

Committee:	Performance and Finance Scrutiny Sub Committee
Date:	20 July 2009
Subject:	Decent Homes – Information Report
Responsible Officer:	Gwyneth Allen, Divisional Director for Adults and Housing Service
Portfolio Holder:	Councillor Barry Macleod-Cullinane, Portfolio Holder for Housing
Exempt:	No
Enclosures:	None

Section 1 – Summary

This report sets out information on the 2009 /11 decent homes programme

FOR INFORMATION

Section 2 – Report

1. BACKGROUND TO DECENT HOMES IN HARROW

1.2 Following the decision to retain its stock the Council, following consultation with tenants, introduced a **Harrow Standard** for its decent homes works. Details are as set out below:

- Windows – high quality, well fitted and secure double glazed windows
- Kitchens – high quality, well planned kitchen replaced every 20 years
- Heating – high quality central heating systems using condensing boilers which will be replaced every 15 years
- Bathrooms – high quality well planned bathrooms replaced every 30 years
- Doors – secure front and rear doors

- Thermal insulation – greater efficiency measures than decent homes including 200mm loft insulation and draught proofing
 - Noise insulation – internal noise insulation for properties that need it most
 - Environmental Improvements – security works to make estates safer, fencing, door entry systems and security lighting
- 1.3 Appendix 1 contains details of the government's Decent Homes Standard. It will be noted that the environmental improvements and internal noise insulation, contained in the Harrow Standard, do not feature in the government standard.
- 1.4 To date work undertaken in the decent homes programme has related principally to rewiring, kitchens, bathrooms, heating and window replacements under criterion B of the government standard **except** that the Harrow Standard has been based on the state of '*disrepair*' whereas the government's standard takes account of '*age and disrepair of key elements*'. The latter usually has the effect of delaying the date by which the element is classed as non decent.
- 1.5 At its meeting on 13 March 2008, Cabinet considered a report that explained Harrow's ambitious standard significantly exceeded the standards set out by government and placed greater priority on the amenities inside dwellings than is necessary. This had resulted in a disproportionate level of investment in bathrooms and kitchens whilst major building components such as roofs, environmental and security works were being placed as a lower priority due to lack of adequate capital resources. The report proposed reducing the original Harrow Standard to a revised Harrow Standard, which enabled all eligible homes to benefit from either a new bathroom or a kitchen but not both (the original Harrow Standard provided both). It was explained that the proposed revised standard was still above that required by government. The introduction of a revised Harrow Standard was approved by Cabinet (Minute 382).

2 STOCK CONDITION SURVEY

- 2.1 A Stock Condition Survey (SCS) was completed at the end of April 2009 and analysis of the information is continuing with the aim of developing the most cost effective programmes of work to deliver the decent homes target by December 2010.
- 2.2 Further work being undertaken that complicates the process is to merge known works completed into the cloned SCS data to ensure that Harrow has the most accurate possible reflection of the condition of the stock. **Note:** the SCS looked in detail at only some of the stock and applied the results to the remaining stock to give a statistically valid estimate of works required. This is an industry wide approach accepted by Department of Communities and Local Government, the Tenant Services Authority and the Audit Commission. (Appendix 2 contains more information on the stock profile as surveyed.)
- 2.3 The high-level summary of the SCS indicated (pre the inclusion of thermal comfort indicators) that there were 1,840 properties failing to meet decency standard and that by 2010 a further 237 properties would become non-decent requiring remedial works. Updated data from Codeman shows the position to be as follows:

2.4

	31/03/09	30/06/09
Elements:		
• HHSRS	0	55
• Disrepair	2073	1494
• Modern facilities	98	114
• Thermal comfort	324	901
Total properties	2324	2126

Note some properties may require multiple elements. The numbers becoming non decent have reduced from 237 to 219.

2.5 The additional estimated cost of £4.5m is over and above that already included in the first draft of the housing capital programme for decent homes work of £3.3m. A copy of the SCS report is attached at Appendix 3. It should be noted that the SCS report is a snapshot on a specific date (31 March 2009). The Council uses a live data base to hold its asset management data base with the result that data/statistics are constantly changing.

3 2008/09 HOUSING CAPITAL PROGRAMME (HCP)

3.1 The decent homes programme is a subset of the HCP and historically covered rewiring, kitchens, bathrooms, heating and window replacements. It should, however, be noted that window replacement work is not undertaken currently by Kier but by Radways.

3.2 During the course of 2008/09 the following works were reported to housing as having been completed. (It should be noted, due to reporting procedures, some of the works would actually have been undertaken in the latter part of 2007/08):

• Bathrooms	793
• Kitchens	1311
• Heating	462
• Rewires	260
• WCs	179
• Windows	47

3.3 Some 145 tenants refused works during the year. An ongoing problem is the number of other tenants who wish to refuse the proposed rewiring of their homes. Before the council can accept a refusal of these works, the existing electrics need to be safety tested. If the electrics are found to be safe, the council will not insist on the rewiring works being undertaken. However it is essential that the health and safety test is undertaken. In some instances it has been necessary to remind tenants of the conditions of their tenancy and that the council has a right to seek entry to their home through the court, if all else fails.

3.4 Other, external decent homes works are contained within the remainder of the HCP and managed by property services as discrete projects e.g. roof works form one project, communal boilers another etc.

3.5 Management of the internal decent homes works is a dynamic process arising from a number of factors:

- Works on the programme are found not to be required when a site survey is undertaken
- Works are found to be required that were not in the programme
- Tenants, whose homes are not on the programme, seek justifiable qualifying works
- Tenants opt-out of having works undertaken

3.6 Kier's original contract for 2008/09 was to deliver 1431 decent homes in conjunction with window replacements being undertaken by Radways. However, during the course of 2008/09 some 800 additional properties were identified as requiring 'internal' works. These additional properties have been brought forward to form the 2009/10 decent homes programme for rewiring, kitchens, bathrooms, heating and window replacements. £3.3m has been committed within the 2009/10 HCP to cover works on 400 – 500 properties depending on how many elements are needed within each property. A report to Cabinet on 16 July 2009 recommends extending the budget provision for decent homes by a further £4.2m over two years towards meeting the additional costs of decent homes works identified by the SCS.

