

Committee(s): Housing Management and Almshouses Sub (Community and Children's Services) Committee	Dated: 17 April 2024
Subject: Housing Major Works Programme – Progress Report	Public
Which outcomes in the City Corporation's Corporate Plan does this proposal aim to impact directly?	1, 2, 12
Does this proposal require extra revenue and/or capital spending?	N
If so, how much?	N/A
What is the source of Funding?	N/A
Has this Funding Source been agreed with the Chamberlain's Department?	N/A
Report of: Director of Community and Children's Services	For Information
Report author: Jason Hayes Head of Major Works, DCCS Property Services	

Summary

The purpose of this report is to update Members on the progress that has been made with the Housing Major Works Programme and to advise Members on issues affecting progress on individual schemes. From its original inception, this report has since been expanded to include information relating to Phase 2 of the Housing Major Works Programme (Future Programme).

Recommendation(s)

Members are asked to note the report.

Main Report

Background

1. The purpose of this report is to present progress and highlight slippage within the portfolio of projects which make up the Housing Major Works Programme to Members of the Housing Management and Almshouses Sub Committee.
2. The City of London Corporation (City Corporation) is committed to investing around £110million on a Major Works Programme for the maintenance, refurbishment, and improvement of its social housing portfolio. The works, in the main comprise:

- Window replacements;
 - Re-roofing;
 - Decent Homes (new kitchens and bathrooms);
 - Electrical rewiring and upgrades;
 - Heating replacements;
 - Concrete repairs;
 - Fire safety improvement works.
3. The funding for these extensive works, which is intended to bring all the City Corporation's social housing stock up to, and beyond, the Decent Homes Standard, comes from the Housing Revenue Account (HRA), which is a ring-fenced account to be used solely for social housing. The HRA is made up of:
- Income from rents;
 - Income from service charges.
4. The Housing Major Works Programme was originally intended to be a 5-year programme however, the size and complexity of some of the projects included, along with initial staff resourcing issues, has meant that it is more likely to take 7 to 8 years to complete.
5. The Housing Major Works Programme is monitored and managed at several levels both corporately and within the department. This includes:
- Gateway Process;
 - Community & Children's Services Committee (C&CS);
 - Projects and Procurement Sub Committee;
 - Housing Management & Almshouses Sub Committee;
 - Housing Programme Board.
6. The Housing Programme Board (HPB) is a cross-departmental group which meets every two months to oversee the Major Works Programme. It is chaired by the Director of Community & Children's Services and comprising senior officers from:
- Housing Management;
 - Housing Property Services;
 - City Surveyors;
 - Planning;
 - Finance;
 - Town Clerks;
 - City Procurement.
7. Attached at Appendix 1 to this report, for Members' consideration, is the latest version of the progress report for the Housing Major Works Improvement Programme.

8. Following requests from Members, projects that have been added to the original five-year Housing Major Works Programme over the last few years have been highlighted in the progress report. This helps to demonstrate the extent as to which the scope of the five-year Housing Major Works Programme has increased since its inception. Members will note from the latest progress report that the value of these additional projects is approximately £23.4million (a 43% increase in the cost of the original programme).
9. Members have asked for and Officers have commissioned from Ark Consulting an Asset Management Plan which will take a strategic overview of the works needed going forward. This work is due to be completed by the end of June 2024.
10. In line with a request from Members and, as subsequently agreed by the C&CS Committee, attached to this report as Appendix 2 is Phase 2 of the Housing Major Works Programme (Future Programme). The format of Phase 2 has been designed to reflect the following:
 - a new, revised five-year programme with the dates reset to the start of the 2022/23 financial year.
 - the carryover and incorporation of projects from the original five-year Major Works Programme that will be incomplete by the beginning of the 2022/23 financial year.
 - the omission of all projects on the original five-year Major Works Programme that were substantially completed before the beginning of the 2022/23 financial year.
11. As members will see from the 'Future Programme' at Appendix 2, there are nearly £44 million of new projects that are currently '**unfunded**'. These projects comprise works identified in the Savills Stock Condition Survey (2018) and, projects that have been identified as a result of further surveys and testing works carried out as part of the current Major Works Programme.
12. Members will note that the Future Programme is substantively unchanged from that submitted to previous meetings of this Sub Committee. An uplift to costs reflecting the persistent cost inflation in the construction industry has been applied to bring the forecast costs up to 2024 price levels. The Future Programme will likely be further affected by current and future economic factors and, at some time in the future, a substantial review and redrafting will be required. Clearly, this can only be done once we have more clarity on the future funding capacity of the HRA. The report, as it stands, remains a useful reminder of the extent of work to be carried out (and forecast costs) to maintain the Corporation's Housing Estates to the required standard.
13. Although, the Future Programme does include some provision for 'Net Zero Pilots' across all our social housing estates, Members are reminded that no provision has been made for any future Net Zero Capital Projects. The reason for this, as Members will be aware, is that these projects are still largely unknown and, will only emerge over the next few years, as further research, surveys, and investigations are completed in line with the Housing Net Zero Action Plan. It is

likely that Housing Net Zero Capital Projects will be funded from a combination of external grant funding and the City Corporation's Climate Action Strategy Budget.

