

REPORT FOR:**TENANTS' AND LEASEHOLDERS'
CONSULTATIVE FORUM****Date:****21 January 2010****Subject:****INFORMATION REPORT – Asset
Management****Responsible Officer:****Lynne Pennington Interim
Divisional Director Housing****Exempt:****NO****Enclosures:****Appendix 1: Proposed Housing
Capital Programme 2010/11****Section 1 – Summary**

This report gives a position statement on progress and issues arising in the area of responsive maintenance and planned investment. The report also sets out the proposed Capital Programme for 2010/11 in detail with an indication of the likely programme for future years

FOR INFORMATION

Section 2 – Report

2.1 Responsive Repairs

2.1.1 The responsive repairs contract is largely keeping up to date with repairs as they are reported. However, despite the Lean review this year there is likely to be an over spend.

2.2 Voids

2.2.1 During this year we have seen an increase in the number of voids (if current trends are maintained this could be an increase of between 10 and 20% on previous year) and an increase in costs per void. During the summer sustained challenge of some void costs brought the average cost down but this review process caused some delays in the turnaround time of voids. The new standard of void expenditure is now in place and turnaround times are returning to their previous good standard. Given that some of the works on voids legitimately relates to capital works, it has been decided to charge those works accordingly. Therefore certain works, for example, kitchen & bathroom renewals, re-wires or new central heating have been charged to capital. £100,000 has been reserved for this work. The revenue repairs position is reported elsewhere on this agenda.

2.3 External Decorations

2.3.1 The programme commenced at Hazeldene Drive in combination with roof renewal works. The remainder of the programme will commence in January 2010 and will be merged with the 2010 /11 programme. Work will therefore span the financial year-end and gain cost efficiencies. Due to adverse weather conditions some of the budget for this year may need to be carried forward into 2011/12.

2.4 Capital Programme

2.4.1 Summary of Housing Capital Programme

Harrow Council has allocated a budget of circa £13m (including slippage of approximately £3m from 2008/09) to the Housing Capital Programme for 2009/10. The works are being carried out under a number of main schemes; in addition the stock condition surveys are also managed and funded through the Housing Capital Programme. Kier Building Maintenance, who is the partnered contractor for Harrow Council, is carrying out the majority of the works.

In November 2009, spend to date was over £9m. The Decent Homes Manager and the Capital Programme Manager meet with Kier's management staff weekly to monitor progress, in addition to the bi-weekly Core Group meetings.

Decent Homes

Approximately £6m has been allocated to the renewal of kitchens and bathrooms, replacing obsolete heating systems, rewiring and replacing windows. The works have been programmed according to properties that are failing the Decent Homes standard as identified by actual stock condition surveys. Hunters and Partners on behalf of Harrow Council are carrying out the surveys.

To date approximately £5m has been expended, the completion rate reduced in third quarter due to tenants declining works, or not responding to the offer of improvements. The Housing Department is seeking to maximize the take up of improvements, particularly properties that are due for rewiring. Due to the essential nature of rewiring works non-access is being treated as a breach of tenancy.

Properties in the 2010/11 programme are being brought forward to make the shortfall and ensure spend is maximized in 2009/10.

Radway is carrying out the window renewals. The windows for the first phase of work are currently being manufactured and installation will commence in January 2010.

Estate Environmental Improvements

The programme includes renewal of main entrance doors and screens in the Kingsfield Estate and Apsley and Theobold Estate. The new PVC doors/screens will replace the existing components and will not require future planned maintenance/painting.

The Highways Department is also carrying out resurfacing works to the Mountside Estate.

Communal Boilers

The boilers are being replaced in 8 Sheltered Schemes. The works are in progress and proceeding well.

Means of Escape

The means of escape to sheltered schemes are being upgraded to ensure the residents can safely evacuate the building in the event of fire. The scope of the work includes new doors from the corridors to the staircases, flooring, decoration and reducing the means with which the flames can spread, in the event of a fire. Resident consultation has been carried out during November and December, which has included colour choices for the decoration and new doors. The works are due to start in February 2010.