4 COMPARISON OF THE DECENT HOMES PROGRAMME (B/F FROM 2008/09) WITH THE FINDINGS OF THE STOCK CONDITION SURVEY (SCS)

4.1 The broad position in the table that follows shows how many elements (excluding insulation) feature in the decent homes programme b/f from 2008/09 compared to those shown in the SCS as requiring work. The next column shows where there are overlaps – in other words, the numbers of elements identified in the SCS that are already in the programme. The final column shows the net additional need.

4.2

	Programme	SCS	Matches	Net additional need
Wall finish	5	227	0	227
Spalling brickwork	0	146	0	146
Chimneys	0	10	0	10
Roof coverings	383	144	99	45
External doors (houses and communal doors in flats)	130	182	2	180
Windows	464	136	15	121
Rewiring	321	318	45	263
¹ Heating including thermal comfort (property lacks heating system or programmable heating system)	429	925	83	842
Plumbing	0	173	0	173
¹ Kitchens	412	1081	114	967
¹ Bathrooms	253	1127	5	1122
² Communal boilers	0	2	0	0

¹ Calculated on the basis of the original Harrow Standard which takes account only of the state of disrepair and ignores the age of the element.

² The two communal boilers that require replacement are **not** in sheltered housing

- 4.3 The details in the table above reflect elements needed not individual properties as some properties will require multiple elements. The needs of the Mill Farm estate that may be transferred to a housing association are included.
- 4.4 It needs to be remembered that not all the stock has actually been surveyed (although, with the exception of some roofs not included in a specialist roof survey, all the 2008/09 addresses have already been the subject of actual surveys). This means that intended work on those properties that were not surveyed (but cloned) will require validation before authority can be given for the works to proceed. To meet this need a further SCS is being commissioned. A Further SCS is being commissioned to undertake these validations.
5. **CRITERION D: INSULATION**
- 5.1 Overall, Codeman shows that 807 properties fail criterion D.
- 5.2 The SCS shows there is a total of 2266 properties needing additional roof insulation. However, as only 1042 properties plus some flat blocks were surveyed, there are many information gaps on the Codeman data base. These gaps will result in failures being reported. Given the high level of insulation programmes undertaken in Harrow in the past, the failure data cannot be relied upon. The proposed further stock condition surveys (see above) will contribute to bridging this information gap.
- 5.3 There are 1843 properties that could benefit from wall insulation but these properties may not actually fail as the measure for failure depends on the type of heating and amount of roof insulation. Cloning may also have distorted the numbers. The numbers also include properties where it is impracticable to install wall insulation due to construction type.

Section 3 – Further Information

None

Section 4 - Contact Details and Background Papers

Contact: Lorraine Dallas, Interim Service Manager (Housing) 020 8424 1339

Background Papers:

Decent homes programmes: 2008/09 and 2009/10

Housing capital programmes: 2008/09 and 2009/10

Stock condition survey report (winter 2009)

THE GOVERNMENT DECENT HOMES STANDARD

In June 2006 the Department for Communities & Local Government published its latest update of the Decent Homes Standard for local authorities to meet by 2010. This document summarises the standards needed by way of 4 separate criterion:

a) It meets the current statutory minimum standards for housing

This is measured through the Housing Health & Safety Rating System (HHSRS). This is a risk assessment which identifies potential hazards to residents through poor building design e.g. narrow stairwells. Dwellings that fail to meet category 1 hazards identified through the HHSRS will fail the decent homes standard.

b) It is in a reasonable state of repair

Dwellings that fail to meet this criterion are those where either:

- One or more of the key building components are old and, because of their condition, need replacing or major repair; or
- Two or more of the other building components are old, and because of their condition, need replacing or major repair.

c) It has reasonably modern facilities and services

Dwellings that fail to meet this criterion are those, which lack three or more of the following:

- A reasonably modern kitchen (20 yrs old or less)
- A kitchen with adequate space and lay out
- A reasonable modern bathroom (30 yrs old or less)
- An appropriately located bathroom or WC
- Adequate insulation against noise (where external noise is a problem)
- Adequate size and layout of common areas for blocks of flats

A home lacking two or fewer of the above is still classed as decent. It is not, therefore, necessary to modernise kitchens and bathrooms if a home meets the remaining criteria.

d) It provides a reasonable degree of thermal comfort

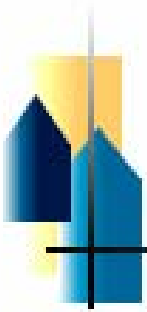
This criterion requires dwellings to have both effective insulation and efficient heating.

EXTENT OF JANUARY – FEBRUARY 2009 STOCK CONDITION SURVEY

Stock size: 5071 properties

Sample size:

Externally and internally houses and bungalows:	24%
Internally flats and maisonettes:	28%
Externally flats;	97%
Common areas/ shared facilities to blocks:	97%



London Borough of Harrow

Stock Condition
Survey

DRAFT REPORT REV 4



May 2009

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Appendix B	Life Expectancies and Schedule of Rates

1.00 INTRODUCTION AND EXECUTIVE SUMMARY

1.01 Purpose and Extent of the Survey

.01 Rand Associates have been commissioned to produce a report relating to Stock Condition Survey data collected on behalf of LB Harrow. The Stock Condition Survey data was collected by a third party surveying organisation. This report is intended to satisfy the following requirements:

- Provide reasonable predictions concerning repairs and maintenance costs over a 30 year horizon.
- To report on the Decent Homes Standard within the stock.

The total stock as of April 2008 is declared as being 5,069 No. properties. In addition there are 1,107 No. leasehold properties.

.02 The survey includes for the external fabric, common parts and associated assets of leasehold dwellings, the freehold interest of which is retained by LB Harrow.

.03 The content and conduct of the survey is assumed to comply with the relevant contractual documents between LB Harrow and the original surveying organisation.

.04 This survey consisted of the following sample sizes:

- Externally and Internally Houses and Bungalows - 24%
- Internally Flats, Bedsits and Maisonettes – 28%
- External Blocks – 97%
- Common Areas/Shared Facilities to Blocks – 97%

.05 The data upon which this report has been based has not been collected or subject to a full validation by Rand Associates. Therefore no guarantees can be made in respect of its accuracy.

.06 Rand Associates have been provided with two sets of data. The first is based on the 'as surveyed' position. The second set of data (received by Rand Associates on 22nd April 2009) reflects update data that has been added to the cloned properties within the database by LB Harrow, and alterations to the data by the original surveying organisation. Results pertaining to both sets of data are shown in this report.

