

## **Special Board Meeting 27<sup>th</sup> April 2022**

Present: Clive Shaw, Halima Iqbal, Liam McGrath, Christine Parsons, Yuan Potts, John Lynch, Lee Page

Council observer: Alex Heslop

Officers: Andy Bates, Wayne McAllister

Apologies: Michael Adu, Debbie Walsh, Martin Green

Invited guest – Chris Brown (CB).

### **Declaration of interests: None**

#### **1. Major works programme**

The property services manager presented a written report. He explained how the programme had changed since it was originally set in 2019. The aim is to deliver £6.8m of major works this financial year. This represents a threefold increase on 2021/22. The delivery will be very challenging, but is achievable given the level of contractually committed and about to be committed schemes, as set out in the report.

A detailed explanation of the schemes being planned was given. There are different levels of certainty about cost, ranging from high certainty about schemes that the JMB has entered into contract, to schemes at the earliest planning stages. There is particular cost uncertainty with regard to Peveril House structural and Simla and Burwash fire safety works, as the technical issues are complex.

The biggest change to the programme is the need to replace the electrical supply in Symington House, after a major failure in October 2021.

The construction market is very volatile at the moment. Most contractors are reporting a shortage of skilled labour, an increase in the price of materials and uncertainty about delivery times. The JMB has already had to change its bathroom renewal contractor, because they wanted an increase in price that the JMB did not feel could be agreed. The Mayor of London is reporting a 40% increase in construction costs.

The main concern is whether the programme will over-stretch the capacity of the JMB to manage the works well. There was particular concern about the property services manager's workload. The JMB's main consultant, Playle had taken on a new employee, specifically to work with the JMB. They have had the same problem recruiting as the JMB, it has taken them a year to recruit the right person. There are other consultants for the fire safety and lift works to spread the workload.

The JMB has appointed a Project Manager, subject to references, to support Wayne. The JMB is also investigating consultancy support. There is board approval to recruit

a Responsive Repairs Manager, which will significantly reduce the pressure on the Property Services Manager.

It is easier to slow a major works programme down than speed it up. If the JMB and our consultant gets over-stretched, we will slow down our programme.

There was concern that the JMB may be buying major works in an inflated market. The executive manager said that because the JMB controls its own finances it is not in a position in which it has to spend money within the financial year or lose it. Therefore, if tenders are high or the JMB is getting over-stretched we will slow down.

The property services manager talked about the legislation in relation to building safety and climate change on the horizon (referencing the second agenda item about the climate emergency).

In written advice Michael Adu, chair of Major Works Subcommittee:

- Asked for reassurance that the JMB can resource this programme
- Advised on the need to manage expectations about what works will be done and when, as the programme may change when the requirements of the Building Safety Act become clearer.

There was general Board support for accelerating the bathroom renewal programme because it will:

- Be popular with secure tenants
- Slow down the number of responsive repairs.

The property services manager highlighted that the fire safety requirements for front doors in tower blocks have increased as a consequence of the Grenfell fire, since the doors were fitted by the Council

The cost implications for homeowners in particular blocks will be significant. There is a need to communicate that the works are essential to maintain the value of their homes. If there are significant fire safety concerns that are not addressed by the JMB it will significantly reduce the value of their homes.

**Decision: The programme was agreed.**

## **2. Affordability crisis and climate emergency**

The executive manager presented the written report.

The Chair welcomed Chris Brown. CB is a climate change advisor to the Board of the Nationwide Building Society. He was a built environment ambassador to COP26. Many of the directors know him as a local resident and director of igloo, who are working with the CBS to build new homes.

CB said that he agreed with the arguments in the report, with an additional suggestion that the JMB puts aside a budget of say £20,000 to engage a specialist consultant to help the JMB prepare for the changes it needs to make.

CB's key messages were:

- Have a feasible costed plan
- Work with the Council
- Apply for grants when relevant. The difficulty is that grants tend to appear and disappear quickly
- Work out how to integrate works into the JMB's planned preventative and major works plans.

CB agreed that the most pressing problem is residents being able to afford to heat their homes.

CB said that David Cameron decisions to abandon the 'green-crap' in 2013 meant that money for insulation dropped off a cliff. Britain now has amongst the leakiest and least energy efficiency housing in Europe.

CB said that the report's cost estimate of £24m to do the full range of heat efficiency measures is about right. This is clearly an amount of money that the JMB does not have. Therefore, all that the JMB can do is tackle the problem one bite at a time, within its own resources and work with the Council to get extra money.

CB agreed that roof insulation is currently the most tested and cost effective way to improve heating efficiency. CB also talked about recent experience that insulating homes without improving ventilation increases the chances of damp. Good ventilation is essential.

The Government has said all social housing should meet Energy Performance Certificate (EPC) standards A-C by 2030. Currently only about 60% of JMB properties meets the standard.

CB said that homeowners renting out their properties will have a responsibility to improve their properties that fall short of EPC standards A-C. The JMB should expect ad-hoc requests for homeowners to do works to their properties that form part of a block, even though the cost effective solution is to do whole block works.

CB talked about the CBS new build, which achieves EPC standard B. Joseph Lancaster will be the last Southwark new build where the communal boiler is fed by gas.

A director asked whether the Kipping low-rise system could be switched to electric. Andy said that the consultants David Miles confirmed that this was the case during the design stage.

The government aims to stop the manufacture of gas boilers by 2035. This is very ambitious given that current gap between the installation of gas boilers and heat pumps referred to in the report.

The executive manager said that joint working with Southwark Council will be critical. The most significant government funding will be routed through the Social Housing Decarbonisation Fund, which only Councils can access. Councillor Helen Dennis, who has Cabinet responsibility for the climate emergency has given a commitment that the Council will work with TMOs.

An approach had been made to Selce, an independent energy advisory consultancy. However, because of work pressures they are not sure if they can resource joint working with the JMB. There is a shortage of specialist consultants, similar to take being experienced procuring good quality fire safety consultants.

There was a discussion about when heat pumps will become a more cost effective option than gas boilers. The JMB is holding off replacing gas boilers until this tipping-point is reached. This is an urgent issue given the current increase in gas prices.

There are potentially significant cost implications for homeowners referenced in his report. Government has no yet starting to think through this issue.

CB explained how solar panels work. Ideally the power generated would match with the demand. The practical problem is that solar energy is produced during summer months and during the day, whereas demand is highest in the winter and at night. CB believes that the large roof area of the low rise Kipling blocks makes this a very good location.

There was a consensus amongst directors that the JMB should seek technical assistance to work up a plan. There was a discussion about whether the JMB should seek a consultant or part-time employee. It was felt that the JMB is not large enough to pay the salary that a knowledgeable person would expect. Therefore, engaging a consultant is the only realistic option.

The Chair thanked CB for an excellent presentation, which really helps the JMB plan its next move.

**Decision: The JMB should take on technical expertise to help prepare a strategy.**

### **3. Any other business**

Having a more focused agenda with only two reports worked well. Should this be a model for future board meetings?