14. Members will note from the progress report at Appendix 1 that there have been several changes to the status of the various projects since the last meeting of this Sub-Committee. Members are asked to specifically note the following updates:

Progress of note on key projects

H39b – Window Replacements and External Redecorations (Holloway Estate)

Practical completion of the works achieved on 24th January. Scaffolding removed from all elevations. A few minor snagging items remain to be resolved. Final accounts to be agreed.

H39c – Window Replacements and External Redecorations (Southwark Estate - Pakeman, Stopher, Sumner)

Redecoration is nearly complete at Pakeman House and Stopher House and continuing as planned at Sumner Buildings. The replacement windows for Pakeman House are being manufactured with the first installations expected early April. Final review and approval of the contractor's window drawings for Stopher House and Sumner Buildings is pending with the architect; installations are expected to begin end of May/early June. The estimated completion of all works included in this project remains the end of June 2024.

H39d – Window Replacements and External Redecorations (Sydenham Hill)

Practical completion of the works achieved on 14th March. Scaffolding removed from all elevations. A few minor snagging items remain to be resolved. Final accounts to be agreed.

H39e – Window Replacements and External Redecorations (William Blake Estate)

Statutory pre-tender section 20 leaseholder consultations for the services of a design team closed 11th March 2024. The design team brief is now being finalised and the project team will engage with the energy and procurement teams to ensure that the project aligns with City's climate action and responsible procurement strategies. Once appointed, the design team will be working alongside the project team undertaking pre-planning advice ahead of submitting a new planning application. While the planning applications are underway the design team will also be working alongside the project team drawing specifications to re-tender for the works, which will also be subject to the statutory pre and post tender section 20 consultations with leaseholders. Subject to further committee approvals, successful statutory consultations, tenders, and planning consents the works are expected to start early 2025.

H39f – Window Replacements and External Redecorations (Windsor House)

Snagging and final inspection of the redecoration work is expected shortly, and the replacement of the dormer windows is ongoing with final making good to the dormer surrounds to follow. Practical completion is expected 6th June 2024.

H40a – Window Refurbishment, Roofing, Ventilation and Heating (Crescent House)

Listed Building Consent and Planning application for the whole block has now been approved. The project requires the tender documents to be finalised and this has

slipped due to internal delays setting up the budgets. The tender will not be advertised until early May once the pricing document has been finalised and specific planning conditions discharged.

H40b, c, d, e – Window Refurbishment, Roofing and Ventilation (Golden Lane Estate - Remaining Blocks)

Much of the design work for Stanley Cohen and Cullum Welch is now complete but awaits some final pieces of work to be completed such as structural surveys and embodied carbon assessments. There has been a delay in setting up the budgets, so this work is on hold until the relevant consultants can be instructed to complete this piece of work.

H46 - Middlesex Street Estate Communal Heating

The works are ongoing around Petticoat Square. Residents of Petticoat Tower are experiencing noise issues within the internal ducts. Following extensive investigations, it has been determined that this is the result of the old, existing system. A drain down of the old system cannot be actioned until all properties in the Tower have their installations completed; four leasehold properties continue to refuse access to allow the works.

H54 – Fire Door Replacement Programme (Multiple Estates)

- Lot 2 (Avondale Square Estate)

Gerda will be mobilising into the Point Blocks over the coming weeks with a view to commencing works shortly. United Living will still have a presence on site so contractors will need to coordinate appropriately.

- Lot 3 (Sumner Buildings, William Blake, Dron House, Petticoat Tower communal doors)

Works at Sumner, Dron and William Blake are almost complete. Access issues persist at a small number of properties; we are working with Estate teams to resolve. Works to the communal doors in Petticoat Tower are on hold pending the completion of the sprinkler install.

- Lot 4 (Southwark Estate, Windsor House, Isleden House, Sydenham Hill, Spitalfields)

Reform Architects have been appointed to lead the design work for Lot 4. There will be an initial focus on Sydenham Hill due to the extra complications of the Listing and previous experience of lengthy timescales when dealing with Lewisham.

15. Members will appreciate that there will always be problems with contracts and projects such as those contained within the Housing Major Works Programme. The last few years have been particularly challenging. Indeed, the increasing cost of construction projects nationally remains a particular concern. The Corporation is not immune from these cost increases which, typically, are between 20 and 30%.

16. Members will also recognise that progress with any of the projects included in the Housing Major Works Programme can change at short notice. It is often the case that notable changes in projects will have occurred from the time that reports are written to the time that they are presented to this Sub-Committee. Where appropriate, Officers will provide further updates to Members when presenting this report.

Appendices

Appendix 1: Housing Major Works Programme Progress Report (April 2024)

Appendix 2: Housing Major Works Programme (Future Programme)

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