

Committees:	Dates:
Residents' Consultation Committee	28 November 2016
Barbican Residential Committee	12 February 2016
Subject: Repairs and maintenance to roofs/balconies following water penetration	Public
Report of: Director of Community and Children's Services Report author: Paul Murtagh, Assistant Director, Barbican and Property Services	For Information

Summary

The purpose of this report is to update Members on the progress made by the Working Party in relation to the City of London's approach to dealing with repairs and maintenance to roofs and balconies to the residential units on the Barbican Estate.

Recommendations

The Committee is asked to note the progress made by the Working Party and the contents of this report and make any observations and comments as it sees fit.

Main Report

Background

1. At previous meetings of the Barbican Residential Committee (BRC) and the Residents' Consultation Committee (RCC), there have been discussions and questions relating to roof and balcony repairs to the various blocks on the Barbican Estate. Some of the discussion has revolved around the application and validity of the various warranties that were taken out at the time major roof or balcony replacement works were undertaken by the City of London.
2. Over a period of 10 years between 1996 and 2005, the surfaces to the flat roofs, barrel roofs and balconies to most blocks on the Barbican Estate were recovered. The scope of these works included the provision of warranties for the materials and workmanship. Such warranties typically ranged from 10 to 20 years and were largely underwritten by the manufacturer of the roofing system chosen at the time.

3. One of the key reasons for obtaining the warranties was the independent assurance they provided that the roof works were adequately designed and executed. The warranty provider would have carried out an inspection of the works upon completion before issuing the warranty.

Considerations

4. Willoughby House was the first block on the Barbican Estate to be included in the programme of roof and balcony replacement works. In 1996, the coverings to the flat roof, barrel roof and balconies to the block were replaced. At the time, the City of London took up the option for a 15-year manufacturer's warranty, which subsequently expired in 2011.
5. Whilst warranties for works to several other blocks on the Barbican Estate have similarly expired, there are many other blocks where warranties have not as yet reached their expiry date. A spreadsheet outlining the warranties held on all blocks on the Barbican Estate is attached as Appendix 'A' to this report.
6. As with almost all manufacturers' warranties, the warranty will only be valid if certain conditions are met and there is an accepted and prescribed inspection and maintenance regime in place for the duration of the warranty period. In the case of the roof warranties taken up by the City of London for the Barbican Estate, the inspection and maintenance regime would typically include the following:
 - annual inspection of all works undertaken and reporting on any problems or defects;
 - annual cleaning of all surfaces to remove moss, pollutants, deleterious material etc;
 - annual cleaning of barrel roofs (where appropriate);
 - annual (or earlier as necessary) clearing of all gutters, drains and downpipes;
 - the reapplication of solar reflective material every 3 or 4 years (where applied to asphalt roofs).
7. It should also be noted that, as with most types of warranty, there will be exclusions to the warranty and matters that will be deemed to have breached the warranty causing it to become invalid. With particular regard to the warranties on the Barbican Estate, these include:
 - installation of eye bolts for abseiling purposes;
 - the method of window cleaning via the abseiling referred to above;
 - the installation of timber decking to balconies etc;
 - the use of heavy planters and plant plots located on balconies.
8. It is clear that the City of London has not adopted and implemented an accepted and prescribed inspection and maintenance regime for the duration of the warranty period. As such, the warranties have likely been invalidated and any subsequent claims under the warranty will almost certainly fail.

9. It is also clear that the warranties have never been invoked even though some repairs have been done to parts of the roof that would have been covered by the warranties.

Comparative Costs (refer to Appendix 'A')

10. Given that the cost of the roof warranties was included in the cost of the roofing works, long lessees have paid for the warranties in the first instance. The exact cost of the warranties is not known but, would typically have been 3 to 4% of the original cost of the roof works. For the purpose of the comparative costs included in Appendix A, we have used a figure of 3.75% to estimate the figures for each block.
11. Historically, there has been no system in place to systematically record roof repairs and their causes. Data on roof repairs necessitated by water penetration is only available for the last 5¼ years. Appendix A also contains the costs for each block of roof repairs necessitated by water penetration over the last 5¼ years, with an average for each year.
12. It should be noted that the figures given in the original withdrawn report for roof repairs are greater than those now shown. The reason for this is that the original figures included all repairs necessitated by water penetration, not just those relating to the roofs and top balconies. The costs included in Appendix A are accurate figures for actual expenditure on repairs to the roofs and associated balcony areas
13. As an example, the estimated cost of carrying out the work necessary to maintain the warranty to the roofs at Ben Jonson House are outlined below:

Barrel roofs

Annual cleaning:	£7,000 per annum
Biennial cleaning:	£3,500 per annum

Asphalt areas

Solar reflective paint	£10,000 every 4 years	£2,500 per annum
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Annual inspection

Independent annual inspection	£3,000 per annum
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Total cost per annum

(depending on frequency of cleaning)	£9,000 - £12,500
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14. It can be seen from Appendix A that the average annual cost of roof repairs to Ben Jonson House over the last 5¼ years (April 2011 to June 2016) was around £2,800 per annum. The roof works to Ben Jonson House were completed in 2003. Although there are no records of roof repair costs for the first 7¾ years since the work was completed, it is not unreasonable to assume that the costs in those earlier years would have been no greater than those in the last 5¼ years (they may even have been less).