1.02 Categories for Reporting Purposes

- .01 The categories of cost, for assessment calculation and reporting have been determined as follows (the text in italics are brief extracts from government office definitions):
- **Catch Up Repairs** “...the backlog of repairs needed to make good observable defects in a dwelling, usually works which ought to have been done in the past under cyclical or responsive repairs or where planned maintenance has not been carried out.”
 - **Future Major Works** “replacements/major overhauls necessary once catch-up repairs have been completed.”
 - **Contingent Major Repairs** “works which could be reasonably anticipated but for which there is no direct evidence of a problem in the properties concerned.”
 - **Cyclical Maintenance** “cyclical work on an annual or longer-term cycle, such as servicing central heating and repainting.”
 - **Responsive and Void Property Repairs** “derived from records of responsive repairs in the past.”
 - **Related Assets** “repair works connected to the related assets of estates, such as those to garages and unadopted roads etc”
 - **Improvements** “works which increase the standard of accommodation either by providing something which did not exist, or upgrading an element to be replaced.”
 - **Preliminaries**
- .02 Catch-Up Repairs can be modelled and programmed with Future Major Works into planned contracts.
- .03 Future Major Works are based on the as found survey, but reconciled with the component life cycles, as scheduled in **Appendix ‘B’**, and extended through to the end of the 30 year period.
- .04 Contingent Major Repairs do not always have a defined time base except that they are likely to become manifest within 30 years. The respective values are distributed in equal increments from years 1 to 30 unless otherwise stated. As it is not known when these repairs will be required, it is not normally possible to allocate a particular repair cost to any one year.
- .05 No information relating to Responsive, Void and Cyclical Maintenance has been provided by the LB Harrow, and therefore no allowances are made in this respect in this report.
- .06 Improvements are items of work identified as those which may be considered to raise the overall quality of the housing stock in line with Government expectations. These items are not time or condition based and for reporting purposes these costs have been distributed equally over the next 5 years.
- .07 Data relating to paths, driveways, garages etc when associated with a particular property or block is assumed to be included within the Catch Up and Future Major Works categories. No data has been provided by LB Harrow to reflect any such topics when not associated with any one property or block (e.g. unadopted roads, garage blocks), and therefore no further allowances have been made in this respect.
- .08 Preliminaries relate to the additional cost associated with contractors work such as overheads, supervision, mechanical plant, insurances, etc. The addition for preliminaries is set at an average of 12.5% to reflect the costs associated with working in the Harrow area.

1.03 The Overall Results

.01 The total values assessed and calculated as a result of the survey are as follows:

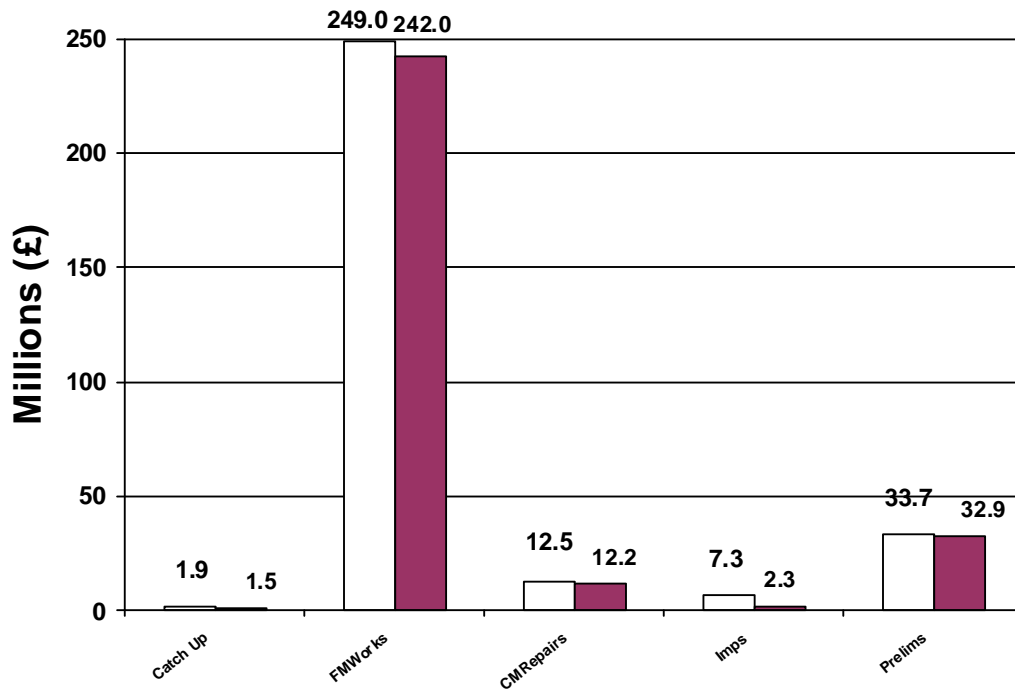
<i>Category</i>	<i>30 Year Total Before Updates</i>	<i>30 Year Total After Updates</i>
Catch Up Repairs	1,858,027	1,475,082
Future Major Works	248,632,721	242,212,307
Related Assets	0	0
Contingent Major Repairs	12,524,537	12,184,369
Improvements	7,348,500	2,335,300
Responsive Maintenance + Disabled Adaptations	0	0
Cyclical Maintenance/Decs	0	0
Preliminaries	33,743,343	32,892,923
Total	£304,107,128	£291,099,981

.02 All values stated are as at February 2009 (this has been assumed by Rand Associates based on the survey period) and include Contractor's preliminaries, except for Catch Up Repairs and Future Major Works which are identified separately within this report, which is in accordance with normal Stock Condition Survey Procedures. All values are for a 30-year period as quoted, with the exception of Catch-Up Repairs and Improvements. No further allowances are made for:

- Inflation - After February 2009
- Fees
- LB Harrow's Management Charges
- VAT
- Decanting of Tenants
- Disabled Adaptations
- Cyclical and Responsive Costs

