

Committee(s): Housing Management and Almshouses Sub (Community and Children's Services) Committee	Dated: 03 June 2024
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: David Downing Acting Head of Major Works Housing, 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. From its original inception, this report has since been expanded to include information relating to Phase 2 of the Housing Major Works Programme (Future Programme).

Recommendation(s)

Members are asked to note the report.

Main Report

Background

1. The purpose of this report is to present progress and highlight slippage within the portfolio of projects which make up the Housing Major Works Programme to Members of the Housing Management and Almshouses Sub Committee.
2. 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.
3. 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.
4. 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.
5. 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 and Procurement Sub Committee;
 - Housing Management & Almshouses Sub Committee;
 - Housing Programme Board.
6. The Housing Programme Board (HPB) is a cross-departmental group which meets every two months to oversee the Major Works Programme. It is 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.
7. 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.

8. 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).
9. 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.
10. As members will see from the 'Future Programme' at Appendix 2, there are nearly £44 million 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.
11. Members will note that the Future Programme is substantively unchanged from that submitted to previous meetings of this Sub Committee. An uplift to costs reflecting the persistent cost inflation in the construction industry has been applied to bring the forecast costs up to 2024 price levels. The Future Programme will likely be further 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.
12. 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.

13. 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)

Practical completion of the works achieved on 24th January. Scaffolding removed from all elevations. A few minor snagging items remain to be resolved. Final accounts to be agreed.

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

Redecoration is nearly complete across all three blocks. The replacement of windows for Pakeman House started in early April. Windows for Sumner Buildings and Stopher House are being now manufactured; installations are expected to begin mid May for Sumner Buildings and end May for Stopher House. Practical completion was expected by the end of June 2024 although the addition of the balcony doors at Sumner Buildings will require an Extension of Time which is currently being calculated. An Issues Report seeking a budget uplift is in preparation for the next Community & Children's Services Committee.

H39d – Window Replacements and External Redecorations (Sydenham Hill)

Practical completion of the works achieved on 14th March. Scaffolding removed from all elevations. A few minor snagging items remain to be resolved. Final accounts to be agreed. An Issues Report seeking a small budget uplift is in preparation for the next Community & Children's Services Committee.

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

Statutory pre-tender section 20 leaseholder consultations for the services of a design team closed 11th March 2024. The design team brief is now being finalised and the project team will engage with the energy and procurement teams to ensure that the project aligns with City's climate action and responsible procurement strategies. Once appointed, the design team will be working alongside the project team undertaking pre-planning advice ahead of submitting a new planning application. While the planning applications are underway the design team will also be working alongside the project team drawing specifications to re-tender for the works, which will also be subject to the statutory pre and post tender section 20 consultations with leaseholders. Subject to further committee approvals, successful statutory consultations, tenders, and planning consents the works are expected to start early 2025.

H39f – Window Replacements and External Redecorations (Windsor House)

Snagging and final inspection of the redecoration work is expected shortly, and the replacement of the dormer windows is ongoing with final making good to the dormer surrounds to follow. Practical completion is expected 6th June 2024. An Issues Report seeking a budget uplift is in preparation for the next Community & Children's Services Committee.

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

Listed Building Consent and Planning application for the whole block has now been approved. Tender documents are being finalised ahead of publication of stage 1 of the tender which will be advertised in late June/early July. Once the pricing document is ready it will be presented for legal opinion in terms of recoverability of costs as well as considering issues such as status of decanting costs and costs relating to converting leasehold flats to electric heating.

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

Much of the design work for Stanley Cohen and Cullum Welch is now complete but awaits some final pieces of work to be completed such as structural surveys and embodied carbon assessments. Additional budget to support his work and to refurbish void flats ready for decanting was approved at the last Community & Children's Services Committee. Once the funds have been made available on the City's financial systems the relevant consultants and contractors can be instructed to progress this piece of work.

H46 - Middlesex Street Estate Communal Heating

The works are ongoing around Petticoat Square. Residents of Petticoat Tower are experiencing noise issue within the internal ducts. Following extensive investigations, it has been determined that this is the result of the old, existing system. A drain down of the old system cannot be actioned until all properties in the Tower have their installations completed; four leasehold properties continue to refuse access to allow the works. Action to resolve is with City Solicitors.

H54 – Fire Door Replacement Programme (Multiple Estates)

- Lot 2 (Avondale Square Estate)

Gerda have begun installing residential front doors in the Point Blocks. Replacement of communal corridor doors within these blocks is on hold pending resolution of an issue relating to the sprinkler installation.

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

Works at Dron House and William Blake Estate are complete. One flat in Sumner Buildings continues to deny access; this is with City Solicitors to resolve. Works to the communal doors in Petticoat Tower remain on hold pending the completion of the sprinkler install.

- Lot 4 (Southwark Estate, Windsor House, Isleden House, Sydenham Hill, Spitalfields)

Reform Architects have been appointed to lead the design work for Lot 4. There will be an initial focus on Sydenham Hill due to the extra complications of the Listing and previous experience of lengthy timescales when dealing with Lewisham.

14. Members will appreciate that there will always be problems with contracts and projects such as those contained within the Housing Major Works Programme. The last few years have been particularly challenging. Indeed, the increasing cost of construction projects nationally remains a particular concern. The Corporation is not immune from these cost increases which, typically, are between 20 and 30%.

15. 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.

Appendices

Appendix 1: Housing Major Works Programme Progress Report (April 2024)

Appendix 2: Housing Major Works Programme (Future Programme)

David Downing

Acting Head of Major Works, Housing

T: 0207 332 1645

E: david.downing@cityoflondon.gov.uk