

Committee(s): Housing Management and Almshouses Sub (Community and Children's Services) Committee	Dated: 13 January 2025
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 the Housing Major Works Programme and to advise Members of 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) has 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 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 social 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 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;
 - Major Works Team (HRA);
 - City Surveyors;
 - Planning;
 - Finance;
 - Town Clerks;
 - City Procurement.

7. Attached at Appendix 1 to this report, for Members' consideration, are progress reports for the Major Works Improvement Programme (HRA). The reporting has been redesigned following requests from Members at previous Committee meetings. Ongoing feedback on the revised format is very much welcome.
8. Further to the 2014/15 commitment of £110 million towards delivery of the Housing Major Works Programme, the current position is that £70 million has been expended on the successful delivery of projects and the remaining £40 million has been committed to projects either in active stages of delivery or design development.
9. it was originally estimated that there were circa £30 million of new projects that are currently '**unfunded**'. Further to review, this figure is now expected to be closer to £55 million (considering compliance-related works), with a further £5 million required to adequately resource delivery of the current programme to March 2031. Furthermore, it is anticipated that a further circa £40 million funding will be required to deliver the future 5-year Major Works Programme 2031-36, giving a total of £100 million additional investment required (as detailed below):

Funding Requirement	£'M	£'M	£'M
Phase 1 (Original Commitment in 2014/15)			110
Expenditure from 2014/15 to 2024/25	70		
Existing commitments to active projects	40		
Phase 1a – 2026 - 2031			
Shortfall in current funding requirement for Phase 1 (para 34)		40	
Additional Compliance-related works (para 37 & 38)		15	
Transformation of Housing Services		5	
Sub-total			60
Phase 2 – Future 5-Year Programme 2031 - 36			
Future Anticipated Stock Condition works 2031 – 36 (para 40)		40	
Sub-total			40
Additional Funding Requirement – Phases 1a & 2		100	
Total Funding Requirement – Phases 1, 1a & 2			210

10. 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.
11. A presentation was made to the Policy Chairman in early December to provide an overview of the current position and to initiate discussion on potential sources of future funding. This Committee will be updated further in due course.

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 now end of January 2025.

William Blake Estate

The design team brief is now close to being finalised and the project team is in continuing to engage with the procurement team, to ensure that the project aligns with City's climate action and responsible procurement strategies. The tender for the design team services is expected to go live by late January 2025 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.

Golden Lane Investment Programme

Phase 1 - Crescent House

- A two-stage tender process was initially considered the most appropriate route to market for a project of this complexity. Stage 1 ended on 13 August and was followed by a thoroughly in-depth evaluation process. Of the 7 tenderers which expressed initial interest, 5 were provisionally selected to proceed to the second stage.
- Some concerns regarding the proposed bespoke form of contract resulted in a Legal review and a change from Measured Term to a Standard Building Contract with Approximate Quantities.

- Crescent House has now been included as part of a Higher Risk building (HRB) registration, covering Hatfield House and Cullum Welch.
- Further to a review of the scope and meetings with residents, there is now active consideration of additional works, including fire safety, electrical compliance, communal decorations and external fabric repairs. Subject to detailed surveys and design development, an updated cost plan should be available by early August 2025.
- Consequently, the two-stage tender has been withdrawn and will be replaced with a single-stage tender, once the revised scope has been fully incorporated and the statutory approvals process has been completed. The 7 original tenderers have all been notified of the decision to withdraw the tender and will be provided with a further update in April 2025.
- Estimated project cost is £13m: decant costs have not been factored into this figure and the expansion of the scope is expected to result in an Issues Report, which will request approval for additional funding.
- Legal advice on leaseholder recovery has been sought and remains pending. This information is critical for the Stage 2 S20 consultation.

Phase 2 – Wider Golden Lane Estate

- Of the remaining blocks on the estate, Bowater, Bayer, Stanley Cohen and Basterfield are all similarly affected in terms of HRB status and are currently being registered with the Building Safety Regulator (BSR).
- Design work and testing is continuing for the blocks of the Wider Estate; planning applications will be ready for submission in January 2025 as intended, but will now be staggered in line with plans for a revised scope (mirroring Crescent House) and once the programme for the entire estate has been fully developed.
- Estimated cost of phase 2 is £17m but this will need to be reviewed in due course.
- 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, but approaching completion by April 2025. 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 early 2025, currently awaiting decision outcome). 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, submitted and agreed at Corporate Projects Board in December, which seeks additional funding of £245,000. This relates to the discovery of previously unidentified asbestos, which will need to be removed in order to complete the remaining installations.

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), but this is expected to re-start in January 2025. Replacements within Harman Close are also on hold, pending renewal of the fire alarm and warden call systems, for which consultancy services are currently being procured. Consultant appointment will be confirmed by late January 2025.

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 still with City Solicitors to resolve. Works to the communal doors in Petticoat Tower can now recommence in early 2025, 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. The intention is for Isleden House and Spitalfields to be incorporated within separate stand-alone packages for delivery in 2024/25 and 2025/26, encompassing related fire-safety works.

Appendices

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

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