

<b>Item No.</b> 9.	<b>Classification:</b> Open	<b>Date:</b> 23 October 2012	<b>Meeting Name:</b> Cabinet
<b>Report title:</b>		Update on actions arising from the Housing and Community Safety Scrutiny Sub-Committee on the Fire Safety Works at Canada Estate	
<b>Ward(s) or groups affected:</b>		All	
<b>From:</b>		Councillor Ian Wingfield, Deputy Leader and Cabinet Member for Housing Management	

### **FOREWORD – COUNCILLOR IAN WINGFIELD, DEPUTY LEADER AND CABINET MEMBER FOR HOUSING MANAGEMENT**

In January 2011, concerns around works at Canada Estate were brought to the attention of the Chair of the Housing and Community Safety Sub-Committee by residents following which a review was commissioned.

I was very pleased that the Housing Scrutiny Committee considered this matter with due diligence, determination and in great detail. It took evidence from a wide range of relevant parties and gave due consideration to the exceptional and unusual circumstances around the fire works at the Canada Estate that were carried out in the aftermath of the fatal fire in Lakanal in July 2009.

On 20 March 2012 I presented a report that outlined actions to address the findings and recommendations of the Housing Scrutiny Committee. I am now delighted to present an update to that report which provides examples of how changes to the way we work and deliver the Warm Dry Safe programme have been implemented to address the action points and findings of the Housing Scrutiny Committee following its report on the Canada Estate works.

I am pleased that the actions which have been implemented are making a difference but we remain vigilant as the true test will be once we have received further feedback from residents and compared our outturn performance against those milestones and targets established at the start on completed schemes. Monitoring and feedback from residents and officers alike on these key performance targets are integral to our operations and will be reported as we proceed.

The Major Works team recognises that there is still a considerable amount of confidence building to regain the trust of residents and to ensure that the programme is delivered on time, to budget and to a standard that meets residents' expectations. However I believe that we have made a good start and the growing culture change and new processes that have been implemented provide a solid foundation to deliver our aims in the future.

## RECOMMENDATION

1. Cabinet to note the update and actions arising from the Housing and Community Safety Scrutiny sub-committee's investigation into the Fire Safety Works at Canada Estate.

## BACKGROUND INFORMATION

2. Following concerns raised by residents and leaseholders which were brought to the attention of the Chair of the Housing and Community Safety Scrutiny Sub-Committee, it was agreed that the committee would carry out a review into the Fire Safety Works at Canada Estate. The review focused on:
  - the award of the contract
  - the quality of the work
  - the cost of the work
  - the current state of the work
  - communication between the council and the contractor as the works progressed
  - communication between the council and residents of the estate about any reported problems with the works
3. In November 2011, the Housing and Community Safety sub-committee completed its investigation. Overview and scrutiny committee considered and agreed the final scrutiny report at its meeting on 14 November 2011. The report was presented to Cabinet by the Cabinet Member for Housing on 13 December 2011 where it was resolved that the Cabinet Member would report back in more detail to a future meeting.
4. A further report was presented to Cabinet on the 20 March 2012 which detailed the actions in response to the Housing and Community Safety Scrutiny Sub-Committee.

## RECOMMENDATIONS FROM SUB-COMMITTEE/ACTIONS

5. The sub-committee recognised that there were some exceptional and unusual circumstances around the fire safety works at the Canada Estate; however the sub-committee in its recommendations identified a number of issues around major works procurement and management which should be addressed in all future major works schemes.
6. The sub-committee made 5 recommendations; the actions taken so far against these recommendations are set out below.
  - a) **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.**

Response and actions

As part of our work on Local Offers we developed a new consultation process called Putting Residents First. Every new scheme started since April 2012 has followed the principles and processes of Putting Residents First.

The 27 point plan of Putting Residents First provides a template for officers, contractors and consultants that sets out very clearly in stages how, from inception to completion, we and our partners will work with residents to deliver major works to their homes.

