



London Borough of Hammersmith & Fulham

CABINET

11 FEBRUARY 2013

BARCLAY CLOSE LIFTS A – D, ETHEL RANKIN COURT & THE GRANGE, LISGAR TERRACE LIFTS A & B - MODERNISATION OF THE EXISTING PASSENGER LIFTS

Report of the Cabinet Member for Housing - Councillor Andrew Johnson

Open Report

A separate report on the exempt part of the Cabinet agenda provides exempt information on the tender results and assessment outcomes for the letting of the contract and recommends acceptance of the relevant tender .

Classification – For noting
Key Decision: YES

Wards Affected: Town, Avonmore and Brook Green

Accountable Executive Director: Melbourne Barrett - Housing & Regeneration

Report Author:

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1. EXECUTIVE SUMMARY

- 1.1 This report relates to the letting of a contract to undertake works to modernise the existing passenger lifts at 1-20, 21-40 and 61-106 Barclay Close SW6, 1-38 Ethel Rankin Court, Landridge Road SW6 and 1-36 The Grange, Lisgar Terrace W14.
- 1.2 The works consist of the complete modernisation of the existing passenger lifts within each of the five blocks. The works need to be undertaken because major components of the existing equipment associated with each lift are obsolete, with many parts having reached their economical useable life span of 25 years, resulting in an unacceptable level of lift breakdowns, and significant inconvenience to residents and visitors to the blocks.

2. RECOMMENDATIONS

- 2.1. To note that funding for this scheme is contained within the 2012/13 Housing Capital Programme which was approved by Cabinet on 11 December 2011 and by Budget Council on 29th February 2012 (within this £80k was included in 2012/13 and £690k in 2013/14, now revised to £770k - excluding professional

fees - in 2012/13 in order to accelerate delivery of the project funded by savings and movement on other programmes).

- 2.2 To note that the contract is expected to be awarded on 18 February 2013, and has a contract period of 45 weeks from the date of the award, with start on site expected on 20 May 2013.

3. REASONS FOR DECISION

- 3.1 These works need to be undertaken because major components of the existing equipment associated with each lift are obsolete, with many parts having reached their economical useable life span of 25 years, resulting in an unacceptable level of lift breakdowns. Components required to maintain these lifts are increasingly difficult to obtain and are not readily available from the respective manufacturers with some having to be made to order which result in prolonged delays and lengthy shutdowns in the event of major failures.
- 3.2 The increased numbers of breakdowns and unreliability of these lifts causes inconvenience to residents and visitors and impacts on their quality of life, as the lift installations are the only means for some residents to access their homes, particularly the elderly and disabled.
- 3.3 This tender acceptance report is submitted for Cabinet approval in accordance with paragraph 9.2 of Contract Standing Orders, which states that award decisions are to be taken by Cabinet where the scheme's value is £100,000 or more but less than £1,000,000. The decision may be delegated to the relevant Cabinet Member where the proposed scheme has been previously approved by Cabinet as a Key Decision as part of a capital or planned maintenance programme, and the tendered sum is within the approved budget. As this scheme is £22,818 over its approved budget, excluding professional fees, and £113,992 over budget including professional fees, in this instance delegation to the Cabinet Member for Housing is not appropriate.

4. INTRODUCTION AND BACKGROUND

- 4.1 The proposed works form part of the 2012-13 Housing and Regeneration Capital programme for which the Cabinet Member for Housing has responsibility.
- 4.2 The properties included in this contract are all multi-story blocks of occupied flats, as follows:-
- Nos 1-20 Barclay Close – served by a single lift
 - Nos 21-40 Barclay Close – served by a single lift
 - Nos 61-106 Barclay Close – served by two lifts
 - Nos 1-36 The Grange Lisgar Terrace - served by two lifts
 - Nos 1-38 Ethel Rankin Court - served by a single lift.
- 4.3 It is becoming increasingly difficult to maintain these lifts in operation and to provide a reliable service to residents and members of the public as the lift installations within each building have exceeded their design life of 25 years. All the lifts are obsolete models and are no longer supported by the respective manufacturers. Consequently it is becoming increasingly difficult to obtain spare parts required to effect repairs which results in prolonged periods where the lifts need to be taken out of service, whilst replacement parts which are manufactured to order are awaited.

4.4 Whilst the lifts at Barclay Close and Ethel Rankin Court were originally in the Council's 10 year investment plan for modernisation in 2012/13, the lifts at The Grange were programmed for modernisation in 2014/15. However, as a direct result of increased breakdowns and unreliability of the lifts, residents at The Grange petitioned the Council to request that the lifts be replaced at the earliest opportunity. Consequently, following a review of the lifts' performance and the investment programme, and with the agreement of the Cabinet Member for Housing, modernisation of the lifts at The Grange has been brought forward.

