

<b>Committee(s):</b> Housing Management and Almshouses Sub (Community and Children's Services) Committee	<b>Dated:</b> 17/04/2023
<b>Subject:</b> Housing Major Works Programme – Progress Report	<b>Public</b>
<b>Which outcomes in the City Corporation's Corporate Plan does this proposal aim to impact directly?</b>	<b>1, 2, 12</b>
<b>Does this proposal require extra revenue and/or capital spending?</b>	<b>N</b>
<b>If so, how much?</b>	<b>N/A</b>
<b>What is the source of Funding?</b>	<b>N/A</b>
<b>Has this Funding Source been agreed with the Chamberlain's Department?</b>	<b>N/A</b>
<b>Report of:</b> Director of Community and Children's Services	<b>For Information</b>
<b>Report authors:</b> 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 30 January 2023, 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 £95million 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;
  - Community & Children's Services Committee (C&CS);
  - 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 meeting on 27 April 2023.
11. 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).
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.
14. Members will note that the Future Programme is substantively unchanged from that submitted to the November meeting of this Sub Committee. The projected dates for these future works are still as originally forecast and, do not reflect the potential 'two-year' affordability break reported previously. The Future Programme will also likely be affected by current and future economic factors and, at some time in the future, a substantial review and redrafting of the Future Programme 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.

15. 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.
16. 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:

***Slippage in relation to extensions of works in delivery.***

Recent changes to the Building Regulations (amendments to Approved Documents Part F (Ventilation), Part L (Conservation of fuel and power), the release of a new Part O Approved Document for Overheating) have resulted in additional design work and amendments to further planning applications being required at all estates of the included in the wider HRA Windows Replacement Programme as set out below.

H39b – Window Replacements and External Redecorations (Holloway Estate)

New window drawings have been approved for Whitby Court and the windows are now being manufactured. Scaffolding continues to be erected and timber repairs and redecoration works have started. The amendment to the planning application for the rest of the Holloway Estate is ongoing but, there is an estimated delay of three months to project completion.

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

During the initial site surveys, discrepancies were found within the specifications and the drawings submitted for the planning application, which we are currently rectifying. This, coupled with the enforced hiatus of the Covid-19 lockdowns, has caused some lengthy delays to the project which has left us unable to implement the original planning permission which has now expired.

We have appointed Studio Partington Architects to review the specifications and deal with the new planning applications. In the interim, the contractors are on site carrying out the surveys and the redecoration works in order to minimise the delays to the delivery of the project. Furthermore, we have been working with the main contractor in engaging with different windows suppliers to reduce lead times for the manufacturing of the replacement window units. This exercise has reduced the

expected lead time for timber windows (Pakeman House) from 10-12 weeks to 8-10 weeks, and for UPVC windows (Sumner Buildings and Stopher House) from 8-10 weeks to 4-6 weeks. The current estimated delay to project completion is 3 months.

#### H39d – Window Replacements and External Redecorations (Sydenham Hill)

We have produced the revised drawings for the changes to the windows and specified the correct allowances for mechanical ventilation in compliance with the revised Part F of the Building Regulations for the properties affected. Non-material amendments to the planning application will be submitted to the local authority planning team shortly. The current estimated delay to project completion is 3 months.

#### H39f – Window Replacements and External Redecorations (Windsor House)

The contractor has carried out the Asbestos Refurbishment and Demolition survey, lead-based paint test and the brickwork repair surveys. The results show asbestos within the window putty and gas pipe flanges. This means that the removal of the windows must be carried out externally rather than internally through the flats as originally planned and, as a result, additional scaffolding is necessary at the front elevations. This additional scaffolding will make it easier, safer, and quicker to remove the windows and to treat the lead painted railings. These additional works are going to add time to the programme, currently estimated at three months. Windows are being manufactured and an updated programme will be issued shortly. Redecoration works to the communal areas are ongoing.

