

Committee(s): Housing Management and Almshouses Sub (Community and Children's Services) Committee	Dated: 14/01/2022
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 authors: Paul Murtagh Assistant Director Barbican & 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.

Recommendation

Members are asked to note the report.

Main Report

Background

1. At its meeting on 27 November 2017, the Housing Management & Almshouses Sub-Committee received a presentation from officers in Housing Property Services on the scope of, and progress with, the Housing Major Works Programme. Members subsequently agreed that it would be useful if further updates and progress reports be brought to future meetings of this Sub-Committee.
2. The first update and progress report was presented to this Sub-Committee at its meeting on 12 February 2018. This latest update report highlights specific areas of 'slippage' or 'acceleration' since the last meeting of the Sub-Committee on 15 November 2021 as well as, progress against the programme as originally reported in November 2017.

3. In line with a request from Members and, as subsequently agreed by the Community & Children's Services Committee (C&CS Committee), this report has been expanded to include information relating to Phase 2 of the Housing Major Works Programme (Future Programme).

Considerations

4. The City of London Corporation (City Corporation) is committed to investing around £75million 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.
5. 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 ring-fenced solely for housing. The HRA is made up of:
 - Income from rents;
 - Income from service charges.
6. 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 or 8 years to complete.
7. The Housing Major Works Programme is monitored and managed at several levels both corporately and within the department. This includes:
 - Gateway Process;
 - DCCS Committee;
 - Projects Sub-Committee;
 - Housing Management & Almshouses Sub-Committee;
 - Housing Programme Board.
8. The Housing Programme Board (HPB) is a cross-departmental group, 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.

9. For the purpose of the HPB, officers have developed detailed report templates that show progress of the various works programmes, and these are analysed and discussed monthly. At its meeting on 27 November 2017, following a presentation from officers in Housing Property Services on the scope of, and progress with the Housing Major Works Programme, Members agreed that a simplified version of the progress reports be brought to future meetings of this Sub-Committee.
10. 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. This progress report will be submitted to and considered by the HPB at its next meeting in February 2022.
11. Following recent 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 this latest 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).
12. 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.
13. As members will see from the 'Future Programme' at Appendix 2, there are nearly £30million 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. Although, the Future Programme does set out the projected delivery timescales for these new works, these timescales are entirely dependent on the availability of additional/new funding to finance them. It is likely at this stage, that funding for the Future Programme will not be available for some time and, the timescales set out in Appendix 2 will not be achievable and will need to be put back accordingly.

14. 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 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.
15. Members will note from the progress report at Appendix 1 that overall, there has been no significant change to the status of the various projects since the last meeting of this Sub-Committee. Members are asked to specifically note the following updates:

Slippage in relation to timing of contract

H44 – COLA and Gresham Refurbishment

The internal Decent Homes works are nearing completion and, the secondary glazing installations have commenced, with an expected completion date in late February/early March. The main outstanding works are the repairs to the external fabric which, following further detailed surveys, have increased significantly in scope since the commencement of the project. An Issues Report is being prepared, seeking approval for additional funds and a revision to the project timescales. Subject to approval of the Issues Report, this project will not now be completed until the Summer this year.

Progress of note on key projects

H39 – Window Replacement and External Redecorations (Multiple Estates)

Works continue on our first site in this project at Dron House, with our external consultant, Playle & Partners LLP carrying out the Project Manager function on behalf of the City Corporation. The project is expected to be completed by the end of February this year. Following the previously reported internal resource issues, a replacement Project Manager has now been appointed to manage the delivery of the works at Southwark, Holloway, Windsor House, William Blake and Sydenham Hill Estates, the start of which, had previously been delayed and reset for February/March 2022.

H40 – Golden Lane Estate Window Refurbishment/Replacement

An Issues Report was submitted to, and approved by the C&CS Committee and, Projects Sub Committee, to amend the scope of this project to include the roofing works and, to restructure the project to allow for prioritisation of certain works. We are currently working on a Gateway 4 (Detailed Options Appraisal) Report for Crescent House and, this will be submitted to the relevant Committees at the earliest opportunity.

We have recently set up a project specific website, GoldenLaneWindows.site, which is managed by Thorncliffe, our communications consultant and, is regularly updated with new information and documentation. Since its launch, the website has had 265 'hits', with visitors spending an average of 4minutes 40seconds browsing the site. We are also working with residents of each of the blocks on the Golden Lane Estate to establish individual Project Liaison Groups, with the intention that each group will have a balanced tenure membership, commensurate with the tenure mix within each block.

Officers and Consultants attended a further recent online Q&A event, hosted by Your Shout, as part its communications commission. Hand delivered letters and, a door-knocking exercise was carried out in advance of the event to maximise interest and attendance as well as, providing information to be discussed in advance. Further events are planned to ensure residents are kept informed, particularly, in relation to the various options, costs and impact of the delivery of the project.

H45 – York Way Estate Communal Heating Replacement

The installation of the distribution pipework has now been completed and, following the final survey works, the in-flat installations have now commenced, with an anticipated completion date in May 2022.

H46 – Middlesex Street Estate Communal Heating Replacement

As previously reported, the distribution pipework in Petticoat Tower is complete and works are ongoing in the plant room to install all the new equipment. The work relating to the distribution pipework around Petticoat Square remains on hold as, there have been objections to the planning permission for the external distribution pipework from a handful of residents (although, several objections have subsequently been withdrawn). We are currently awaiting a resolution from our colleagues in Planning and, the completion of the project is tentatively estimated for the Summer this year.

H53 – Play & Ball Game Area Refurbishment (Multiple Estates)

The substantive works are now complete, with some minor and final snagging works to be completed. A Gateway 6 (Outcomes Report) will be prepared and submitted for Committee approval in due course.

H54 – Fire Door Replacement Programme (Multiple Estates)

The Gateway 5 (Authority to Start Work) Report for Lot 1 (Holloway and York Way Estates) has been submitted to and approved by the respective Committees. Contracts are to be exchanged with our approved contractor, GERDA, who will then manufacture the doors and mobilise to site. In relation to the remaining Estates, an Issues Report is will be presented to the C&CS Committee in February, updating on progress, and seeking ongoing support for the current procurement approach.

16. As Members will appreciate, there will always be problems with contracts and projects such as those contained within the Housing Major Works Programme. The COVID-19 situation has had a significant impact on service delivery in the last 18 to 24 months but, most of our projects have now returned to full delivery.
17. 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.

Staffing Resources

18. As highlighted at previous meetings of this Sub-Committee, the Major Works Team has been significantly under-resourced since the recent departure of two of its Project Managers. A recruitment process has been carried out to find suitable replacements and, two successful appointments have now been made. As set out in this report previously, resource issues have had a significant bearing on the delivery of the Window Replacement Programme at the Holloway Estate, William Blake Estate, Windsor House, Southwark Estates and the Sydenham Hill Estate. Should there be any further problems with the current recruitment process or, existing Project Managers leaving, this could lead to delays in other projects.

Appendices

- Appendix 1: Housing Major Works Programme Progress Report (November 2021)
Appendix 2: Housing Major Works Programme (Future Programme)

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