

LWE Refurbishment Programme Board

Minutes and actions of 7th May 2024



LANCASTER WEST REFURBISHMENT PROGRAMME BOARD

7th May 2024 17:30-19:30

Minutes and actions from meeting

Attendees

Cllr Sof McVeigh	Lead Member for Housing Management, Housing Safety and Building New Homes (Chair)
Cllr Claire Simmons	Ward Councillor
Cllr Marwan Elnaghi	Ward Councillor
Cllr Mona Ahmed	Ward Councillor
Cllr Johnny Thalassites	Lead Member for Finance, Customer Delivery, and Net Zero
Abbas Dadou	LWRA nominee, Chair and resident
Stewart Hall	LWRA nominee, Vice-Chair and resident
Susan Al Safadi	LWRA nominee, NDH Board Member
David O'Connell	Resident observer
Steve Bounds	Resident observer
Michael Dalziel	Head of Community Engagement, DLUHC
Doug Goldring	Director of Housing Management (RBKC)
James Caspell	Neighbourhood Director (LWNT)
David Mulligan	Senior Project Manager (LWNT)
Peter Inglis	Senior Project Manager (LWNT)
Andros Loizou	Head of Refurbishment Design & Delivery (LWNT)
Alejandra Castillo	Assistant Project Manager (LWNT)
Hannah Smith	Sustainability Programme Manager (LWNT)
Samuel Gathogo	Programme Performance & Monitoring Manager (LWNT)

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Felicity Maries	Community & Development Partnership Manager (LWNT)
Janet Hall	Heat Network Stakeholder Engagement Manager (LWNT)
Mamadelo Awotesu	Assistant Project Manager (LWNT)
Muman Ali	Programme Performance & Monitoring Manager (LWNT)
Phoebe Cramer	Programme Performance & Monitoring Manager (LWNT)
Siobhan De-Alwis	Project Support Officer (LWNT)
Jeff Laidler	Heat Network Programme Manager
Hal Dervish	Project Manager / Interim Internals and Voids Manager
David Ward	LWRA nominee, and Resident

1.0 INTRODUCTION

1.1 Cllr Sof McVeigh introduced herself and the meeting attendees.

1.2 Cllr Marwan Elnaghi requested a change to the agenda to cover budgets first as he had to leave the meeting early. Cllr Sof McVeigh agreed and added that we should also cover the Heat Network update next.

1.3 Apologies were noted for Nordeen Fahmy and Stewart Hall.

2.0 FINANCE & BUDGET MONITOR UPDATE

2.1 Financial Monitor - James Caspell provided a financial update, noting that for the year-end, we were slightly above our forecast. This was largely due to internal financial administration at year end.

2.2 James Caspell added that for the financial year 2024/25, we are forecasting to spend £39 million, compared to £23 million in the last financial year.

2.3 James Caspell added that the planned spend left us with £61 million left from our budget and added that due to the prevalent sector-wide building cost inflation, we had a shortfall. He added further context that we have always been worked through the financial constraints in the past, and would aim to continue to do so in partnership with residents.

2.4 A key difference this time round was noted to be the grant funding conditions around achieving certain spend levels within a specified time limit meant we would need to do a lot of work in the next financial year.

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- 2.5 James Caspell also noted that aside from the money, we would have to consider the impacts on our residents, particularly when it came to the need to decant. He added that we were in the middle of reviewing Lots 1,2 and 3 to establish what could be stripped out without undermining what residents had asked us to do.
- 2.6 James Caspell added that we currently did not have enough funding to do all the four blocks in Lot 2. Options were being considered on what could be scaled back and there was an acknowledgement that not enough savings could be secured through that exercise.
- 2.7 James Caspell then shared a graph to show a breakdown of the spend within the programme so far, showing a total investment of £58 million.
- 2.8 Cllr Marwan Elnaghi acknowledged the context within which the programme was at, noting that the scope and environment had changed significantly since inception. Cllr Marwan Elnaghi added that we should continue with the programme and would work with LWNT to secure additional funding.
- 2.9 Cllr Sof McVeigh asked whether that was a consensus. Steve Bounds added that we should continue and work to deliver on what was promised to residents. Michelle Active added that there were some whispers that the programme may not happen, and that if it didn't, that would make them angry.
- 2.10 Abbas Dadou added that it was important to continue for the whole estate as this was part of the recovery process.
- 2.11 Cllr Claire Simmons asked what the scale of the shortfall we were looking at was. She also asked what progress there had been in the discussions with DHLUC in terms of supporting that shortfall.
- 2.12 James Caspell responded that with regards to Lot 2, we were looking at a shortfall of between £17 and £18 million, with regards to Verity close, it was around £10 million and at Camborne Mews, it was around £7 million. He added that the work done around Landscape and the Notting Dale Future Neighbourhood had highlighted other work that could be done at around £2.5 million. James Caspell also added that even if we had all the funding now, it would not be possible to complete all the works under the original SHDF timelines.
- 2.13 Shaun Haden added that he'd met with Michael Dalziel and had agreed to pursue the funding opportunities together, utilising the existing channels between The Council and DLUHC.

