

Committee(s): Housing Management and Almshouses Sub (Community and Children's Services) Committee	Dated: 29 November 2023
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 author: Jason Hayes Head of Major Works, DCCS 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(s)

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 £110million 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 Future Programme will likely be affected by current and future economic factors and, at some time in the future, a substantial review and redrafting 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)

An Issues Report to uplift the project budget by £1,001,176.62 following requirements to amend the planning consent in response to changes in Part F of the Building Regulations was approved at the November 2023 meeting of the Community & Children's Services Committee. The expected date for practical completion remains the end of January 2024.

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

Planning consents for all three blocks have now been secured. The manufacturing process is now clear to begin with a revised programme from the contractor expected shortly. The estimated completion of all works included in this project remains the end of June 2024.

H39d – Window Replacements and External Redecorations (Sydenham Hill)

An Issues Report to uplift the project budget by £350,450.20 following delays concerning planning and relocation of the site compound was approved at the November 2023 meeting of the Community & Children's Services Committee. The expected date for practical completion is now January 2024.

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. This will be submitted for approval at the planned December 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)

An Issues Report to uplift the project budget by £590,507.97 following the discovery of lead paint, previously unidentified asbestos and more extensive dormer window repairs than originally anticipated was approved at the November 2023 meeting of the Community & Children's Services Committee. The expected date for practical completion is now January 2024.

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

Work to the pilot project is now complete and open house events have now been held with the various stakeholders. 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 have been prepared as far as possible to reduce further delays and await inclusion of any planning conditions before procurement commences. 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)

A Gateway 4 Detailed Options Appraisal recommending the repair of existing frames with the installation of vacuum glazing was approved at the November 2023 meeting of the Community & Children's Services Committee, with the budget set at £17,874,000. Design work continues, with applications for Listed Building Consents set to be submitted in April 2024

H45 - York Way Communal Heating

All works within the residential flats have now been completed, all that remains before practical completion is the redecoration of the plant room.

H46 - Middlesex Street Estate Communal Heating

The installations within Petticoat Tower are now almost complete; there are currently four remaining leaseholders refusing access. This is in the hands of the leaseholder and legal teams to resolve. Work has now commenced on Petticoat Square. An Issues Report to uplift the project budget by £1,223,570 with a revised estimated practical completion date of June 2024 was approved at the November 2023 meeting of the Community & Children's Services Committee. A further report seeking resolution on the issue of the potential for leaseholder opt-out of the communal heating was also presented and determined at that meeting.

H54 – Fire Door Replacement Programme (Multiple Estates)

- Lot 2 (Avondale Square Estate)

Installations to the three Point Blocks remain on hold pending the completion of the sprinkler installation programme, the work to install fibre optics and gas mains.

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

Installations in Sumner Buildings are almost complete with just a handful of properties remaining. Electrical adaptations to two properties there are also required before works can conclude. Works at William Blake Estate are also progressing well. We are working collaboratively with the estate team to try and make final appointments. Dron

House site set up is complete with the new doors set to be delivered shortly. Building Control clearance from Tower Hamlets to proceed is still pending, as we now have to work between City and Tower Hamlets Building Control teams following recent regulatory changes.

H55a - Installation of Sprinklers (Avondale Square Point Blocks)

The Sprinkler programme across Avondale Point Blocks is now 90% complete. Previous anticipated date of completion was October 2023, but a short delay has been incurred to address outstanding queries raised by Building Control pertaining to sign-off/certification. Anticipated date of completion is now first week of December 2023.

H55b - Installation of Sprinklers (Petticoat Tower)

Delivery of the Petticoat Tower programme began w/c 16th October. The contractor is currently mobilising on site with presence available throughout the week. Initial appointments are being booked with residents for in flat surveys. Anticipated date of project completion is currently June 2024. There is an expected increase in costs due to additional work tied to communal boxing approach linking sprinklers and communal heating pipe routes; an Issues Report is in preparation for December 2023 Committees. Other major works programmes remain to be present across Middlesex Street estate, requiring regular monitoring by project officers and CDM principal designer.

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 continue to have 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 (November 2023)
- Appendix 2: Housing Major Works Programme (Future Programme)

Jason Hayes

Head of Major Works, DCCS Property Services

T: 07850 513364

E: jason.hayes@cityoflondon.gov.uk