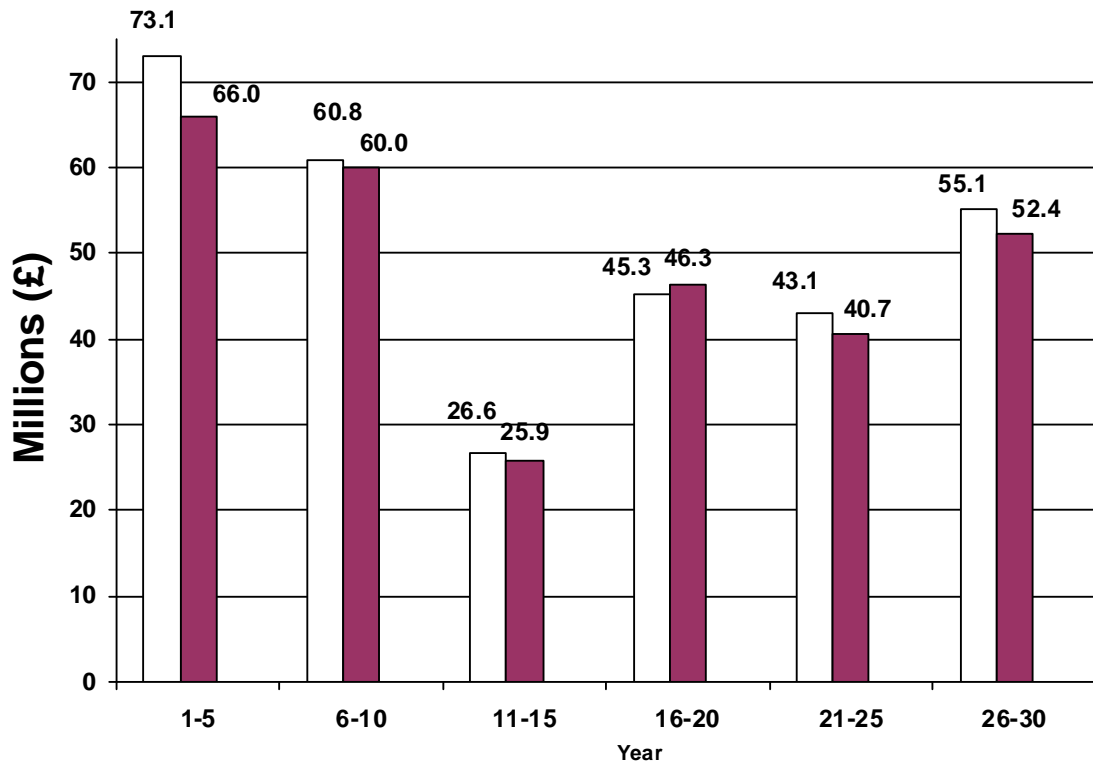
1.04

.01 The values in 1.03 above expressed in graphical terms give rise to the following (the second set of columns shows the position after updates have been applied to the database):



Gross 30 Year Expenditure Profile

.02 The 30 year expenditure profile for all categories is as follows showing the total for each five year period (the second set of columns shows the position after updates have been applied to the database):



Gross 30 Year Expenditure Profile

1.05 **Experience and Accuracy**

- .01 Rand Associates have been undertaking Stock Condition Surveys for over 20 years and carry a Professional Indemnity Insurance of £5m with a 12 year indemnity period.
- .02 The Stock Condition Surveys were undertaken by a third party surveying organisation. Data from these Stock Condition Surveys has been provided to Rand Associates.
- .02 Rand Associates have undertaken an analysis of this data to produce the findings within this report. This process was under the direct control Mr Barry Patient, Director in Charge, Mr Simon Davis, the Project Manager and Mr Jonathan Case, the IT Manager.

2.00 **THE IMPRESSIONISTIC SURVEY**

2.01 The impressionistic survey is an intrinsic feature of sample stock condition surveys and serves to provide a broad profile of LB Harrow's housing stock. This desktop survey uses data provided by LB Harrow to separate the stock into groups. It is assumed that the surveying organisation will have conducted an Impressionistic Survey in order accurately sample the properties. Rand Associates have not been involved in this process, but provide the information below as background to the findings given in this report.

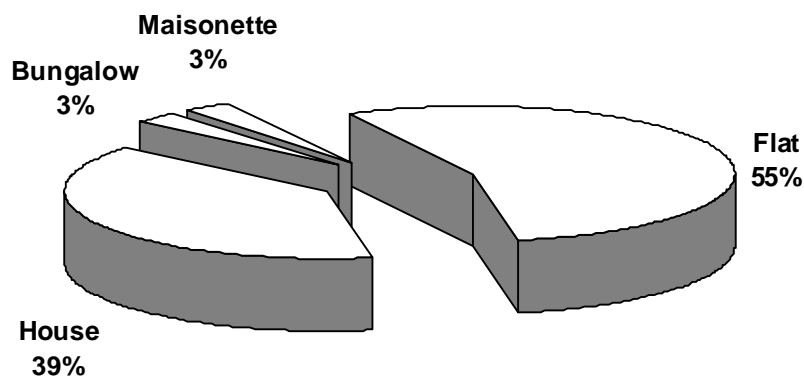
2.02 **General Observations**

.01 The total housing stock comprises the following as at April 2006:

Stock	No. Dwellings
General Needs Housing	4,513
Sheltered Housing	556
Sub Total	5,069
Leasehold Properties	1,107
Total	6,176

Costs relating to the external areas of leasehold properties are assumed to be included within this report, but are expected to be re-chargable.

.02 The following pie chart illustrates how the housing stock is divided by the type of property.

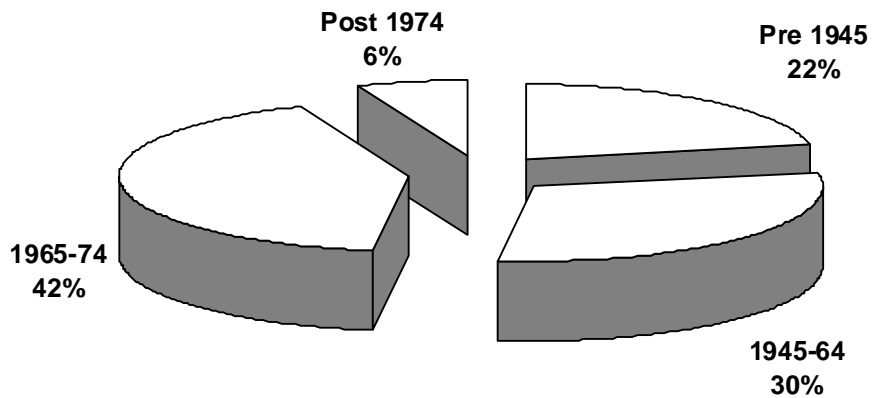


2.02 Cont'd

.03 The following table shows the distribution of the General Needs and Sheltered stock per age band over different stock types

Property Type	Pre 1945	1945-64	1965-74	Post 1974	Total
Houses	976	618	274	96	1,964
Sheltered Houses	0	0	3	1	4
Bungalows	15	51	60	7	133
Bedsit Bungalows	5	16	0	0	21
Disabled Bungalows	0	2	9	0	11
Flats/Bedsits	106	760	1,287	61	2,214
Disabled Flats	0	1	4	1	6
Sheltered Flats/Bedsits	0	0	418	134	552
Maisonettes	2	92	64	6	164
Total	1,104	1,540	2,119	306	5,069

.04 The following pie chart displays the age profile of the tenanted stock.



