

<p>Committees: Corporate Projects Board - for decision</p> <p>Community and Children's Services - for decision</p> <p>Projects Sub - for decision</p>	<p>Dates: 25 November 2020 11 December 2020 17 December 2020</p>
<p>Subject: George Elliston and Eric Wilkins Houses - Refurbishment Unique Project Identifier: 12241</p>	<p>Gateway 2: Project Proposal Regular</p>
<p>Report of: Director of Community & Children's Services Report Author: Lochlan MacDonald, Asset Programme Manager</p>	<p>For Decision</p>
<h1>PUBLIC</h1>	

Recommendations

<p>1. Next steps and requested decisions</p>	<p>Project Description: The whole building refurbishment of George Elliston and Eric Wilkins Houses including windows, roofs, insulation, lifts, internal communal areas, brickwork repairs, water tanks, etc.</p> <p>Funding Source: Housing Revenue Account, long leaseholder contributions, possible external central government funding, subject to eligibility.</p> <p>Next Gateway: Gateway 3/4 - Options Appraisal (Regular)</p> <p>Next Steps: Commission surveys of the buildings to identify the current situation, life expectancies, costed options for refurbishment, calculations of how works affect thermal performance and seek access to external funding for energy improvement works.</p> <p>Requested Decisions:</p> <ol style="list-style-type: none"> 1. That a budget of £200,000 is approved to cover fees and staff costs to reach the next gateway (£150,000 for consultant fees and £50,000 for staff costs). 2. Note the total estimated cost of the project at £3,706,200 (excluding risk);
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	3. That no Costed Risk Provision is required and to note the risk register in appendix 2.																
2. Resource requirements to reach next Gateway	<table border="1"> <thead> <tr> <th>Item</th> <th>Reason</th> <th>Funds/ Source of Funding</th> <th>Cost (£)</th> </tr> </thead> <tbody> <tr> <td>Consultants Fees</td> <td>To establish current benchmark and provided costed options:</td> <td>Housing Revenue Account</td> <td>£150,000</td> </tr> <tr> <td>Staff Costs</td> <td>To cover staff costs across the whole life of the project</td> <td>Housing Revenue Account</td> <td>£50,000</td> </tr> <tr> <td>Total</td> <td></td> <td></td> <td>£200,000</td> </tr> </tbody> </table> <p>Costed Risk Provision requested for this Gateway: £0 (as detailed in the Risk Register – Appendix 2)</p>	Item	Reason	Funds/ Source of Funding	Cost (£)	Consultants Fees	To establish current benchmark and provided costed options:	Housing Revenue Account	£150,000	Staff Costs	To cover staff costs across the whole life of the project	Housing Revenue Account	£50,000	Total			£200,000
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3. Governance arrangements	<ul style="list-style-type: none"> • Community and Children’s Services • Paul Murtagh, Assistant Director, Barbican Estate and Housing Services is the senior reporting officer • The Housing Programme Board will monitor the project on a monthly basis. 																

Project Summary

4. Context	<ol style="list-style-type: none"> 1. The blocks were due to have window renewals and a new roof installed as part of a wider project to provide more dwellings at the estate. 2. That project was aborted in 2019 as the costs of the new properties were deemed too high by committee 3. The windows and roofs date from the original building date (early 1950s), both have reached the end of their expected lives and require replacement. 4. A holistic approach to full block refurbishment is being looked at to try and realise economies of scale and get the buildings to above the compliancy standard. 5. The works may include energy efficiency works for which the City could receive significant partial funding through central government initiatives.
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<p>5. Brief description of project</p>	<ol style="list-style-type: none"> 1. Undertake a full condition survey of both buildings to establish current situation with regards to life expectancies; 2. Employ energy analysts, either as part of 1) above or separately, to assess the current position regarding the thermal efficiency of the blocks. 3. From the above, obtain a full listed of costed options for carrying out all necessary and desired refurbishment and energy improvement works: 4. Liaise with energy funding experts to access funding for all eligible elements. 5. Draw up works specifications, carry out procurement exercises and have the works undertaken. 6. The list of possible works will be prioritised in terms of essential, advisable and desirable.
<p>6. Consequences if project not approved</p>	<ol style="list-style-type: none"> 1. The buildings need roof and window repairs as matters of urgency and need to be undertaken as soon as possible, following the failure of the redevelopment scheme. 2. The block is thermally inefficient and residents would benefit from having better insulated homes. 3. If the repairs are undertaken in isolation, there would be no chance of external funding and the HRA would have to be used to get these undertaken. 4. If the thermal efficiency of the block is not addressed fully, this may have a negative effect on the City's carbon descent strategy. 5. The City's assets would continue to degrade over time and would require more extensive and expensive works to address this.
<p>7. SMART project objectives</p>	<ul style="list-style-type: none"> • Complete refurbishment of 65 dwelling across the two blocks to be compliant with or exceed compliance of decent homes and energy efficiency targets. • Reduce response repairs across the two blocks. • Increase thermal performance of the two blocks by improving the Standard Assessment Procedure (SAP), The actual increase will depend on the scope of works undertaken. • Ensure opportunity of funding is achieved by meeting necessary criteria.
<p>8. Key benefits</p>	<ul style="list-style-type: none"> • Achieve and go beyond the decent homes standard • Improved thermal performance of the buildings • Improve affordability of heating to dwellings • Reduction in the number of response repairs • Extend the life expectancy of our assets • Contribute towards the city's Carbon Descent strategy

9. Project category	7a. Asset enhancement/improvement (capital)
10. Project priority	A. Essential
11. Notable exclusions	None

Options Appraisal

12. Overview of options	<p><u>Numbered list format</u></p> <ol style="list-style-type: none"> 1. Total refurbishment of the buildings including energy efficiency improvements. 2. Essential repairs and limited energy improvements 3. Essential Repairs only (as identified at survey stage)
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Project Planning

