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| Committee(s): Housing Management and Almshouses Sub (Community and Children's Services) Committee | Dated: 30/06/25 |
| 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 Housing | |

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. The purpose of this report is to present progress and highlight any 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 for housing. The HRA is made up of:
- Income from rents
 - Income from our commercial portfolio
 - 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 Investment programme), along persistent staff resourcing issues and the addition of unprogrammed works, has meant that it is now more likely to take 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 Housing Major Works Programme (HRA). The reporting has been redesigned following requests from Members at previous Committee meetings. Ongoing feedback on the revised format is 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 spent 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. The majority of these approved funds (circa £30 million) have been allocated to the Golden Lane Estate Window Refurbishment (and Associated Works) projects, which will now potentially evolve into a more holistic Investment Programme, encompassing fire safety, electrical compliance, communal redecorations and external fabric repairs over the next 10 years. A significant shortfall of circa £50m is already anticipated in terms of this dedicated programme.
10. Furthermore, it is clear that the current crop of pipeline projects across the social housing portfolio will require additional funding. The financial impact of the pandemic was followed by a sustained period of price inflation in the construction industry. This introduced a level of volatility to the market that has only been further exacerbated by Brexit and the war in Ukraine.
11. In addition to the works detailed by Savills' stock condition survey in 2018, further Compliance-related planned programmes have since been identified:
 - Fire Safety Works originating from Fire Risk Assessments (compartmentation works, fire-stopping, fire alarm upgrades)
 - Electrical Planned Maintenance Works originating from Electrical Installation Condition Reports (upgrades to communal landlord's supply, distribution boards and communal lighting)
12. These previously unidentified works have been provisionally programmed to commence in a phased approach from 2026/27, subject to there being sufficient capacity within the HRA/HRA borrowing or the identification of an alternative source of funding. A separate report was submitted to the November HMA SC to update Members on progress in identifying future budget requirements. The HRA 5-Year Plan indicates that funding availability within the existing HRA borrowing capacity is likely to be low throughout this period. Projects will need to be prioritised to fit funding capacity unless alternative sources/approaches are identified.
13. The requirement for additional funding will be the subject of a growth bid, currently being prepared for presentation to Policy and Resources Committee in July 2025.

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. A Non-Completion Certificate was issued on 3 March 2025 following a lengthy and protracted communication with the contractor regarding outstanding minor works, snagging and making good. A way forward has been agreed and a concerted effort has been made over the past 3-4 weeks to complete outstanding properties. Subject to a final review, Practical Completion will be issued in mid-May.

William Blake Estate

The design team brief is now close to being finalised and the project team is 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 went live in early April 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 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 by Autumn 2026.

Golden Lane Investment Programme

Phase 1 - Crescent House

- 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, 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 will be available by early August 2025.
- Consequently, the two-stage tender has been withdrawn and will be replaced with a single-stage tender (incorporating a Pre-Construction Services Agreement and a Main Works contract), 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 were provided with a further update in April 2025.

- Estimated project cost is £12m: 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 in September 2025.
- Legal advice on leaseholder recovery has been sought and an initial update letter (stating the Corporation's position with respect to what is considered rechargeable) was sent to Leaseholders in early April 2025.
- A Resident Consultation event was held on 8 April (Crescent House), featuring a full presentation and Q&A session with the project team.

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 have been registered with the Building Safety Regulator (BSR).
- Design work and testing is continuing for the blocks of the Wider Estate; initial planning applications (for roof covering replacement and window refurbishment only) were ready for submission in January 2025 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 finalised.
- Estimated cost of Phase 2 is £17m but this will need to be reviewed in due course.
- Impartial input will be sought from a Tier 1 contractor with an established project management division, to gain an insight into logistics and deliverability of the entire programme.
- 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 two-bedroom temporary accommodation whilst the contract works are being undertaken in Crescent House. Planning approval for the pilot works has just been successfully obtained.
- A Resident Consultation event is due to be held 1 May (Wider Estate), featuring a full presentation and Q&A session with the project team.

Middlesex Street Estate Communal Heating

The ongoing programme of heating system replacements is still underway in Petticoat Square but approaching completion by April 2025. There remain five refusals in Petticoat Tower, and three in Petticoat Square which are now awaiting the outcome of the tribunal that is being handled by the City's legal department - although there is movement on at least three of these cases in terms of engagement and potential access.

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 homes 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.

Following the troubleshooting and diagnostics exercise, which was completed at the end of January 2025, a comprehensive report on the system by independent consultants was commissioned. The Corporation's appointed consultant Butler Young and Associates are now scheduled to issue their technical review in May 2025 following a short delay in the receipt of required information from the Worcester Bosch technical department. This will be shared with MSERA following review by the Major Works Team. A summary of the outcomes of the approximately 30 visits which were carried out has already been shared with MSERA by email on 18/02/25, there was nothing to indicate a fundamental issue with the overall system performance.

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 has since tentatively re-started. Replacements within Harman Close are also on hold, pending renewal of the fire alarm and warden call systems, scheduled for commencement in September 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 are set to recommence in summer 2025 (subject to a successful Gateway 2 Application to the Building Safety Regulator), 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's Planning Authority. The intention is for Spitalfields to be incorporated within separate stand-alone packages for delivery in 2027/28, encompassing fire-safety and compliance works.

Appendices

Appendix 1: Housing Major Works Project Update Reports (April 2025)

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