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- 2.14 Doug Goldring asked what the values of this investment looked like. James Caspell responded that we were looking at £24.9 million from the DLUHC and £20 Million from DSNZ.
- 2.15 Cllr Sof McVeigh recognised that the budgets were set at a time of different economic conditions and added that until we receive the tender returns in the summer, we could not be fully certain on the costs.
- 2.16 James Caspell added that the overall envelope was £158 million, although there was an ongoing reconciliation of grant funding secured that may in practise show an increase of £3 to £4 million. He added that while the internal refurbishment had reached around 60%, we were finding it increasingly difficult to get into some of the properties, and that would impact on that figure.
- 2.17 Cllr Sof McVeigh asked what help the Board could offer with regards to the access problem affecting the internals project. James Caspell responded that the main thing was we had around 40 households that need refurbishment for health and safety reasons or wish to move, but we do not have decant properties available for them. On a positive note, he added that we would be in possession of ten true voids at Treadgold House after the block was completed and are also replacing the lift at Bomore and that should help improve the situation.
- 2.18 Abbas Dadou asked that considering Treadgold House would have had a full refurbishment, would it make sense to assume that whoever was to move there, that would be a permanent move. James Caspell and Cllr Sof McVeigh were keen on this idea.
- 2.19 Doug Goldring asked whether we had an estimate of whether the internal refurb might peak, considering there may be residents not wishing to take up the offer. James Caspell said we were looking at about 80%.
- 2.20 Cllr Claire Simmons noted that the figures that were being discussed with DLUHC and DSNZ appeared to be commensurate with the shortfall noted. With that in mind, were we able to provide assurance to residents that we would not be cutting back on delivering on what was originally promised?
- 2.21 Cllr Sof McVeigh responded to say that those additional figures had already been allocated and the shortfall was despite those additional figures.

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3.0 PROGRAMME DELIVERY UPDATE

- 3.1 Programme Update** – Andros Loizou shared an update on programme, starting with Lot 1 where the works are expected to be completed by April 2025. The main works contract is being procured through the SEC Framework, with tenders issued on April 22nd and expect back on June 17th, 2024. Finally on Lot 1, he added that we are to appoint Capital Property & Construction Consultants as MDCs for RIBA Stage 4.
- 3.2** For Lot 2, Andros Loizou added that we are looking at reviewing programme to establish what we can undertake and are analysing how it can be delivered, given the budget constraints.
- 3.3** Lot 3 went out to Tender on April 30th, with tender returns expected on 10th June 2024. Once the contractor is on board, we will work with them to work out the detailed cost analysis.
- 3.4** Lot 4, progressing with works on site, with 36 out of 38 residents having been decanted. He added that Lift renewals were scheduled in September 2024 and would include Bomore Road Apartments.
- 3.5** Lots 5 & 6 remain under review and would be working with consultants to review the designs and help us understand the costs.
- 3.6** Cllr Sof McVeigh asked when work on Treadgold House would be completed. Andros Loizou confirmed it would be at the end of the year based on the current programme.
- 3.7** James Caspell commended the level of creativity and collaboration among colleagues at Lancaster West and Housing Needs, particularly around managing the decants. He noted that the lessons learned from this project would be invaluable in informing decisions not only in the wider borough, but also nationally.
- 3.8** Andros Loizou shared an update on the ongoing work to establish cost reduction measures across the programme and the corresponding potential savings.
- 3.9** Steve Bounds then asked whether there was an opportunity to upgrade the type of PV panels we were proposing to use. Andros Loizou responded that the type we had chosen were sophisticated and top of the range.
- 3.10** Andros Loizou shared a 'programme at a glance' visual showing key milestones and dates of the programmes of all Lots.

