

Committees:	Dates:
Corporate Projects Board – For decision Community & Children’s Services Committee – For decision Projects Sub Committee – For decision	03 November 2021 08 November 2021 17 November 2021
Subject: Windows Programme & Common Parts Redecorations – Golden Lane Estate Unique Project Identifier: 11961	Gateway 3 Complex Issue Report
Report of: Director of Community & Children's Services	For Decision
Report Author: David Downing, Asset Programme Manager	
PUBLIC	

1. Status update	<p>Project Description: Repair, installation of secondary glazing, or replacement of existing single-glazed windows with double-glazed units and redecoration of internal and external common parts at the Golden Lane Estate. At Gateway 2, the proposed works to the Golden Lane Estate were part of wider, multi-estate Windows Replacement Programme. An Issues Report was subsequently approved (June 2017) to split the wider project into separate workstreams, with the proposed works to Golden Lane Estate to proceed through the Gateway process as a separate concern due to the particular complexity of the buildings.</p> <p>Summary: The purpose of this report is to restructure the project to allow for the prioritisation of blocks as required, thereby minimising the risk to the overall programme should design or heritage approval issues arise at any given block. The report also seeks approval to revise the project scope to include roof renewals (previously programmed to follow window replacement works) to realise efficiencies and minimise disruption to residents.</p> <p>RAG Status: Amber (Amber at last report to Committee)</p>
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	<p>Risk Status: Low (Low at last report to committee)</p> <p>Total Estimated Cost of Project (excluding risk): £10,893,696 (should option to revise scope to include roof renewals be approved).</p> <p>Change in Total Estimated Cost of Project (excluding risk): Increase of £2,430,000 since last report to Committee (should option to revise scope to include roof renewals be approved).</p> <p>Spend to Date: £419,527</p> <p>Costed Risk Provision Utilised: N/A</p> <p>Slippage: None since previous report.</p> <p>Funding Source: Housing Revenue Account (HRA) Capital Funding</p>
2. Requested decisions	<p>Next Gateway: Gateway 4 - Detailed Options Appraisal (Complex)</p> <p>Requested Decisions:</p> <ul style="list-style-type: none"> (a) That additional budget of £95,000 is approved for the change of scope to include replacement roof design work to reach the next Gateway (b) Note the revised project budget of £1,026,150 (excluding risk) (c) Note the total estimated cost of the project at £10,893,696 (excluding risk) (d) That Option 3 is approved to restructure the project into separate work streams (to progress through the remainder of the Gateway process independently) and to revise the project scope to include roof renewals. (e) That approval is granted to rename the project 'Windows Programme, Common Parts Redecorations & Roofing Renewals – Golden Lane Estate' in light of the requested scope change.
3. Budget	<p>Roof Renewals</p> <p>At the previous Gateway, costs for the project were estimated at £8,463,696 for the window and redecoration elements only. Revising the project scope to include roof renewals would entail an increase in the estimated total project budget of £2,430,000. This expenditure (again solely funded by the HRA with an estimated 50% recovery from long leaseholders) has already been forecast in future spending plans as a key item on the next five-year major works programme and is contained within existing forecast capital budgets as notified to the Chamberlain.</p> <p>This additional sum is inclusive of the funds requested below to complete roof design work for each identified work stream, bringing each up to Gateway 4.</p>

	<table><tr><th>Item</th><th>Reason</th><th>Funds/ Source of Funding</th><th>Cost (£)</th></tr><tr><td>Roof Design Fees</td><td>Roof design & specification to inform tender package & secure Listed Building consent.</td><td>HRA</td><td>£80,000</td></tr><tr><td>Staff Costs</td><td>Project Management Costs</td><td>HRA</td><td>£15,000</td></tr><tr><td>Total</td><td></td><td></td><td>£95,000</td></tr></table> <p>Costed Risk Provision requested for this Gateway: N/A</p>	Item	Reason	Funds/ Source of Funding	Cost (£)	Roof Design Fees	Roof design & specification to inform tender package & secure Listed Building consent.	HRA	£80,000	Staff Costs	Project Management Costs	HRA	£15,000	Total			£95,000
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4. Issue description	<p>1. Restructure Project into work streams.</p> <p>Following the Issues Report approved in September 2021, design work continues to progress as anticipated within that report. The project is currently structured whereby separate design options for the nine blocks on the Golden Lane Estate are to be presented for approval in a single Gateway 4 report.</p> <p>The reporting arrangements as they stand present a risk to the overall delivery of the programme as a delay in finalising any of the costed options for a single block (each block bringing its own design and heritage challenges) would hold back advancement of all the others. In order to mitigate this risk, it is proposed to split the project into defined work streams, each to progress through the remainder of the Gateway process independently, starting at Gateway 4. Splitting the project in this way will allow for the prioritisation of blocks where needs are acute.</p> <p>The proposed works streams are:</p> <ol style="list-style-type: none">1. Crescent House2. Great Arthur House3. Stanley Cohen House4. Cullum Welch House5. Maisonette Blocks (Basterfield House, Bayer House, Bowater House, Cuthbert Harrowing House, Hatfield House).																

