

<b>Committee(s):</b> Housing Management and Almshouses Sub (Community and Children's Services) Committee	<b>Dated:</b> 24 October 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>	1, 2, 12
<b>Does this proposal require extra revenue and/or capital spending?</b>	N
<b>If so, how much?</b>	N/A
<b>What is the source of Funding?</b>	N/A
<b>Has this Funding Source been agreed with the Chamberlain's Department?</b>	N/A
<b>Report of:</b> Director of Community and Children's Services	<b>For Information</b>
<b>Report author:</b> Paul Murtagh Assistant Director Housing and Barbican	

### 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 17 April 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.
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 previous meetings 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:

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

#### H39b – Window Replacements and External Redecorations (Holloway Estate)

Works at Whitby Court are progressing well and the scaffolding to Block 1-30 Whitby Court will be removed as soon as the identified snagging items are completed. Bay windows to the internal garden will however require additional works due to timber deterioration.

Works at Hilton House are on hold pending a decision regarding reinforced infills between the lintels clashing with the new windows. The solution is either rectify the lintel (which will entail the involvement of a Structural Engineer) or a change to the window design (which will require the further involvement of the Design Team). Works to other blocks are progressing as planned.

An Issues Report is being prepared, seeking approval for additional costs accrued following the required amendments to the original planning consents. This will be brought before members at the earliest opportunity once the costs have been verified. The latest expected date for practical completion is the end of January 2024.

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

New planning applications have now been submitted and the determination dates for each of the blocks are as follows:

- Sumner Buildings: 18 October 2023
- Pakeman House: 23 October 2023
- Stopher House: 19 October 2023

The revised estimated completion of all works included in this project is the end of June 2024.

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

The window replacements to properties in Lammas Green have now been completed. Planning approval for the mechanical ventilation has recently been received and the contractor is now procuring the material to complete these works. The scaffolding to the front elevations of the properties has now been removed and minor snagging work is being undertaken.

The replacement of the windows in Otto Close has now commenced however, planning permission for the installation of the mechanical ventilation is still outstanding. Some of the scaffolding to the rear elevations to the properties has been removed and snagging work is being completed.

An Issues Report is being prepared to seek approval for the additional costs required because of the required changes to the planning approvals and the relocation of the site welfare facilities, necessitated by the commencement of the new development works at the Sydenham Hill site.

Early feedback from residents who had the work done on their homes has been very positive. The expected date for practical completion of all works is now the end of October 2023.

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

As reported previously, the tendered bids received and the planning approvals for this project expired during the temporary hiatus for the Capital Programme Review. A new Gateway 3/4 report is being drafted, presenting options for progressing the proposed Window Replacements at the William Blake Estate. It is anticipated that this will be submitted for approval at the planned November meeting of the Community and Children's Services Committee. Re-tendering the work has allowed for extensive consultation with the City's Energy Team, which explored the possibility of securing external funding for any carbon saving measures incorporated into the works.

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

The redecoration works to the communal areas are progressing well and, almost all the windows have been renewed in the 104 properties included in the project. Works to remove the highest windows and to treat the lead painted railings continues whilst most of the homes in Blocks A, B and C have had their windows renewed, except for the dormer windows which will need additional works.

An Issues Report is required to seek approval for the additional costs accrued due to the previously reported complexities of the presence of asbestos and lead paint plus, the additional works required to the dormer windows. This will be brought before members at the earliest opportunity once the costs have been verified. The expected date for practical completion for this project is the end of October 2023.

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

Work to the pilot project is nearing completion now that the vacuum glazing has arrived on site. The pilot flat is undergoing major refurbishment that will allow residents to see a fully finished flat with the completion of all work to the windows and the installation of the ventilation and heating systems.

The planning application, which was submitted in the spring, has had more than five objections and therefore, needs to be seen at the meeting of the Planning & Transportation Committee in December. Tender documents are still being prepared in order to reduce further delays and, we continue to work closely with residents to move this project forward. Due to the delays with the planning application, work on the wider Crescent House project is unlikely to start before June 2024.

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

Estimated costs have now been received to allow us to progress this project for the remaining blocks on the Golden Lane Estate forward to an application for Listed Buildings Consent, planning and, to commence with the tender process.

The next stage in the Gateway process is approval by the relevant committees of a Gateway 4C report, requesting approval to the budget to take the remaining estate to tender. The Resident Liaison Group (RLG) for the wider estate has now met twice and will continue to meet monthly.

#### H45 - York Way Communal Heating

We have now completed most of the in-flat domestic installations, with just a handful of properties requiring further building works. The redecoration of the plant room is also to be completed.

There have been further delays due to late access issues with some of the residents however, we have worked closely colleagues in the estate office to resolve these matters and, practical completion is now expected by the end of September 2023.

#### H46 - Middlesex Street Estate Communal Heating

Work is progressing but, progress has not been as good as we would have expected for a number of reasons. An Issues Report has been prepared, seeking approval for an uplift in cost due to the previously reported delays to the project.

#### H54 – Fire Door Replacement Programme (Multiple Estates)

- **Lot 2 (Avondale Square Estate)**

Very good progress has been made with the fire door installations on the Avondale Square Estate, with 340 installations completed, that have clearly been very well received by residents. Installations to the three Point Blocks

are currently on hold until, the sprinkler installation programme and the work to install fibre optics (statutory undertaking) are complete.

- **Lot 3 (Sumner Buildings, William Blake, Dron House, Petticoat Tower communal doors)**

Work to Lot 3 has commenced, with the first doors installed in the Sumner Buildings during the week commencing 11 September. The works to Sumner Buildings are expected to take five weeks to complete (subject to residents granting access) with William Blake Estate, Dron House to follow. The final works to Lot 3, the replacement of the communal doors in Petticoat Tower, will commence when the project for the sprinkler installation allows.

#### H55a - Installation of Sprinklers (Avondale Square Point Blocks)

Works are progressing well across the three Avondale Square Point Blocks, with completion now expected by the end of September 2023. Of the 222 properties in the three blocks, four leaseholders have not yet provided access, two tenants have refused access (legal proceedings have commenced) and two tenants require further assistance. Remaining matters with Southwark Building Control are currently being closed out and further work to amend the installation of sounders installed by a previous sub-contractor in West Point are underway.

As part of the project's social value commitment, the contractor and consultants have made contributions to provide £25 Asda essentials vouchers for each eligible resident to provide support during the cost-of-living crisis.

Resident satisfaction gauged from our contractor's in-house surveys has been largely positive, with no "very dissatisfied" scores for any aspects of the work and, only a few "fairly dissatisfied" scores in June. The issues that caused residents to be 'fairly dissatisfied' were identified and promptly addressed.

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

The successful contractor, Harmony Fire, is due to start on site in mid-October, beginning with pre-condition surveys, site setup, and booking installation appointments with residents. Additional asbestos surveys will be required for approximately 50% of the 88 flats. Additionally, the responsibility of boxing-in for the pipework has been transferred from the communal heating project to the sprinkler project to avoid programme overlap.

We are preparing for a strong period of engagement with residents with open viewings of the completed and redecorated pilot flat on 27 September, and a "Meet the Contractor" event scheduled for 4 October. One of the key messages we will be conveying is that, in line with Counsel's advice, we cannot compel leaseholders to grant us access for the works to install sprinklers in their home.

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 that we continue to face 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, we have had significant problems in recruiting the required staff to help deliver the Major Works Programme. Having had some success in the recent past, we are once again experiencing difficulties in attracting the number and calibre of staff we require. 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 (September 2023)

Appendix 2: Housing Major Works Programme (Future Programme)

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