5. PROPOSAL AND ISSUES

5.1 Proposed Works

5.1.1 The works include the dismantling and removal of the existing lift installation within each building, including the main drive units, the existing control system, lift car and associated wiring and the installation of new modern equipment, that can be supported for the foreseeable future. The works do not include renewal of the existing guides and counter weights which are serviceable and are therefore to be retained.

5.1.2 The new equipment selected is more energy efficient than the existing equipment. The new geared drive machines come with variable frequency motors and the proposed new lift control systems are equipped with eco-friendly facilities which at given times shut-down unwarranted circuits, such as car lighting, fans and power factors, along with lift car positioning signals and which will all resume back to normal functions upon call demand, thus saving energy usage.

5.1.3 The works will be programmed to be completed as quickly as possible in order to minimise the inconvenience to residents and visitors to the buildings whilst the lifts are out of service during the works.

5.2 Funding and Programme of Works

5.2.1 The 2012/13 Housing Capital Programme includes a total budget of £770,000, excluding professional fees, for this project. The recommended sum for approval of £883,992, inclusive of contingency and professional fees, therefore results in a potential shortfall of £113,992. Due to the long lead-in time for lift projects no expenditure is anticipated in 2012/13 and the current budget allocation will be re-profiled to 2013/14. The additional requirement of £113,992 will be the first call on the proposed budget for lift schemes in 2013/14.

5.2.2 The anticipated cashflow of the project is as follows:-

	2013/14	2014/15	Totals
	£	£	£
Works	£700,818	£22,000	£722,818
Contingency Sum	£63,000	£7,000	£70,000
Fees	£82,056	£9,118	£91,174
Total	£845,874	£38,118	883,992

5.2.3 Expenditure will be charged to Cost Centre LFT001 and Project Code CHRA002106

5.2.4 The anticipated Programme of Works for the project is as follows:-

	Date	
Cabinet Approval	11 February	2013
Issue Section 20 Notices	05 December	2012
Expiry of Section 20 Notices	05 January	2013
Issue Letter of Acceptance	18 February	2013
Start on Site	20 May	2013
Completion	10 January	2014

6. CONSULTATION

- 6.1 The Housing Capital Programme seeks to meet the corporate strategic objective of improving the quality of the borough's social housing stock. The works consist of the complete modernisation of the existing passenger lifts within each of the five blocks. The works need to be undertaken because major components of the existing equipment associated with each lifts are obsolete, with many parts having reached their economical useable life span of 25 years, resulting in an unacceptable level of lift breakdowns, and significant inconvenience to residents and visitors to the blocks.
- 6.2 There will be ongoing consultation with residents to explain the nature and scope of the works, programme and timescales. Residents have been written to in order to explain the process and any impact on them. Residents will receive more correspondence prior to the start on site updating them regarding the programme and scope of works from officers within the Planned Maintenance Team.
- 6.3 Leaseholders have been notified in accordance with the statutory consultation legislation. Notices of Intent were sent out on 14 June 2012 and expired on 14 July 2012. The Section 20 Notices have been sent out on 5 December 2012 and are due to expire on 5 January 2013. The contract will not be issued until expiry of Section 20 Notices and response is given to any observations made.
- 6.4 Regarding leaseholder recharges there are a range of payment options offered by the Council for leaseholders to assist with the payment of invoices. These include a discount of 2.5% for early settlement of bills; an interest-free 36 month instalment scheme; a 5 year payment scheme offering the first 36 months interest-free with the remaining months charged at the Bank of England variable rate. In addition, there is a loan plan on offer with different terms of three years, five years and ten years respectively. All options are explained in the "Paying for Major Work" leaflet which is available for leaseholders on the Council's Internet site as well as from Leaseholder Services. Leaseholders have also been advised that they may find comparable products within the high street marketplace at banks and building societies.
- 6.5 The following addresses have been purchased as leasehold properties:-

Barclay Close

1, 2, 3, 7, 9, 11, 12, 13, 14, 15, 16, 20, 21, 24, 25, 28, 29, 30, 33, 34, 35, 36, 37, 38, 39

The Grange

5, 6, 8, 9, 10, 11, 13, 15, 16, 19, 20, 22, 23

Ethel Rankin Court

2, 8, 9, 10, 11, 14, 15, 20, 23, 24, 30, 32, 33, 35, 38

There have been four Right to Buy applications on the blocks:-

Barclay Close, No's 26 and 62

The Grange, No 17

Ethel Rankin Court, No 34.