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- 3.11** Steve Bounds asked about the video door entry system rollout. James Caspell said we had completed Talbot Grove House and had received positive feedback from residents. He added that we are looking to roll out the same to three other blocks, and the remaining would have to go through a Section 20 consultation.
- 3.12** Steve Bounds asked whether we had a programme for the internal works. James Caspell responded that it would tie in with the programme for the main works and that would help to avoid moving residents out multiple times. He added that once we had the contractors signed up, that would bring further clarity.
- 3.13** Steve Bounds asked what options we were exploring with regards to temporary decants during works. James Caspell said that Air BnB's and private landlords were problematic as they were reluctant to work with councils. He added that we had explored that as part of the Treadgold House project, as well as moving people out of the borough, mutual exchanges and were working closely with colleagues within Housing Needs to utilise hard-to-let stock, housing association schemes and more.
- 3.14** James Caspell added that there was a challenge where we had people who need flat level access or lift access. Cllr Sof McVeigh acknowledged the difficulty of the decants issue.
- 3.15** Andros Loizou shared the Asset Tracker, which showed that 59% of properties had been refurbished internally.

4.0 Notting Dale Heat Network

- 4.1** Jeff Laidler provided an update on the Heat Network, noting we were just a few weeks away from construction starting.
- 4.2** Jeff Laidler added that planning permission had been received from The Council and this included a lot of resident co-design, including comments from residents.
- 4.3** In addition, over £4 million secured from the Councils Sustainability team for the Leisure Centre.
- 4.4** Jeff Laidler provided an update that we have lost the Kensington Aldridge Academy as an anchor heat load. We have been exploring alternative options and have always built a business case around expansion.

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- 4.5** Jeff Laidler added that the original assumption was we would provide top-up heat from the Leisure Centre. If we now provided all the heating and hot water from the Leisure Centre from go-live date, we could more than fill the gap left by the loss of the KAA up until 2030. Beyond 2030, we have 52 Sheltered Housing Homes at Blechynden and Whitchurch House so subject to approval. That would save the Council some money, both in terms of the HRA and the General Fund, as it's already budgeted for through the wider housing revenue accounts. In addition, there are two schools adjacent to the estate, which we're exploring how we could make those connections.
- 4.6** Steve Bounds asked why the KAA backed down. Jeff Laidler said it was largely due to financial reasons.
- 4.7** Cllr Claire Simmons asked whether the residents of Blechynden and Whitchurch house had been consulted and what it would mean for them. Jeff Laidler said there had been no consultation yet as work was still ongoing on the technical details. However, we would look to continue the ethos of resident Co design.
- 4.8** Cllr Sof McVeigh noted that it did raise a point of looking at upgrades to the fabrics of those two schemes. Jeff Laidler added that there is already a scheme budgeted for, which is a combination of an energy retrofit and a localised air source heat pump.
- 4.9** Cllr Johnny Thalassites acknowledged that it was a big challenge for KAA to have pulled out as that was part of the model which the scheme was going to be delivered. The effect of that is that we have a spare heat load, and the Shareholder Committee would be part of a decision in terms of what would need to be done in terms of the build out.
- 4.10** Cllr Sof McVeigh suggested that it would be helpful to reconvene on this issue once we had those detailed proposed options.
- 4.11** Cllr Claire Simmons asked whether the issue around KAA were related with the update on the price promise and tariff that was put to the residents. Jeff Laidler said that was not the issue.
- 4.12** Cllr Claire Simmons asked whether there would be a cost impact to residents because of losing KAA. Cllr Johnny Thalassites said no, but the strategic challenge was that it may put further pressure on interest and the rest of the HRA.
- 4.13** Cllr Sof McVeigh asked when it would be possible to look at those proposed options. Shaun Haden said they would be available within two weeks. James Caspell added that the

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options we're looking at all include replacing the existing heat networks on Lancaster West, and the issue was more around what the most efficient model is and how it's funding might be in terms of non-housing connections.

