

Housing Capital Programme Update

For Housing and Regeneration Scrutiny
Sub-Committee 24/06/24



Capital Programme Spend 2023/4



- Original Budget £26.368m
- Mid – year revision to budget £20.073m (due to lower volume of work)
- Outturn position £21.097m
- Slippage £4m – carried forward to 24/5



Expenditure 2023/24 Summary



| THH CAPITAL BUDGETS 2023/24 - YTD SPEND | | | | |
|--|-------------------|---------------|------------------------|-----------------|
| PROGRAMME | 2023/24 BUDGET | YEAR TO DATE | | |
| | | BUDGET YTD | ACTUAL SPEND YTD | VARIANCE YTD |
| | £000 | £000 | £000 | £000 |
| Housing Capital Programme | | | | |
| Major Works | 4,409 | 4,409 | 4,955 | 546 |
| Fire Safety | 2,273 | 2,273 | 2,197 | 76 |
| Mechanical & Electrical | 5,041 | 5,041 | 5,625 | 584 |
| Safety Works | 2,451 | 2,451 | 2,467 | 16 |
| Total Property Services | 14,174 | 14,174 | 15,244 | 1,070 |
| Other Capital Costs | 343 | 343 | 256 | 86 |
| Compliance/SCS Surveys | - | - | - | - |
| Contingency | - | - | - | - |
| Professional Fees | 2,366 | 2,366 | 1,264 | 1,103 |
| Total Property Services including Professional Fees | 16,883 | 16,883 | 16,764 | 119 |
| Housing Repairs Service | 3,190 | 3,190 | 4,332 | 1,142 |
| Total THH Housing Capital Programme | 20,073 | 20,073 | 21,097 | 1,024 |



What work was delivered (part 1)



- 5,042 dwellings received electrical tests and fitted with 3 smoke alarms and 1 heat detector (Fire Safety)
- 355 individual domestic boiler replacements (better energy efficiency/ cheaper for residents to run)
- 380 dwellings received new fire doors (Fire Safety)
- 53 new kitchens were installed (excluding void works)



What works were delivered (part 2)



- 24 street properties received window, roof renewals and external decorations
- 7 new bathrooms were installed (excluding void works)
- 5 new communal boiler plant rooms (15 new boiler modules)
- 4 blocks received upgraded Risers and Lateral Mains (H & S)



What works were delivered (part 3)



- 3 other blocks received security and fire safety works
- 2 new lifts installed at Bentworth Court.
- Significant concrete repairs to blocks e.g. Hadleigh House, Hollybush House



Resident Satisfaction



Independent Surveys undertaken by KWEST showed:

- Overall satisfaction – 84.6%
- Quality and standard of work – 85.4%
- Fire Door installations – 83% satisfied with overall experience and quality and standard of work



Challenges faced – External market conditions



- Substantial increases to material and labour costs
- Contractors claiming rates agreed do not cover increases
- Led to little no interest from contractors to deliver certain works
 - e.g. kitchens and bathroom schemes



Challenges faced – new legislative requirements



- Building Safety Act – aim is to ensure design first / then build
- Since Nov '23 – all buildings over 18m need to be registered with Building Regulator
- Works to these buildings now subjected to new Gateway Assessments - required at stages of a project:
 - Gateway 1- Pre-Planning Approval (before work can commence)
 - Gateway 2 – Building Control approval (by Building Regulator)
 - Gateway 3 – Works Completed and signed off



Impact of new legislation



- Tower Hamlets has 77 buildings that meet the criteria for Gateway Assessments
- Early experience of dealing with Building safety Regulator – capacity issues when progressing applications causing:
 - Longer lead in periods for getting projects on site
 - Delays with existing projects



Challenges faced – complex project delays



- Latham House – works estimated £4m
 - Project subject to increased specification for Building Safety / Fire Safety incorporating sprinkler systems and additional risk reduction to meet regulatory requirements
 - Process for specialised surveys to determine improvements
 - Project procurement route and resources being finalised.
- Orion House – works estimated £5m
 - Originally in programme
 - Specification of work now focused on fabric of building and safety subject to specialised surveys to meet current regulatory requirements
 - Now subject to Gateway process
- Impact of delays – contributed to reduced volume of work delivered



Capital Programme 2024/5



Programme priorities:

- Making our housing safe for residents (Fire Safety and Decent Homes)
- Fabric 1st approach
- Energy efficiency (cost of living) – communal and domestic heating, double glazing, roof renewals with improved insulation



Capital Programme Budget 2024/5



- 2024/5 £20m
- 2025/6 £25m
- 2026/7 £30m
- £10m over 3 years to fund prioritised work including building safety/ fire safety works, improvements to communal heating

- Total budget over 3 years £85m



Capital Programme 2024/5



- Review of existing contracts arrangements for delivery of Capital Programme works is currently underway
- Resetting Asset Management Strategy
- Will be looking at range of different approaches on project-by-project basis



Improvements to management of capital programme



- LBTH has invested in the creation of a Housing Risk Team to:
 - To improve our understanding of the housing stock
 - Enable the right investment decisions
- LBTH has invested in Asset data and information to inform future programme
- Work underway to improve the way we track the capital programme – providing better visibility and early warnings to help prevent future delays with projects

