January 2011, concerns around works at Canada Estate were brought to the attention of the chair of the housing and community safety scrutiny sub-committee in an e-mail which outlined events from a resident/leaseholder perspective.
- 2.2 On 8 February 2011 a meeting was held between the chair and vice-chair of the sub-committee and Michael Robertson, a leaseholder resident from the Canada Estate, to clarify the main issues and concerns.
- 2.3 A report was commissioned from council officers, including
 1. The process followed in order to award the work to the contractor
 2. An assessment of the quality of the work so far
 3. Details of the cost of the work
 4. An update on the current state of the work
 5. Details of communications between Southwark and the contractor as the works progressed
 6. Details of communications between Southwark and residents of the estate about any reported problems with the works
- 2.4 A verbal evidence session was held at a meeting of the housing and community safety scrutiny sub-committee on Tuesday 2 July 2011, where the issues were discussed. Staff from the housing department and representatives from the Canada Estate attended this discussion.

- 2.5 Council staff members who gave evidence at this session were: Gerri Scott, strategic director of housing; David Lewis, head of asset management and investment planning; Tony Hunter, health and safety manager; and Louise Turff, service charge construction manager.

3 Sequence of events

- 3.1 In the aftermath of the fatal fire in the Lakanal housing block in July 2009, the council undertook to carry out fire safety reviews of all residential blocks over seven stories high.
- 3.2 A fire risk assessment of Columbia Point on the Canada Estate was carried out in September/October 2009 by the consultants Turner Townsend, which identified some necessary remedial work.
- 3.3 As a result of the fire risk assessment, the process of procuring major works began, including serving Section 20 (S20) notices, giving notice of the intention to undertake major works, on the leaseholders of both Columbia Point and Regina Point December 2009.
- 3.4 On 22 February 2010, London Fire and Emergency Planning Authority (LFEPA) served two notices of fire safety work necessary at both Columbia Point and Regina Point. These notices included a requirement that the works should be undertaken by 17 August 2010.
- 3.5 The fire safety notification brought new urgency to the work required on the estate which meant that the usual procurement procedures would have taken too long. As Standage already operated for the council as “voids” contractors it was legally permissible to appoint them to do this work. This resulted in the appointment of contractors Standage to undertake the work on 17 May 2010 without consultation with residents over who would undertake the work.
- 3.6 The essential work identified by LFEPA was completed by the deadline. LFEPA inspected the blocks on 16 August 2010 and confirmed their satisfaction in writing on 8 September 2010.
- 3.7 There were other associated works taking place on the estate which were not completed in this timescale, and at the time of a joint inspection on 7 January 2011, a number of issues were identified which still needed to be resolved.
- 3.8 A further joint inspection took place on 17 May 2011 at which it was confirmed that the outstanding issues had been resolved and the work was considered complete.

4 What went wrong?

Procurement process

- 4.1 Following the receipt of the Turner Townsend fire safety report, the council's housing department started to make arrangements for the repairs work to be done, including starting the process of procuring an appropriate contractor to undertake the work and issuing S20 notices to leaseholders.
- 4.2 When the need to complete the work became urgent and the council had a short deadline to complete the fire safety works it was not possible to complete the usual procurement process.
- 4.3 As a matter of expediency the contractors Standage who already held a "voids" contract with the council were contracted to do the work. This arrangement superseded the S20 consultation and appointment process, but the council failed to explain and communicate the new arrangements to residents.
- 4.4 Effective communication with leaseholders was not prioritised as it should have been. Instead, the minimum necessary communication to meet statutory requirements was undertaken.

Urgent work rather than planned and quality controlled repairs and maintenance

- 4.5 The work at Canada Estate had to be undertaken urgently to comply with fire safety standards. Before the council's fire safety assessment was undertaken there were no immediate plans for planned maintenance and repairs work.

As identified in the Turner Townsend report:

"Several of the issues identified in this report are the result of poor workmanship or a failure to hold contractors to specification. By introducing tighter controls on contractors in respect of fire, it would be possible to address some of these key issues without having to spend large amounts of money." (Turner Townsend report).

- 4.6 If the council had undertaken planned and effectively quality controlled work at the estate over a period of years, the urgent works may not have been necessary.

Quality of work

- 4.7 Standage contractors completed the necessary fire safety works within the set timescale but there were concerns over the quality of the work.
- 4.8 This raises queries over the contract monitoring processes and also calls into question whether Standage were the most appropriate contractor to undertake the work.
- 4.9 The quality of other associated works was also poor, leading to a very drawn out process with works only completed to the required standard in May 2011.

During this process some seventy-two complaints were made to the tenants and residents association who were acting as a conduit for complaints.

Contract management

- 4.10 The council followed its usual arrangements for contract management including monthly meetings between the contractor and the council.
- 4.11 These arrangements did nominally include local residents but the meetings were not held at times when it was possible for them to attend. This was a mistake and more effort should have been made to accommodate resident representatives.
- 4.12 The contract management that was in place was clearly not effective enough.

Communication and consultation with residents

- 4.13 Once the fire safety works were taken out of the S20 process there was a lack of effective proactive communication with residents.
- 4.14 This was confirmed in the evidence given by the strategic director of housing.
- 4.15 In addition to meeting the fire safety standards, there was a further variation to the contract to install suitable venting. This was not communicated to or discussed with residents.
- 4.16 This led to a situation where leaseholders were not fully aware of why they were being charged so much for the work and why the S20 process was started but aborted.
- 4.17 Tenants representatives pointed out during the scrutiny process that the costs of works being carried out on the estate were only shared with leaseholders. As the cost of major works comes from the housing revenue account (HRA), the sub-committee sees no reason why the same information about costs shared with leaseholders should not also be shared with tenants.

5. Conclusions and recommendations

- 5.1 There were clearly some exceptional and unusual circumstances around the fire safety works at the Canada Estate. However the scrutiny process has revealed a number of issues around major works procurement and management which could also apply to all future repairs works of the council.
- 5.2 To improve the way major works contracting is handled in the future, the housing and community safety sub-committee makes the following recommendations.
 - 1. A process/procedure understood by officers and contractors should be developed and followed which enables residents (both tenants and leaseholders) to be kept informed of and consulted effectively in the major works procurement. This should include but not be limited by the legal Section 20 requirements.
 - 2. The sub-committee has found evidence of poor communications with residents. As part of the project management process for all major works

in the future there should be a clearly understood procedure for communication with residents before and during works of this nature. These arrangements should not rely upon casual discovery of information from contractors or contract managers.

3. Where there are changes to expected works during the delivery phase the cabinet member should take steps to ensure that these are communicated to affected residents in a sensitive and timely fashion.
4. Stringent contract management arrangements should be put in place for the future, including detailed delivery timetables and quality expectations. The pro-active management of these contracts must be more rigorously pursued. Penalties should be introduced for contractors who fail to meet these more stringent requirements.
5. The breakdown of costs on major works is currently only shared with leaseholders. As the cost of major works comes from the Housing Revenue Account, the sub-committee recommends that the same information on costs shared with leaseholders should also be shared with tenants.