4.14 Doug Goldring added that with the two Sheltered Schemes, we would need to consider the communication and engagement with residents.

4.15 Cllr Claire Simmons added that Ward Councillors for the Notting Dale Heat Network would be kept fully apprised as a matter of courtesy on an ongoing basis.

5.0 Net-Zero and PAS2035 Compliance Update – Hannah Smith shared an update on the net-zero programme and PAS2035 Compliance.

5.1 A key point was that higher national emission factors for 2023 than 2022 would impact our progress towards our 10% target reductions.

5.2 Hannah Smith shared that we had claimed £3 million in SHDF grant in the previous financial year. The current deadline is March 2025 to spend the remaining grant.

5.3 She added that we had had positive reviews of our PAS 2035 process and documentation from our consultants, Osmosis and Ken Negus.

5.4 86% of retrofit assessments completed. Remaining homes are ones that are hard to access. Discussed progress with retrofit coordinators and grant funders and have agreement that provided all archetypes are covered, the remainder can be done during works.

5.5 Hannah Smith added that if we can't get access to every property for the survey, it would only affect the compliance of that property and not the rest of the block.

5.6 Planning application was submitted for Landscape works on Lot's 2&3 and pre-commencement conditions issued in April 2024.

5.7 Turkington Martin appointed as design consultants for sitewide landscape and have completed work on RIBA Stage 0.

5.8 Cllr Sof McVeigh and Abbas Dadou acknowledged this would be Hannah Smith's last Board Meeting and thanked her on behalf of colleagues and residents.

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6.0 RISK MANAGEMENT UPDATE – Samuel Gathogo shared an update on key risks and deferred to Andros Loizou to provide mitigation actions on the top risks.

6.1 Andros Loizou provided an update on the top risks, which included budgets and costs.

6.2 Cllr Sof McVeigh was concerned about the fire strategy. Andros Loizou responded that before there no fire engineers, we have now procured our own fire engineers to be our critical friend. We have also instructed our consultants to bring their fire engineers on board for the designs. James Caspell added that we need someone independent of the consultants.

7.0 COMMUNITY DEVELOPMENT AND SOCIAL VALUE – Felicity Maries shared an update on community development and social value.

7.1 Felicity Maries noted that we had surpassed our £1 million target for the last financial year. Felicity Maries added that for the current financial year we expect to realise much of the social value commitments which have increased to approximately £1.2 million.

7.2 19 residents supported into work through Lanc West Works and a further £50k secured through UKSPF to support Lanc West Works.

7.3 Felicity Maries provided an update on the Employment and Training Hub. Abbas Dadou commented on the positive impact and outcomes of the Employment and Training Hub.

7.4 £87k in Social Value was delivered in the year.

7.5 £50k funding secured through Future Neighbourhoods Fund phase 3 to support the Green Skills Academy.

7.6 Cllr Sof McVeigh commended the team.

8.0 AOB

8.1 Cllr Sof McVeigh asked how the detailed programme of works is shared with residents. James Caspell responded that the Consolidated Programme is shared via multiple media including newsletters, website, social media and at Baseline. He recognised we're now at a point where residents are increasingly becoming more curious about the detailed impact on them and their households such as moving dates or when the scaffolding would be erected. This is something the team are working on when the tenders come back, we would be able to be more specific on the dates.

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8.2 Doug Goldring requested to be invited when Treadgold House was completed and the same for programme Board members. Cllr Sof McVeigh agreed and added that it would be helpful to visit one of the flats at Treadgold House once finished and empty.

8.3 Abbas Dadou suggested that with the potential of a new incoming government, it may be useful to seek additional funding. Michael Dalziel said that with respect to further funding opportunities, DLUHC are happy to help, but RBKC would need to put in a formal request.

9.0 ACTION SUMMARY

REF	ACTION	OWNER	STATUS
1	Once Treadgold House is refurbished, residents who move there should do so on a permanent basis.	James Caspell	On track in line with Local Lettings Plan and RDS scheme
2	Produce high level block programme of key dates.	Andros Loizou/Peter Brown	Included
3	Arrange a visit of a flat at Treadgold House and invite Ward Councillors	Andros Loizou	TBC
4	Engage with DLUHC to explore funding opportunities	Shaun Haden	Complete

Next Meeting: 30/07/2024