15. In order to make the comparison much more straightforward, if we assume that the roof repair costs for the first 7¾ years after the works were completed were the same as the last 5¼ years, the residents of Ben Jonson have paid a total of £80,730 comprising the following:
- £43,979 (the cost of the original warranty)
 - £36,751 (annual cost of roof repairs of £2,827 x 13 years).
16. By comparison, if the warranties had been maintained, the residents of Ben Jonson would have paid of £160,979 over that same 13 year period comprising the following:
- £43,979 (the cost of the original warranty)
 - £117,000 (annual cost of maintaining the warranties of £9,000 x 13 years). This figure is based on biennial cleaning of the barrel roofs. Annual cleaning would increase this figure by a further £45,500.
17. It should be noted that if the warranties had not been taken out, it is impossible to know what the repair costs would have been.
18. The option of reviving the manufacturer's warranty for Ben Jonson House has been explored but the costs are particularly prohibitive. Hyflex Roofing, the company that carried out the original roofing works in 2003 has quoted a cost of £201,000 for works to the roofs and balconies to provide for a new 10-year warranty. However, the £201,000 does not include costs for access and scaffolding systems, welfare facilities, rubbish removal and a number of other site specifics. It is estimated that the cost of those elements Hyflex has not allowed for will be in the region of a further £100,000. This simply does not appear to be a realistic option to pursue.

Governance

19. At its meeting on 6 June 2016, when the original report was considered and subsequently withdrawn, a number of members of the RCC raised the issue of governance. It is clear to the resident members of this Working Party that:
- When the original roof works were done, there was no system in place to facilitate the accurate recording of repairs and their cost. This has made it very difficult to obtain accurate data on such costs for the purpose of our work.
 - Internal communications at the time were such that the resident-facing team in the Barbican Estate Office (BEO) at the time were unaware that the warranties were not being maintained and that roof repairs were not being recovered through the warranty process. This has meant that successive meetings of the SLA Working Party were informed that the warranties were in place. Indeed, the BEO, at the suggestion of the SLA Working Party, even wrote to residents in the relevant roof top flats to remind them to report any water penetration, or other associated roof issues, before the warranties ran out. It is our belief that the resident-

facing team in the BEO were indeed under the impression that the warranties were in place and were in operation.

- The Accounts Team clearly were not aware that the warranties were in place and the roof repair costs could have been avoided and set against the provisions of the warranties.
- It is not known why the warranties were not maintained or invoked upon completion of the roof works. It is possible that there were very few, if any, roof repairs required in the early years of the warranties and by the time that repairs were needed, the lack of an effective maintenance regime would have made any claim against the warranties difficult. The officers responsible for making those decisions at the time are no longer with the City.
- No-one within the City appears to have had overall management and responsibility for the warranties and their subsequent maintenance.
- Because the accounting system does not separate out roof repairs from other repairs, no member of the RCC or the BRC spotted any discrepancy.

20. The members of this Working Party are satisfied that systems are now in place to ensure that:

- Repairs are recorded more specifically according to their type;
- There are proper and effective communications between staff in the Repairs Team and staff in the resident-facing team in the BEO;
- A Barbican specific Asset Management Strategy is being developed with resident members through the Asset Management Working Party, who will monitor its implementation and performance. A roof condition survey for the Barbican will soon be commissioned as part of the Asset Management Strategy work. It is however disappointing that this piece of work has taken so long to be put into effect;

Further Work and Wider Issues

21. There is still some work being done with a small number of the warranty providers to see if anything can be done economically and sensibly to reinstate the warranties that have not, as yet, expired. The Committees will be given further information on this once negotiations have been concluded.

22. If and when major works are to be done in future, explicit consideration, with resident involvement, must be given to the question as to whether manufacturer's warranties or guarantees are a sensible investment. At the time the roof works on the Barbican were done, the warranties gave residents some assurance that the quality of the works had been independently assessed and validated. In future however, residents may wish to explore alternative methods of independently assuring the quality of the works carried out around their homes.

23. From the information contained in Appendix A, it is clear that original roof replacement costs and subsequent repairs vary widely between blocks. This in itself raises questions about the most economic and efficient way to procure such large estate-wide projects in the future.

Conclusion

24. From the recent surveys that have been undertaken, it is the view of officers that the coverings to the balconies, barrel roofs, flat roof and patio areas to the various blocks on the Barbican Estate generally remain in a reasonably satisfactory condition. It is however acknowledged that there have been some significant issues with water penetration on the Barbican that have caused considerable distress to residents. The City of London remains committed to delivering high quality services to the Barbican residents and we recognise that any future issues need to be dealt with swiftly and effectively.

Appendices

Appendix A– Comparative Costs

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