3.00 **METHOD STATEMENT FOR THE IMPRESSIONISTIC SURVEY AND SELECTION OF SAMPLES**

- .01 The surveying organisation are assumed to have carried out an impressionistic survey and sampled the housing stock accordingly. An analysis of the sampling regime used by the surveying organisation has not been undertaken by Rand Associates.

Cloning of Survey Data

- .02 In the data provided to Rand Associates, all properties had Stock Condition data shown against them. Where a property had not been surveyed, it is apparent that the data from a similar surveyed property had been cloned into the empty property record.
- .03 The logic used to decide which surveyed properties represent which unsurveyed properties is assumed to have been developed by the surveying organisation. Rand Associates have not considered the validity of this logic.

4.00 BACKGROUND INFORMATION AND SOURCE DATA

4.01 Policies and their Application

- .01 At the commencement of a Stock Condition Survey, it is usually appropriate for the client and the surveyors to agree a series of policies as to determine how certain elements of the properties will be dealt with within the survey. It is not known whether any such agreements exist between LB Harrow and the surveying organisation.
- .02 The agreement of policies is important as it will affect the schedule of rates used for the survey. It is therefore recommended that LB Harrow review their position on this, and if necessary seek guidance from the surveying organisation as to what policies have been adopted.

4.02 Life Cycles of Building Components and their Application

- .01 The life cycles of building components used in the calculation for Future Major Works are as shown in **Appendix 'B'** of this report. These have been provided by LB Harrow. Rand Associates have not reviewed these life cycles, and it is assumed that these have been agreed between LB Harrow and the surveying organisation.

4.03 The Schedule of Rates

- .01 The Schedule of rates upon which the Stock Condition Survey costs are produced is shown in **Appendix 'B'** of this report. These have been provided by LB Harrow. Rand Associates have not reviewed these rates, and it is assumed that these have been agreed between LB Harrow and the surveying organisation.

4.04 The Survey Method

.01 Access

It is assumed that an appropriate access methodology has been adopted by the surveying organisation to ensure that a representative sample of properties is surveyed.

.02 Surveys

Data was collected by the surveying organisation in Codeman software. This data has been provided to Rand Associates in Excel format.

.03 Quality Control

It is assumed that the surveying organisation has put appropriate quality control mechanisms in place to ensure the accuracy of the data.

5.00 THE SAMPLE SURVEY OF THE HOUSING STOCK

5.01 The surveying organisation would appear to have undertaken external and internal inspections at the following frequencies.

	<i>Externally</i>	<i>Internally</i>
Houses and Bungalows	24%	24%
Flats/Bedsits/Maisonettes	97%	28%

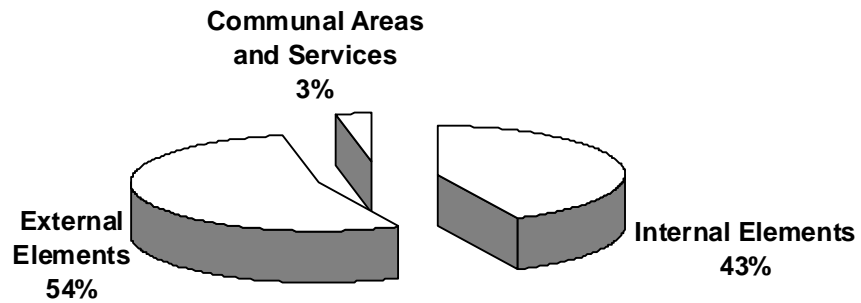
5.02 .01 The value of Catch Up Repairs to the Housing Stock for external elements, internal elements, common parts and external works (within the curtilage of the properties) as determined from the data provided to Rand Associates are shown in the following table. Data is shown to reflect the 'as surveyed' status (before any updates were made to the data), and after the updates have been added to the data.

Catch Up	Total Before Updates	Total After Updates
Chimneys	0	0
Roof Structure	132,000	245,000
Roof Covering	0	6,000
External Joinery	20,165	25,100
Rainwater Goods	10,275	10,275
External Walls	80,152	79,675
Windows	135,800	53,200
External Doors	375,700	205,100
Stores and Outbuildings/Garages	2,000	2,600
External Works	444,250	432,775
Common Services	58,700	6,000
Common Access Within Structure	20	3,927
Common Heating & Plumbing	0	10,000
Lifts	0	0
Sanitary Fittings	151,700	88,150
Sanitary Pipework	1,020	850
Kitchens	352,400	210,400
Heating	72,000	72,000
General Plumbing	1,800	200
Electrics (within dwelling)	8,750	11,200
Smoke Alarms	11,295	12,630
Total to Catch Up Summary 11.01	£1,858,027	£1,475,082

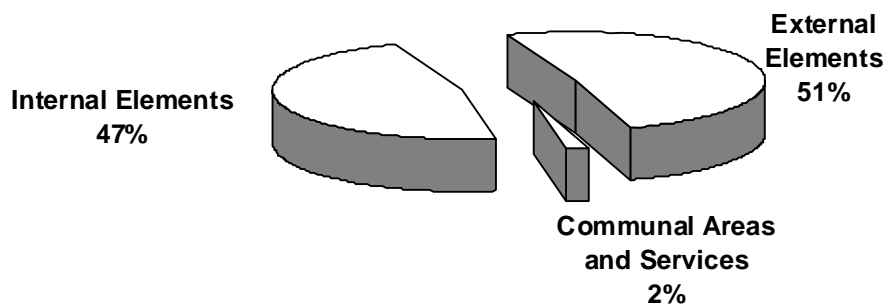
5.03 .01 The value of Future Major Works (FMW) over a 30 year period to the Housing Stock for external elements, internal elements, common parts and external works (within the curtilage of the properties) as determined from the data provided to Rand Associates are shown in the following table. Data is shown to reflect the 'as surveyed' status (before any updates were made to the data), and after the updates have been added to the data.