Key to this consultation is establishing a Residents' Project Team for each major partnering works project. All residents are informed about the Project Teams when they are invited to the first consultation meeting. This has proved more problematic on our street properties programme where properties are dispersed. To tackle this issue we have split the street property programme into 5 geographic areas and will invite residents within these areas to set up localised Residents Project Teams.

The Project Team is established at the first consultation meeting and will meet regularly, usually monthly, until the end of the project.

Any TMO, Tenants or Residents' Association on the Estate will be specifically invited to attend and work with the Project Team. The Project Team will be the main focus for consultation during the scheme.

Meetings are organised and serviced by either Southwark's Project Manager or Contracts Manager and are attended by the Contractor and Southwark's Lead Designer or external consultant as appropriate.

We recognised that not every resident would want to or have time to be involved in a Residents Project Team so within the Putting Residents First schedule we allow for more one to one sessions including:

- Introductory letters and leaflets
- Public meetings and drop in sessions
- Monthly newsletter including performance reviews of cost, time and quality and coffee sessions
- Mid contract reviews with Contractors satisfaction surveys.
- Estate walkabouts
- Our own tenants satisfaction surveys
- Final project review questionnaire at completion of Defects Liability Period

We have introduced a series of correspondence to accompany Putting Residents First. Copies of some examples of these including; introductory letters and leaflets together with a monthly news letter are attached as Appendix 1.

We are still progressing schemes so have not yet had the benefit of reviewing a project from inception to completion, but our review of the process will continue as schemes progress and as we receive feedback from residents. A positive example of the new approach is a recent well attended meeting for part of the Brandon Estate Camberwell where fire improvement works are ongoing and a WDS project is due to start to several of the blocks in the new year. Project team members and the contractors from both schemes attended the meeting and were able to give feedback and advice on all work avoiding the silo type of approach we are sometimes accused of.

- b) **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.**

#### Response and actions

For all new schemes within the Warm Dry Safe programme we have put in place a process that will ensure residents are kept up to date during the project. This started at the beginning of the financial year when all residents in the forthcoming year's programme received letters explaining that they were in the programme and should expect a call from our surveyors and contractors to arrange a survey of their homes. At the same time they received the names and contact details of the Project Team who will be delivering the works to their homes. This process has also been extended to those homes being brought forward from future years. Communications will continue throughout the project and include:

- Public meeting and drop in sessions at stages during the project.
  - Established Residents Project Teams (RPT).
  - Monthly meetings with RPTs which will review progress on site, expenditure and quality issues.
  - Monthly newsletters and Coffee sessions.
  - Mid contract review.
  - Pre handover walk around with the RPT and local councilors.
  - Resident's satisfaction surveys including feedback on communication and involvement.
- c) **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.**

#### Response

In the new warm dry safe programme we are working very closely with our partner contractors to ensure that the specification and scope of works is accurately prepared at the beginning of the works, therefore avoiding any unnecessary changes to works or increase in costs.

One of the Key Performance Indicators we have in place is the comparison between approved costs at Gateway 2 and out-turn costs on completion; these will be monitored and reported at an individual project level and also for the overall programme. We will also be monitoring and reporting the cost between those given to leaseholders at initial Notice of Proposal (NOP) stage compared to final costs.

To enable us to drill down into the detail of individual project we have recently put in place a programme monitor that provides details monthly reports in respect of spend and timescales we have also appointed a Programme Officer whose role will be to maintain updates to the monitor and provide key performance information for the different audiences that we present too.

A recent example of where we have actively engaged with residents during the delivery phase of the programme of works to their home can be seen when after months of discussion there followed a mutual termination of the contract arrangements with Wates one of our partner contract.

During the period prior to mutual termination Resident Project Teams were kept up to date of the delays to the programme through meetings and written communication, although officers had to be careful about the nature of details that could be provided because of the sensitive and commercial aspects of the ongoing discussion with Wates.