2. Amend project scope to include roof renewals

Surveys of the existing roofs at the Golden Lane Estate have been completed and reveal that the existing roof coverings have reached the end of their useful operational lives. In addition, the surveys noted the paucity of roof insulation present in the existing installations at many blocks. This should also be addressed at the earliest opportunity to improve energy efficiency within the buildings and ensure compliance with current building standards.

Informed by the survey's findings, roof renewals had been scheduled to follow the window projects at Golden Lane Estate as a key component of the forthcoming next five-year Major Works programme. However, due to the delays to the conclusion of certain elements of the current Major Works programme (exacerbated by COVID-19 and the design complexities inherent in identifying acceptable solutions for Golden Lane Estate), the need to progress these roof works in a timely fashion ahead of the launch of the next programme is now pressing.

Furthermore, combining the roof works with the windows element allows for a single design perspective, which will considerably benefit moves to a joined-up approach to maximising energy efficiency, aligning with the Net Zero initiative. It also creates the opportunity to realise cost efficiencies (shared use of access equipment) and minimise disruption to residents by allowing works to proceed concurrently. For blocks such as Crescent House, should the option to replace the upper-level windows be approved, the simultaneous replacement of the roof is a necessity as the components are integrally designed.

3. Financial Implications

Revised budgets for each identified work stream are presented below. The costs for the windows and redecoration elements remain unchanged from the costs presented at Gateway 3 and are inclusive of the uplift for window design fees as approved in the September 2021 Issues Report. These costs are subject to revision at Gateway 4 when fully costed options will be presented for decision.

The proposed additional expenditure on roofing renewals has already been included within current HRA capital programme forecasts.

Windows & Redecoration Estimates (as per previous reports):

Work stream	Works	Fees	Staff Costs	Total
Crescent House	£2,030,315	£269,450	£40,606	£2,340,371
Great Arthur	£1,592,404	£159,240	£31,848	£1,783,492
Stanley Cohen	£424,641	£42,464	£8,493	£475,598
Cullum Welch	£955,443	£95,544	£19,109	£1,070,096
Maisonette Blocks	£2,494,767	£249,476	£49,895	£2,794,138
TOTAL	£7,497,570	£816,174	£149,951	£8,463,695

Roofing Renewal Estimates:

Work stream	Works	Fees	Staff costs	Total
Crescent House	£765,000	£76,500	£19,125	£860,625
Great Arthur	£150,000	£15,000	£3,750	£168,750
Stanley Cohen	£220,000	£22,000	£5,500	£247,500
Cullum Welch	£145,000	£14,500	£3,625	£163,125
Maisonette Blocks	£880,000	£88,000	£22,000	£990,000
TOTAL	£2,160,000	£216,000	£54,000	£2,430,000

Combined Workstream Estimates:

Work stream	Works	Fees	Staff Costs	Total
Crescent House	£2,795,315	£345,950	£59,731	£3,200,996
Great Arthur	£1,742,404	£174,240	£35,598	£1,952,242
Stanley Cohen	£644,641	£64,464	£13,993	£723,098
Cullum Welch	£1,100,443	£110,044	£22,734	£1,233,221
Maisonette Blocks	£3,374,767	£337,476	£71,895	£3,784,138
TOTAL	£9,657,570	£1,032,174	£203,951	£10,893,695

4. Risk

i) Price inflation during current market instability: The estimates for both the windows and roofing elements were calculated before the dual impacts of Brexit and COVID-19 were fully realised; the full extent of price inflation attributable to material and labour shortages are not yet known and longer-term trends are hard to predict with any degree of certainty. Cost estimates for the options presented for consideration will be updated and revised as each work stream progresses to Gateway 4.

	<p>ii) Income recovery from long leaseholders: As advised in preceding reports, the significant risk to income recovery from the leaseholder service charge remains. A legal challenge to cost recovery from estate leaseholders for the windows element is anticipated. Should this challenge be successful, future HRA capital programmes would need to be reconfigured to account for the extra burden on HRA resources. The City Solicitor has advised that cost recovery for the roofing element should not be as contentious as the existing installations are independently verified as life expired and replacement specifications will be dictated by Building Regulations and heritage compliance.</p>
5. Options	<p>Option 1. Continue as per existing project structures. A single Gateway 4 for window and redecorations works will be submitted when options for all blocks are ready. Roof renewals will remain as a separate project (to progress through the Gateway process independently as part of the next Major Works programme) scheduled for delivery on conclusion of the window works.</p> <p>Option 2. Restructure the project, allowing for the creation of prioritised work streams, each to progress the remainder of the Gateway process (separate Gateway 4 and 5 reports) as required. Roof renewals will remain as a separate project (to progress through the Gateway process independently as part of the next Major Works programme) scheduled for delivery on conclusion of the window works.</p> <p>Option 3. Restructure the project, allowing for the creation of prioritised work streams, each to progress the remainder of the Gateway process (separate Gateway 4 and 5 reports) as required. The project scope will be revised to include roof renewals to all blocks with an associated increase in project budget of £2,430,000, including a sum of £95,000 to facilitate roof design works to the next Gateway. This is the recommended option.</p>

Appendices

Appendix 1	Project Coversheet
Appendix 2	Risk Register

Contact

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