<i>Future Major Works</i>	<i>30 Year Total Before Updates</i>	<i>30 Year Total After Updates</i>
Chimneys	5,832,500	6,293,500
Roof Structure	4,438,000	4,850,000
Roof Covering	37,000,300	38,042,760
External Joinery	7,029,709	6,790,280
Rainwater Goods	2,113,013	2,263,438
External Walls	29,779,508	30,654,842
Windows	20,882,150	17,322,950
External Doors	6,287,800	8,096,300
Stores and Outbuildings/Garages	2,395,095	2,511,320
External Works	22,482,780	21,600,355
Common Services	25,952,750	24,028,050
Common Access Within Structure	868,391	863,402
Common Heating & Plumbing	10,338,200	9,993,200
Lifts	569,000	506,000
Sanitary Fittings	10,920,800	9,756,850
Sanitary Pipework	346,830	350,625
Kitchens	25,243,600	23,885,500
Heating	19,859,300	19,331,850
General Plumbing	547,200	527,400
Electrics (within dwelling)	15,136,250	13,937,400
Smoke Alarms	609,545	606,285
Total to FMW Summary 11.02	£248,632,721	£242,212,307

5.04 .01 The Catch Up costs derived from the database **before** update information was added can be divided up as shown in the pie chart below:

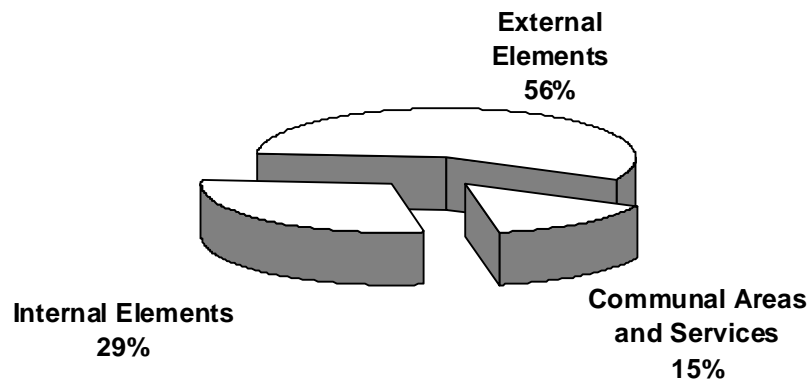


.02 The Catch Up costs derived from the database **after** update information was added can be divided up as shown in the pie chart below:

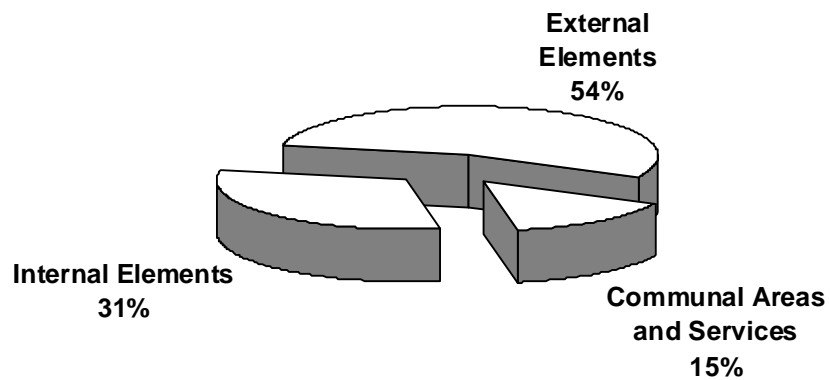


5.04 (cont'd)

- .03 The Future Major Works costs over the first 30 years derived from the database **before** the update information was added can be divided up as shown in the pie chart below:



- .04 The Future Major Works costs over the first 30 years derived from the database **after** the update information was added can be divided up as shown in the pie chart below:



6.00 THE SURVEY OF THE RELATED ASSETS

6.01 No information pertaining to Related was provided by the LB Harrow. Therefore no further allowances have been made in this respect in this report. Items typically included in the Related Assets reporting category include (but are not limited to):

- Unadopted roads and paths
- Garage blocks and associated hardstandings
- Shops
- Sewerage treatment works

7.00 CONTINGENT MAJOR REPAIRS

7.01 .01 Contingent Major Repairs are items of work that are likely to become necessary over the 30 year period of the survey, but cannot be attributed to any particular time frame within that period.

.02 The allowances stated under this section are provisional and may vary subject to any further specialist surveys undertaken in the future.

.03 As Rand Associates have not visited any of the properties, it was not considered appropriate to make judgements under each of the possible headings that may be subject to Contingent Major Repairs. It is prudent however, to ensure that a contingent allowance is made to reflect possible future problems to such topics as:

- Drainage
- Remedial works required to System Built properties
- Remedial works required to High Rise properties
- Water Mains Supply Services
- Electric Mains Supply Services
- Gas Mains Supply Services
- Sewers
- Structural Problems where not covered by insurance
- Fire Safety
- Sound Transmission
- Double Glazed Units

.04 In respect to Contingent Major Repairs, an allowance of 5% of the combined Catch-Up and Future Major Works values is made:

	<i>B/F</i>	<i>%</i>	<i>Total £</i>
C/U + FMW Housing Years 1-30 Before Updates	250,490,748	5	12,524,537
Total Expenditure to Summary 8.07			£12,524,537
C/U + FMW Housing Years 1-30 After Updates	243,687,389	5	12,184,369
Total Expenditure to Summary 8.07			£12,184,369

.05 Within the Stock Condition Survey data provided, there were certain elements allowed for that Rand Associates believe fall into the Contingent Major Repairs reporting category, rather than Catch-Up or Future Major Works. These items include drainage, water mains and gas mains. Therefore costs have not been allowed for within the Catch-Up and Future Major Works sections of this report, but are assumed to be allowed for within the above Contingent Major Repairs allowance.

8.00 IMPROVEMENTS

8.01 Heating

- .01 The number of dwellings affected and the cost to improve heating provision i.e. install where none exists or upgrade partial systems is as follows (the allowance given is based on rates assumed by Rand Associates to appropriate as none were apparent in the information provided):

Improvement	Cost Before Updates £	Cost After Updates £
Install Full Central Heating	231,000	206,500
Upgrade to Full Central Heating	333,000	312,000
Total to Summary 11.04	£564,000	£518,500

8.02 Energy Conservation

- .01 The likely cost to install cavity insulation where none exists or to increase the roof space insulation to the predetermined standard.