Once an agreement had been finalised all residents within the programme affected by the termination were written too and given assurances on our commitment to delivery works to their homes.

Following mutual termination we held meetings with those affected to tell them about the termination and provided options as to how works to their homes could be progressed. These options included retendering the works or the using the provisions in the partnering contract to engage the nominated back-up contractor, the options went to a residents vote which overwhelmingly decided to use the back-up partnering contractor.

- d) **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.**

#### Response

Restructure within the major works team has meant there is greater focus and responsibility to ensure good project management going forward.

The project teams are responsible for specific contract areas and one individual partnering contractor. The team led by a Project Manager includes a Contract Manager, Customer Relationship Officer, Lead Designer and Clerk of Works. Key to this approach is joint responsibility within the team for all the projects across their geographic area. No one team member works in isolation and every team member is involved in the full range of projects within their team.

With the introduction of our new project management monitor we have the ability to examine in detail performance against forecast cashflows and delivery against key milestones. The Major Works Teams are responsible for setting the standards and ensuring our contractors maintain these standards throughout the project. We hold a number of meetings with our contracting partners where the standard items of Quality and Delivery are included on the agenda. These meetings include:

- Weekly site operational meetings
- Monthly site progress meetings
- Bi-monthly operational core group meetings
- Quarterly strategic core group meetings

Following a previous Scrutiny Report on security works at Four Squares, a new major works monitoring group was set up, chaired by the Strategic Director for Housing & Community Services. The group which meets monthly rigorously monitors the delivery of the housing capital programme in terms of expenditure, performance and timeliness of delivery.

Officers are aware that the contract management of contractors is rightly so still under ongoing scrutiny by residents and ward councilors and that the jury is still out as to whether significant improvements are being made.

Introduction of our new project management system makes it easier to track cost fluctuations, forecasting and comparisons in meeting agreed milestones. This information is used in our regular Partnering meetings to enable greater scrutiny on scheme delivery and outturn costs.

We are also now seeing benefits of price harmonisation within our partnering contract coming through, the core group has moved forward harmonisation on bathrooms and kitchens and is now bringing together tenders for roofs and windows.

- e) **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.**

#### Response

We want to be open and transparent in all the works we carry out and therefore as schemes progress will be making costs available to all residents within the programme. For all new schemes under the Warm Dry Safe programme we make available a breakdown of costs for all tenants based on the same calculation sheet that is provided to leaseholders at NOP (Notice of Proposals)

### **Community impact statement**

7. The implementation and delivery of the major works programme is a service that is offered to all tenants and residents of the Borough. The proposed changes to the way the service is monitored and delivered will ensure that residents receive a more customer focused service.

## Resource implications

8. There are no resource implications to delivering the recommendations of this report.

## BACKGROUND DOCUMENTS

Background Papers	Held At	Contact
None		

## APPENDICES

No.	Title
Appendix 1	Putting Residents First – Examples of correspondence including; introductory letters and leaflets together with a monthly news letter

## AUDIT TRAIL

<b>Cabinet Member</b>	Councilor Ian Wingfield, Deputy Leader and Cabinet Member for Housing Management		
<b>Lead Officer</b>	Gerri Scott, Strategic Director of Housing & Community Services		
<b>Report Author</b>	Dave Markham, Head of Major Works		
<b>Version</b>	Final		
<b>Dated</b>	11 October 2012		
<b>Key Decision?</b>	No		
<b>CONSULTATION WITH OTHER OFFICERS / DIRECTORATES / CABINET MEMBER</b>			
	<b>Officer Title</b>	<b>Comments Sought</b>	<b>Comments included</b>
	Director of Legal Services	No	No
	Strategic Director of Finance and Corporate Services	No	No
	<b>Cabinet Member</b>	Yes	Yes
	<b>Date final report sent to Constitutional Team</b>		11 October 2012