

<b>Item No.</b> 10.	<b>Classification:</b> Open	<b>Date:</b> 16 July 2013	<b>Meeting Name:</b> Cabinet
<b>Report title:</b>		Report into Major Works at Draper House (Housing, Environment, Transport & Community Safety Scrutiny Sub-Committee)	
<b>Ward(s) or groups affected:</b>		Newington	
<b>From:</b>		Overview & Scrutiny Committee	

## RECOMMENDATIONS

1. That the cabinet notes the recommendations of the review of Major Works at Draper House, and that the relevant cabinet members bring back a report to cabinet, in order to respond to the overview and scrutiny committee, within eight weeks.
2. That, in addition, the cabinet be invited to review decision-making for the letting of contracts for housing works under the partnering arrangements and generally review the effectiveness of those arrangements.

## BACKGROUND INFORMATION

3. Attached is the final report arising from the scrutiny review of Major Works at Draper House.
4. The Housing, Environment, Transport & Community Safety Scrutiny Sub-Committee undertook to carry out this review after the issue came before the Overview & Scrutiny Committee on 4 February 2013. The primary reasons for the scrutiny arose from the extremely poor quality of the work carried out by the contractor (Breyer) and poor contract management by the council. These factors led to significant distress and inconvenience for residents and long delays in getting the works completed. In addition, the failures led to additional costs being incurred by the council and the Housing Revenue Account. At the end of November 2012, a serious and life-threatening incident occurred as a result of works being carried out by the contractor.
5. The Overview & Scrutiny Committee considered the report at its meeting on 10 June 2013. The committee welcomed the report and the valuable work of the sub-committee. It also agreed a further recommendation to cabinet in respect of the letting of contracts for housing works under the partnering arrangements (paragraph 2 above).

## HOUSING, ENVIRONMENT, TRANSPORT & COMMUNITY SAFETY SCRUTINY SUB-COMMITTEE RECOMMENDATIONS

6. The sub-committee's recommendations are listed below.
  1. **Termination at will clauses:** All major works contracts issued by Southwark council should contain termination at will clauses.

2. **Default notices:** Default notices should be considered a primary tool for escalating poor performance at the earliest opportunity. Project managers should be encouraged to use them as a matter of course as soon as sub-standard performance becomes apparent.
3. **Payment of sub-contractors:** In all future contracts the council should stipulate an acceptable period within which the primary contractor must pay sub-contractors for completed work.
4. **Breyer:** The sub-committee is aware that, due to EU Procurement law, the council must consider all future bids from Breyer Group Plc for work in Southwark. However, the sub-committee recommends that the conclusions of this scrutiny report be kept at the forefront of officers' minds in considering these future bids. We hope that the implications of this recommendation are clear.
5. **Complaints logs:** During all major works projects, detailed complaints logs should be kept and reviewed on a regular basis to prioritise issues which need to be resolved for the benefit of residents.
6. **Leaseholder charges:** No leaseholder in Draper House should be forced to pay for more than the value of the original notices on which they were consulted. It is understood that this is already the intention of council officers, but the sub-committee felt it was important to underline this approach in our recommendations.
7. **Sharing information:** Southwark procurement team should investigate setting up a formal network with other London Councils to share information regarding the performance of construction contractors.
8. **Appointing project management teams:** Officers should review how the original project management team for Draper House was appointed. Project management teams should not be appointed to complex projects unless senior managers are absolutely certain that the individuals have the training, qualifications and skills required to deal with the project. Measures should be put in place by senior officers to ensure this is the case in future.
9. **Communications with residents:** The scrutiny sub-committee did hear evidence from officers that new procedures for ensuring residents are communicated with during major works have been put in place. These procedures should be strictly followed and failure to do so should be treated as a serious matter by senior managers.

## BACKGROUND DOCUMENTS

Background Papers	Held At	Contact
Overview & Scrutiny Committee Agenda 10 June 2013 <a href="http://moderngov.southwark.gov.uk/ie/ListDocuments.aspx?CId=308&amp;MId=4588&amp;Ver=4">http://moderngov.southwark.gov.uk/ie/ListDocuments.aspx?CId=308&amp;MId=4588&amp;Ver=4</a>	Scrutiny Team 160 Tooley Street London SE1 2QH	Peter Roberts 020 7525 4350

## APPENDICES

No.	Title
Appendix A	Report of the Housing, Environment, Transport & Community Safety Scrutiny Sub-committee

## AUDIT TRAIL

<b>Lead Officer</b>	Shelley Burke, Head of Overview & Scrutiny	
<b>Report Author</b>	Peter Roberts, Scrutiny Project Manager	
<b>Version</b>	Final	
<b>Dated</b>	19 June 2013	
<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	N/a	N/a
Strategic Director of Finance and Corporate Services	N/a	N/a
Chief Officers	N/a	N/a
<b>Cabinet Member</b>	N/a	N/a
<b>Date final report sent to Constitutional Team</b>	19 June 2013	