### ***Progress of note on key projects***

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

Following the previously reported delays to this project, a committee report has now been prepared setting out revised estimates and updated timescales. Additional design work is required before resubmitting the planning application as recent changes to the Building Regulations and, any additional considerations that need to be incorporated under the new Building Safety Act, need to be factored into the specification to ensure full compliance.

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

A Gateway 4 report was approved by the Community and Children's Services Committee at its meeting on the 13 March, which included approval for the recommended option of repair of the hardwood frames, the installation of vacuum glazing and associated heating and ventilation works at Crescent House. Further approval is being sought from Operational Property & Project Sub-Committee, via urgency if possible, or at its meeting on 17 April meeting, to allow for the project to proceed as recommended.

#### H40b,c,d,e – Window Refurbishment, Roofing and Ventilation (Remaining Blocks)

A further report entitled 'Major Works Refurbishment Programme – Golden Lane Estate' was also approved by the Community & Children's Services Committee on the 13 March, which included approval for an expedited Major Works Refurbishment Programme for the Golden Lane Estate. This allows for an expanded option for the repair/refurbishment of existing window frames and, associated roofing, heating and ventilation works. The report set out a revised scope of works and updated estimated costs and budgets.

#### H44 – COLA & Gresham Almshouses Refurbishment

The contractor returned to site in January to undertake the remedial works/snagging items identified at the end of the defects period. This has been completed subject to a few issues with access. We are now in discussion with the contractor to reach agreement on the final account and close the project. Changes to the works programme during the contract, principally due to Covid, and the procured specification of works being insufficient to resolve all issues with the buildings mean that further works need to be considered.

#### H45 - York Way Communal Heating

Our project team has been working with local estate staff to reach a number of properties that were proving challenging in granting access to complete the in flat installations. All properties on the estate are now booked in to have the works done.

#### H46 - Middlesex Street Estate Communal Heating

In flat surveys are to start shortly. We are still in negotiation our contractor over the extent of additional costs accrued due to the delay caused by the now resolved Planning issue. An Issues Report will be drafted for Committee as and when appropriate.

#### H54 - Fire Door Replacement Programme (multiple estate programme)

**Lot 1 – Holloway and York Way Estates.** All works are now complete. Works at York Way were completed with a resident satisfaction score of 99%, and at Holloway with a resident satisfaction score of 97%.

**Lot 2 – Avondale Square Estate.** Contract exchange with our contractor Gerda is complete. The replacement doors are now in manufacture.

**Lot 3 – William Blake, Dron House, Summer Buildings, Petticoat Tower (communal doors only).** Gateway 5 for Lot 3 has been approved and contracts have been exchanged with our contractor Gerda. The manufacture of doors will follow those at Avondale.

#### H55b - Installation of Sprinklers (Petticoat Tower)

A Gateway 5 report was presented to the Community & Children's Services on the 13 March attaining approval for the appointment of Harmony Fire Limited to complete the sprinkler system retrofit at Petticoat Tower.

## H60 - Electrical Testing - Phase V (tenants electrical testing and smoke alarms - multiple estates)

Phase V of the Electrical Testing Programme has been completed with a resident satisfaction score of 99.79% (from 266 responses).

17. Members will appreciate, there will always be problems with contracts and projects such as those contained within the Housing Major Works Programme. The last 18 to 24 months have been particularly challenging and, one of the most significant challenges we are currently facing is the huge increase in the cost of construction projects nationally. The Corporation is not immune from these cost increases which, typically, are between 20 and 30%.
18. 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

19. As highlighted at previous meetings of this Sub-Committee, up until recently, the Major Works Team has had significant resource issues (staff). Following a recent focused recruitment process however, we have managed to make several new appointments to vacant posts. We do still have vacancies within the team and, we continue to try and recruit to these vacant posts as quickly as possible.

### **Appendices**

- Appendix 1: Housing Major Works Programme Progress Report (March 2023)
- Appendix 2: Housing Major Works Programme (Future Programme)

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