

Committee(s): Housing Management and Almshouses Sub (Community and Children's Services) Committee	Dated: 28 November 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: Greg Wade 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 development of the Housing Major Works Programme following September's HRA briefing session and to advise Members on issues affecting progress on individual schemes.

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 circa £110million on a Major Works Programme for the maintenance, refurbishment, and improvement of its social housing portfolio. The works, in the main comprise:

- Window repairs / replacements;
 - Re-roofing (including repair / replacement of rainwater goods);
 - Decent Homes (new kitchens and bathrooms);
 - Electrical rewiring and upgrades (communal landlord supply and domestic);
 - Heating replacements and upgrades (communal and domestic);
 - Concrete and external fabric repairs;
 - Fire safety improvement works (fire door replacement, compartmentation works, fire-stopping, fire alarm upgrades, sprinkler installation);
 - Energy efficiency works (co-funded through Climate Action Strategy funding);
 - Estate Improvement works (minor landscaping / security / fencing / waste storage / external drainage).
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 certain high-profile projects (such as the Golden Lane Estate Windows programme), along with persistent staff resourcing issues and the addition of extensive unprogrammed works, has meant that it is now more likely to take a maximum of 10 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, are progress reports for the Housing Major Works Improvement Programme. The reporting has been redesigned following requests from Members at previous Committee meetings. Ongoing feedback on the revised format is very much welcome.

8. As detailed in previous reports, and as described at the Members briefing held 17 September 2024, there are circa £35 million of new projects that are currently '**unfunded**' and will form the basis of the next Major Works Programme. These projects comprise of works which were first identified in the Savills Stock Condition Survey (2018), in addition to projects that have since been highlighted from further surveys and testing works carried out as part of the current Major Works Programme. These 'unfunded' works have been provisionally programmed to commence in a phased approach from 2026/27, subject to sufficient capacity within the HRA/HRA borrowing or the identification of an alternative source of funding. A separate report will be presented to this Committee to update Members on progress in identifying future budget requirements.

Progress of note on key projects

Window Replacements and External Redecorations

Works to Holloway Estate, Sydenham Hill Estate and Windsor House have all reached Practical Completion.

Southwark Estate – Pakeman House, Stopher House & Sumner Buildings

An Issues Report was submitted and approved by Community & Children's Services Committee in July 2024 to cover additional costs incurred by the need to renew planning permission, changes to ventilation to comply with changes in legislation and for inclusion of balcony doors at Sumner Buildings which had been omitted from the original scope of works. Window replacements at Sumner Buildings and Pakeman House are now all but complete with snagging ongoing and scaffold to be removed. Completion at Stopher House has been slightly delayed following the late delivery of units; this will be at the contractor's expense. Redecoration works will be finalised once scaffolds are removed. Expected date of practical completion is 12 December 2024.

William Blake Estate

The design team brief is now being finalised and the project team is in the process of engaging with the procurement team, to ensure that the project aligns with City's climate action and responsible procurement strategies. The tender for the services of the design team is expected to go live by late November 2024 and once the tender evaluations are complete, the Home Ownership Team will be undertaking the statutory post tender section 20 consultations with Leaseholders (in conjunction with the Major Works Team).

Once appointed, the design team will be working alongside the project team, seeking 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 up specifications for re-tender of 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 mid-2025.

Window Refurbishment, Roofing, Ventilation and Heating (Golden Lane Estate)

Phase 1 - Crescent House

A two-stage tender process was considered the most appropriate route to market for a project of this complexity and is currently underway. Stage 1 ended on 13 August and has been followed by a thoroughly in-depth evaluation process. The project team has proceeded with due care, given the importance of selecting the right profile of contractor. Of the 7 tenderers which expressed initial interest, 5 have been provisionally selected to proceed to the second stage. The form of proposed contract is currently under review by Legal, with the project team opting to revert to an industry standard form of contract rather than the Corporation's bespoke documentation, due to the complexity of the delivery programme. Legal opinion has also been sought in relation to recoverability of costs, with specific reference to large-scale decanting and the prospect of converting leasehold flats from gas to electric heating. This information is critical for the Stage 2 (Notice of Estimate) S20 consultation.

Phase 2 – Wider Estate

Design work and testing is continuing for the blocks of the Wider Estate; planning applications are expected to be submitted in January 2025. A consultation event for residents was held 3 October and was positively received. Window repair works (frames only) have been completed in three vacant flats (which served as temporary pilot properties) and these have now been returned to allocations. Exploratory work is continuing in one of the Bayer House maisonettes, which will be used as a two-bedroom temporary accommodation flat whilst the contract works are being undertaken in Crescent House.

Middlesex Street Estate Communal Heating

The ongoing programme of heating system replacements is still underway in Petticoat Square. As previously reported, there are five refusals in Petticoat Tower and the occupants of two flats in Petticoat Square are currently awaiting the outcome of the tribunal that is being dealt with by the City's legal department (the hearing is provisionally scheduled for December 2024). Furthermore, there are a number of persistent access issues, relating to various Petticoat Square properties, but the Major Works Team continues to work proactively with colleagues in the Estate Office to successfully resolve these matters.

Given the length of time it could take to fully resolve the ongoing legal issues, it is expected that the principal contractor will have vacated the site. Consequently, the additional costs of return visits to complete works to any outstanding properties and decommission the old/existing system will have to be taken into consideration, given that some form of limited site setup and welfare facilities will be required to support any further upgrade works.

A further Issues Report has been prepared and submitted, which will seek additional funding. This relates to the discovery of previously unidentified asbestos, which will need to be removed to complete the remaining installations. It is anticipated that a contract uplift of circa £250k will be requested.

Fire Door Replacement Programme (Multiple Estates)

Lot 2 (Avondale Square Estate)

Works to the low-rise general needs' blocks are complete. Replacement of communal corridor doors within the Point Blocks remains on hold, pending resolution of an issue relating to the sprinkler installation. Replacements within Harman Close are also on hold, pending renewal of the fire alarm and warden call systems.

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

Works at Dron House and William Blake Estate are complete. One flat resident in Sumner Buildings continues to deny access; this is with City Solicitors to resolve. Works to the communal doors in Petticoat Tower can now be undertaken, following given that the sprinkler installation contractor has now vacated site and thereby can grant access.

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 Planning Authority.

Appendices

Appendix 1: Housing Major Works Project Update Reports (November 2024)

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