- 6.6 Recent leaseholder statutory notices and final accounts issued, or notices due within the preceding three years, include the following:

1 – 40 Barclay Close had PPM controlled access works to the block, S20 Notice served 18/6/12, the average leaseholder bill was £534.

1 – 106 Barclay Close had PPM new water tanks installed to the block, S20 Notice served 23/11/11, the average leaseholder bill was £711.

1 – 36 The Grange, was included within the Decent Homes Contract 3CE, a programme of external works, S20 Notices were served on 16/12/07, the average leaseholder bill was £15,925.

1 – 38 Ethel Rankin Court, was included within the Decent Homes Contract 5KE2, a programme of external works, S20 Notices were served on 14/7/08, the average leaseholder bill was £14,366.

1 – 38 Ethel Rankin Court is due to have new water tanks installed to the block, S20 Notice served 23/11/12, the average S20 estimate is £755.

- 6.7. The table below shows Section 20 recharges for Barclay Close; The Grange & Ethel Rankin Court Lifts Modernisation.

Block	Estimated Average Cost	Estimated Maximum Cost	Estimated Minimum Cost
1-20 Barclay Close	5,684.49	6,459.21	4,590.65
21-40 Barclay Close	5,968.56	6,482.28	4,602.19
61-106 Barclay Close	6,476.13	7,127.26	4,956.82
1-36 The Grange	6,996.91	6,999.11	6,950.77
1-38 Ethel Rankin Court	5,963.43	6,945.50	4,934.03

7. EQUALITY IMPLICATIONS

- 7.1 An Equality Impact Assessment has been carried out for this project. The assessment has identified that the works will have a positive effect on elderly and very young people; people in wheelchairs and ambulant disabled people; pregnant women and people with very young children, as these groups are most disadvantaged when lift breakdowns occur. These works will reduce the frequency of such breakdowns. The works will not have an adverse effect on any protected groups.

8. LEGAL IMPLICATIONS

- 8.1 It is noted that it is intended to award the contract to the lowest priced tender in accordance with the criteria set out in the tender documents. Tenderers have been selected using the Constructionline database, in accordance with the Council's Contract Standing Orders.
- 8.2 Implications completed by: (Catherine Irvine, Principal Contract Lawyer, Tel 020 8753 2774).

9. FINANCIAL AND RESOURCES IMPLICATIONS

- 9.1 The recommended sum for approval is £883,992. This is in excess of the total budget, which excluded professional fees, of £770,000. The shortfall of £113,992 will be the first call on the proposed budget for lift schemes in 2013/14.
- 9.2 Paragraph 6.7 shows the average leaseholder cost vary according to the block from £5,684.49 at 1-20 Barclay Close to £6,996.91 at 1-36 The Grange. However, due to variations in dwelling size and associated % contributions at each block some leaseholder costs may be lower or higher than these amounts.
- 9.3 Paragraph 6.4 states that there is a range of payment options available to leaseholders to assist with the payment of invoices.
- 9.4 Further comments are in the exempt report.
- 9.5 Implications verified/completed by: (Isaac Egberedu, Principal Accountant, 0208 753 2503).

10. RISK MANAGEMENT

- 10.1 Risks relating to the project's pre-construction processes have been ascertained, and the project will not commence until the necessary actions identified on the register have been undertaken. A post-contract risk register will be developed jointly with the contractor once they have been appointed, in order that risks can be managed throughout the duration of the project
- 10.2 Implications verified/completed by Danny Reynolds – Group Leader, Engineering Services, 020 8753 4780.

11. PROCUREMENT AND IT STRATEGY IMPLICATIONS

- 11.1 The Contract has been tendered in accordance with the Council's Contract Standing Orders, using the Constructionline database. Accordingly, the Director supports the recommendations contained in the report.
- 11.2 The comments in paragraph 3.3 regarding budgetary provision and accordingly this is a Cabinet report are noted.
- 11.3 Implications verified/completed by: (Bob Hillman, Procurement Consultant (Projects,020 8753 1538)

LOCAL GOVERNMENT ACT 2000
LIST OF BACKGROUND PAPERS USED IN PREPARING THIS REPORT

No.	Description of Background Papers	Name/Ext of holder of file/copy	Department/ Location
1.	Project Development Documents	Jodie Rose Ext: 3830	Housing & Regeneration 3 rd Floor, HTH Ext Hammersmith W6 9JU
2.	Housing Capital Programme approval papers Approved by Cabinet on 11/12/12 (Published)	Vince Conway Ext.1915	Housing & Regeneration 3 rd Floor, HTH Ext Hammersmith W6 9JU

LIST OF APPENDICES: None