Improvement	Cost Before Updates £	Cost After updates £
Cavity Wall Insulation	714,500	744,500
Increase Roof Insulation	641,500	611,500
Total to Summary 11.04	£6,336,000	£1,356,000

8.03 Communal Security and Safety

- .01 The extent to which further installation may be required to the communal areas was not apparent from the survey data.

8.04 **Smoke Detectors**

- .01 The following provision is for installing hard-wired smoke alarms where the surveying organisation has identified an absence of hard-wired smoke detectors (the majority of these properties appeared to have battery powered alarms). Please note that there was no apparent cost allocated in this respect by the surveying organisation. Rand Associates have therefore assumed an average cost per property of £150.

Improvement	Cost Before Updates £	Costs After Updates £
Install Hard-Wired Smoke Alarms	224,250	230,400
2 nd Renewal of Smoke Alarms	224,250	230,400
Total to Summary 11.04	£448,500	£460,800

8.05 **Ventilation**

- .01 The apparent requirement to install further mechanical ventilation units was not apparent in the survey data. It is therefore assumed that any further costs in this respect have been allowed for under the kitchen and bathroom renewal costs. No further allowances are made in this respect in this report.

9.00 **CYCLICAL AND RESPONSE MAINTENANCE**

9.01 **Budgets and Provisions for Cyclical and Response Maintenance**

.01 LB Harrow have requested that no further allowances be made in this respect in this report.

10.00 **PRELIMINARIES**

10.01 Elsewhere in this report preliminaries have been excluded from Catch Up and Future Major Works in respect of the housing stock.

The following are the allowances for Contractor's preliminaries required to be added to Catch Up and Future Major Works. The percentage addition is 12.5% resulting in the following allowance.

	<i>B/F</i>	<i>%</i>	<i>Total £</i>
Catch Up Before Updates	1,858,027	12.5	232,253
<u>Total Expenditure to Summary 11.07</u>			£232,253
Catch Up After Updates	1,475,082	12.5	184,385
<u>Total Expenditure to Summary 11.07</u>			£184,385

	<i>B/F</i>	<i>%</i>	<i>Total £</i>
FMW Housing Years 1-30 Before Updates	248,632,721	12.5	31,079,090
<u>Total Expenditure to Summary 11.07</u>			£31,079,090
FMW Housing Years 1-30 After Updates	242,212,307	12.5	30,276,538
<u>Total Expenditure to Summary 11.07</u>			£30,276,538

10.02 **Scaffolding - Buildings of 3 Storeys or Above**

- .01 It is necessary to make an allowance for scaffolding to the properties for the purpose of maintenance, repairs and replacement of materials.
- .02 The representation of the financial implications with regard to scaffolding can be difficult to represent over a horizon of 30 years. There is a wide range of variables that can effect the cost dramatically.

When demonstrating Future Major Works costs required over a horizon of 30 years it is possible to anticipate when work is likely to need to be carried out. It is not possible however to anticipate how this work will be packaged or indeed how the site/location factors will influence the cost of any associated scaffolding over the next 30 years.

10.02 (cont'd)

.03 For budgetary forecasting it is considered appropriate to make an allowance for scaffolding costs based on the following assumptions.

- Any given building will require scaffolding 2 times within the 30 year horizon
- A cost of £800 per flat is allocated for buildings from 3 or more storeys (medium and high rise – in the absence of information in this respect, it is assumed 30% of dwelling are affected).

<i>Medium and High Rise Units</i>	<i>Price per Unit £</i>	<i>Twice over 30 years £</i>	<i>Total £</i>
1,520	800.00	1,600.00	2,432,000
Total Expenditure to Summary 11.07 (30 Years)			£2,432,000

11.00 **SUMMARY OF COSTS**

11.01 **Summary of Catch Up Repairs**

Section	Heading	Before Updates £	After Updates £
5.02	Housing - Sample Survey	1,858,027	1,475,082
	Total to Page 3	£1,858,027	£1,475,082

11.02 **Summary of Future Major Works**

Section	Heading	Before Updates £	After Updates £
5.03	Housing - Sample Survey	248,586,476	242,212,307
	Total to Page 3	£248,586,476	£242,212,307

11.04 **Summary of Improvements**

Section	Heading	Before Updates £	After Updates £
8.01	Heating	564,000	518,500
8.02	Energy Conservation	6,336,000	1,356,000
8.04	Smoke Detectors	448,500	460,800
	Total to Page 3	£7,348,500	£2,335,300

11.06 **Summary of Contingent Major Repairs**

Section	Heading	Before Updates £	After Updates £
7.01	All Contingent Major Repairs	12,522,225	12,184,369
	Total to Page 3	£12,522,225	£12,184,369

11.07 **Prelims Summary**

Section	Heading	Before Updates £	After Updates £
10.01	Catch Up	232,253	184,385
10.01	Future Major Works	31,079,090	30,276,538
10.02	Scaffolding	2,432,000	2,432,000
	Total to Page 3	£33,743,343	£32,892,923

11.08 The tables in Appendix 'A' shows the total costs in summary and for each reporting category distributed over the 30 year period as appropriate.

12.00 DECENT HOMES STANDARD

12.01 Background

The essence of the Decent Homes Standard is to create a minimum standard of housing across all social landlords' housing stock.

This standard is broken down into four main criteria (A-D). A decent home is defined as one which meets all of the following four criteria:

Criterion A: It meets the current statutory minimum standard for housing: As of 6th April 2006, this is being measured against a property's performance with respect to the Housing Health and Safety Rating System (HHSRS). No data pertaining to the HHSRS has been provided by London Borough of Harrow, although we understand there are approximately 40 properties identified as failing the Decent Homes Standard in this respect.

Criterion B: It is in a reasonable state of repair: Dwellings failing on this point will be those where either:

- One or more key building components are old and need replacing (where key means external components, electric's and gas heating source); or
- Two or more other (non-key) building elements are old and need replacing.

Criterion C: It has reasonable modern facilities and services: Dwellings failing on this point are those that lack 3 or more of the following:

- *A reasonably modern kitchen (20 years old or less)*
- *A kitchen with adequate space and layout*
- *A reasonably modern bathroom (30 years old or less)*
- *An appropriately located bathroom and WC*
- *Adequate noise insulation (where external noise/neighbourhood noise is a problem)*
- *Adequate size and layout of common areas for blocks of flats*

Criterion D: Provides a reasonable degree of thermal comfort: Dwellings failing on those points are those without effective insulation and efficient heating.