13. Delivery period and key dates	<p>Overall project: November 2020 – September 2022</p> <p>Depending on external funding deadlines, the time period for works may have to be condensed to accrue funding.</p> <p>Key dates: /</p> <ul style="list-style-type: none"> • Appoint Consultants: December 2020/January 2021 • Options Appraisal: April 2021 • Tender: May 2021 • Appoint Contactor: August 2021 • Start works: September 2021 <p>Officers will pursue access to the Green Homes Grants (GHG) LAD Phase1b money is accessed for some of the works This is likely to be a maximum of £5,000 per property, a total of £325,000 and depends on the eligibility individual households. At present the criteria states that to be eligible for this funding, works must be completed by September 2021 so this may not be feasible. However, it is possible that the next phase of the GHG and/or of other funding (such as the Social Housing Decarbonisation Fund) may be more realistic options in terms of timescale.</p> <p>Other works dates to coordinate: None known of at present.</p>
14. Risk implications	<p>Overall project risk: Medium</p> <p>Surveys may establish more works are required than are identified in this report.</p> <p>Works to improve the energy efficiency of the properties may not prove feasible and/or accrue the anticipated benefits.</p>

	<p>External funding may not be forthcoming due to eligibility criteria and/or changes to funding arrangements.</p> <p>Works may be more expensive than anticipated.</p> <p>Leaseholders may have concerns regarding costs of works.</p> <p>Access to properties may be problematic.</p> <p>The ongoing COVID 19 pandemic may affect consultants and contractors ability to undertake the necessary inspections and works.</p>
15. Stakeholders and consultees	<ol style="list-style-type: none"> 1. Members (via committee) 2. Estate staff and DCCS officers 3. Residents 4. Other City Staff (Corporate Energy Team, Chamberlains, Town Clerks, City Surveyors, Building Control, City Procurement) 5. Central Government (BEIS) 6. Southwark Planning 7. External agencies (funding)

Resource Implications

16. Total estimated cost	<p>Likely cost range (excluding risk): £2.5m - £5M</p> <p>Likely cost range (including risk): £2.5m - £5M</p>																			
17. Funding strategy	<p>Choose 1:</p> <p>No funding confirmed</p>	<p>Choose 1:</p> <p>Mixture - some internal and some external funding</p> <table border="1" data-bbox="531 1317 1350 1841"> <thead> <tr> <th>Funds/Sources of Funding</th> <th>Cost (£)</th> </tr> </thead> <tbody> <tr> <td>Housing Revenue Account</td> <td>£2,537,218</td> </tr> <tr> <td>Long leaseholder contributions</td> <td>£843,982</td> </tr> <tr> <td>Green Homes Grant (GHG)</td> <td>£325,000</td> </tr> <tr> <td>Social Housing Decarbonisation Fund (SHDF)</td> <td>Presently unquantifiable</td> </tr> <tr> <td></td> <td></td> </tr> <tr> <td></td> <td></td> </tr> <tr> <td></td> <td></td> </tr> <tr> <td style="text-align: right;">Total</td> <td>£3,706,200</td> </tr> </tbody> </table> <p>Chamberlains have advised that capital HRA funding has been prioritised for this project within the overall funding envelope of the HRA major works programme.</p>	Funds/Sources of Funding	Cost (£)	Housing Revenue Account	£2,537,218	Long leaseholder contributions	£843,982	Green Homes Grant (GHG)	£325,000	Social Housing Decarbonisation Fund (SHDF)	Presently unquantifiable							Total	£3,706,200
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The amount of external funding from the GHG and other central government initiatives will depend on the individual eligibility of affected households.

SHDF funding arrangements and criteria have not been established, but this will be monitored and reported to committee. If external funding is not forthcoming, committee will be advised and asked with regard to revised options.

Gateway 2: Overall Estimated Project Costs	
Item	Cost
Works	£3,140,000.00
Consultant Fees	£315,000.00
Staff Costs	£251,200.00
Total	£3,706,200.00

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<p>18. Investment appraisal</p>	<p>The condition of the blocks will continue to worsen if essential repairs are not done as a project, necessitating increased response repairs.</p> <p>Whilst undertaking repairs it makes good business sense to assess what other works can be done at the same time and try to access external funding for these.</p>												
<p>19. Procurement strategy/route to market</p>	<p>City Procurement have been consulted on the procurement strategy for these works and have advised (CP To comment).</p>												
<p>20. Legal implications</p>	<p>1. Long leaseholders will need to be consulted about the costs of the works, as it is the City's intention to recharge long leaseholders for the works through service charges.</p>												
<p>21. Corporate property implications</p>	<p>1. No direct implications</p>												
<p>22. Traffic implications</p>	<p>1. When works are on site, the contractor will liaise with estate staff at a local level to ensure proper traffic management.</p>												
<p>23. Sustainability and energy implications</p>	<p>1. The new windows and roof, which are essential, will be to a far higher thermal performance level than the current installations.</p> <p>2. It is hoped that further insulation to the fabric of the buildings will also be possible, which will improve resident comfort, reduce fuel poverty levels and reduce CO2 emissions.</p>												

	3. All works will help to raise the Standard Assessment Procedure (SAP) levels of the building and accord with the Carbon Descent Plan.
24. IS implications	1. None
25. Equality Impact Assessment	<ul style="list-style-type: none"> • A test of relevance will be carried out to assess if an equality impact assessment is necessary.
26. Data Protection Impact Assessment	The risk to personal data is less than high or non-applicable and a data protection impact assessment will not be undertaken.

Appendices

Appendix 1	Project Briefing
Appendix 2	Risk Register
Appendix 3	

Contact

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