The one outstanding Decent Homes Standard target is that no property will be non-decent by the end of December 2010. This report assumes that London Borough of Harrow aspires to hit this target as part of its overall strategy over the next 2 years.

12.02 The Survey Method

Information provided by London Borough of Harrow has been analysed at a desktop level to produce the results within this report. No validation of the data has been undertaken. Due to the timescales associated with the production of this report, Rand Associates have made certain assumptions concerning the analysis of the data. Any core assumptions necessary have first been checked with officers of London Borough of Harrow.

12.03 Data interpretation

A potentially non-decent property is defined in this report as a property that (if no investment is made) will fall into a non-decent state before the end of December 2010. Over the remaining time frame for achieving the standard (December 2010) London Borough of Harrow needs to be aware of the extent to which properties potentially fall into a non-decent state, in addition to those properties currently failing the standard. The results shown within this report reflect both current and potential failures.

Criterion A: A total of approximately 40 No. properties currently fail this criterion

Criterion B: A total of 2,120 No. properties currently fail or will potentially fail this criterion.

Criterion C: A total of 137 No. properties currently fail or will potentially fail this criterion.

Criterion D: A total of 154 No. properties currently fail this criterion.

12.04 Current and Potential Status

.01 The following table shows the number of dwellings currently and potentially failing each criterion and the costs to rectify the failures.

Criterion	Property Failures	Cost to Make Decent
A	40	Unknown
B	2,120	4,730,200
C	137	213,500
D	154	283,800
Total	2,282	£5,227,500

The number of properties currently and potentially failing the standard is 2,282. The total cost to make these properties decent in respect of failure under Criterion B, C and D is £5,227,500. The cost to make these properties decent in respect to Criterion A is unknown as this information has not been supplied by the client.

NB: The total number of properties failing is not the sum total of A-D owing to the fact that certain properties fail on more than one criterion.

.02 The following table shows the number of dwelling currently and potentially failing each criterion and the costs to rectify the failures **after** the database updates had been applied by LB Harrow.

Criterion	Property Failures	Cost to Make Decent
A	55	Unknown
B	1,747	4,106,154
C	88	18,700
D	148	259,900
Total	1,885	£4,384,754

NB: The total number of properties failing is not the sum total of A-D owing to the fact that certain properties fail on more than one criterion.

12.04 Cont'd

.03 Please note that the above tables assume that the Criterion B Non Key cost will always include kitchen replacement when a kitchen has been deemed to fail. However, the rates applied within the Codeman software show kitchens as having the highest unit cost of the three Criterion B Non Key elements. Were LB Harrow to decide on using the minimum elemental costs for these Non Key elements, rather than the kitchen cost, a saving of £212,950 would be made on the Decent Homes rectification cost before the updates have been applied, and a saving of £172,600 would be made on the Decent Homes rectification cost after the updates have been applied.

.04 The following table illustrates the full possible costs in relation to current and potential Decent Homes expenditure in relation to the database **before** the updates had been applied:

Criterion A	HHSRS Issues	Unknown
Criterion B	Chimneys	43,000
Criterion B	Roof Structure	24,000
Criterion B	Roof Coverings	686,000
Criterion B	Wall Finishes	29,700
Criterion B	Windows	851,200
Criterion B	Doors	815,500
Criterion B	Electrics	551,200
Criterion B	Appliances	4,500
Criterion B	Boilers	1,066,800
Criterion B	Bathrooms	53,300
Criterion B	Kitchens	605,000
Criterion B	Central Heating	0
Criterion C	Modern Facilities	213,500
Criterion D	Effective Insulation	52,800
Criterion D	Efficient Heating	231,000
	Total	£5,098,944

.05 The following table illustrates the full possible costs in relation to current and potential Decent Homes expenditure in relation to the database **after** the updates had been applied:

Criterion A	HHSRS Issues	Unknown
Criterion B	Chimneys	82,010
Criterion B	Roof Structure	3,000
Criterion B	Roof Coverings	707,000
Criterion B	Wall Finishes	26,100
Criterion B	Windows	780,798
Criterion B	Doors	730,396
Criterion B	Electrics	526,000
Criterion B	Appliances	2,000
Criterion B	Boilers	715,800
Criterion B	Bathrooms	34,850
Criterion B	Kitchens	498,200
Criterion B	Central Heating	0
Criterion C	Modern Facilities	18,700
Criterion D	Effective Insulation	53,400
Criterion D	Efficient Heating	206,500

	Total	£4,384,754
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1.05 Discussion

- External costs in relation to blocks of flats have been included to reflect the whole block, regardless of the presence of leaseholders. It is therefore considered likely that there will be a proportion of the costs allocated to blocks that could be re-charged to leaseholders.
- A full validation of the data held has not taken place, although some possible discrepancies were identified during the production of this report:
 - A small number of flats were identified that contained external information, creating a duplicate set of data with the relevant external block. Where identified, the external data against these flats has been excluded.
 - Some of the quantities used to record roof information appeared to be reflective of the total number of properties in the block, rather than just the top floor properties. This information can only really be verified with a site check, and therefore no allowance has been made for this factor in the above tables.
- The costs shown for windows above should be considered in relation to the costs for all windows (i.e. not just those that fail the Decent Homes Standard). In this case, the overall data appears to indicate that works are necessary to approximately 700 properties with an overall cost of approximately £2.2m over the same time frame.
- The costs shown for boilers above should be considered in relation to the costs for all boilers (i.e. not just those that fail the Decent Homes Standard). In this case, the overall data appears to indicate that works are necessary to approximately 1,100 properties with an overall cost of approximately £1.2m over the same time frame (this excludes any allowance for communal boilers, which are identified within the Decent Homes figures above).
- The costs shown above for doors are mainly in relation to flat entrance doors, although front and rear doors to dwellings have also been considered. It should be noted that against all doors (i.e. not just those that fail the Decent Homes Standard) the data would appear to indicate there are approximately 2300 doors requiring renewal at an estimated cost of approximately £1.6m over the same time frame.
- The costs shown for kitchens above should be considered in relation to the costs for all kitchens (i.e. not just those that fail the Decent Homes Standard). In this case, the overall data appears to indicate that works are necessary to approximately 1,500 properties with an overall cost of approximately £5.0m over the same time frame.

APPENDIX 'A'

30 YEAR PROFILE

APPENDIX 'B'
SCHEDULE OF RATES AND LIFECYCLES



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