Roofs

The main roofs are being replaced to the Hazeldene Road blocks. Scaffolding is in place for working access and, to maximize the use of the scaffold and obtain greater value for money, the external painting is being carried out in parallel with the roofing works. The main works are practically complete and the scaffolding is due for removal before the Christmas break.

Lifts

The existing lift Thomas Hewlett House is being replaced. A second lift is being installed at Grange Court, with the existing installation due for renewal in 2010/11.

The lift cars are being manufactured and works will commence in February 2010.

2.5 Three year Capital Programme

2.5.1 The proposed capital programme for the three years starting in April 2010 is shown as appendix 1. This proposed programme will be reported to the Cabinet in February for final approval.

2.5.2 It should be noted that the Decent Homes Programme comes to an end in 2010 and from April 2011 onwards programmes of work based around the following will take up a large part of the Capital programme:

- Kitchen and rewire renewals
- Bathroom and heating renewals
- Roofs, windows, doors and external works.

These programmes will be in addition to other investment in renewal of infrastructure such as lifts etc.

2.5.3 The Codeman database is now being used to plan programmes of work and has been successfully linked to the Housing Management System. Using this database, which has detailed surveys and recent works history for more than 50% of the stock, it has been identified that a funding gap is likely to occur within the next 10 years.

Section 3 – Financial Implications

3.1 The appendix attached to this report identifies the programmes of work proposed to deliver improvements to council properties over the next 3 years.

Tenants may recall that expenditure currently exceeds income, requiring an annual contribution from balances, which impacts the longer-term viability of the HRA if this continues. Any overspend in responsive repairs or void budgets will need to be met from contingency, capitalisation or balances.

3.2 The 3 year HRA Medium Term Financial Strategy assumes a level of funding. Funding for works costs in excess of these amounts will need to be identified before any programmes proceed. The review of the Housing Finance system, which is being undertaken by the department of Communities and Local Government nationally, will be critical in identifying how if at all this gap can be covered. Further work is being carried out to identify the ideal funding required so that when any revision to the Housing subsidy system is announced Harrow will be able to fully consider the impact on the HRA.

Section 5 – Corporate Priorities

Name: Donna Edwards	<input checked="" type="checkbox"/>	on behalf of the Chief Financial Officer
Date: 13 th January 2009		

Section 6 - Contact Details and Background Papers

Contact: Paul Mullins Interim Head of Asset Management 0208 416 8049

Background Papers: None

Proposed Housing Capital Programme 2010/11					Appendix 1
		2010 - 11	2011 - 12	2012 - 13	2013 - 14
1	Commitments from 09/10	800,000	0	0	0
2	Capitalised by Housing (salaries)	187,000	187,000	187,000	187,000
3	Property Services Fees	700,000	600,000	600,000	
4	Aids & Adaptations	700,000	700,000	700,000	700,000
5	Contingency / Fire Damage	100,000	100,000	100,000	100,000
6	Decent Homes	2,900,000	0	0	0
7	Kitchen / Rewire Prog	0	800,000	1,000,000	1,000,000
8	Bathroom / Heating Prog	0	750,000	1,250,000	2,000,000
9	Roofs, doors windows Prog	0	1,000,000	1,500,000	2,000,000
10	Door entry (Repair / Upgrade)	190,000	0	0	0
11	Door Entry Renewal		200,000		
12	Sheltered lifts (Goddard, Durrant)	300,000	300,000	300,000	200,000
13	Sheltered Door Entry	200,000	280,000	0	0
14	Digital TV	700,000	0	0	0
15	electrical heating	500,000	500,000		
16	Environmental Improvements (Augustine / Bancroft 5 blocks in 10/11)	400,000	300,000	500,000	
17	Security Flat Blocks	200,000	200,000	200,000	
18	Water Tank Replacement	25,000	25,000	0	0
19	SCS	80,000	80,000	0	0
20	Sheltered Warden Call	200,000	120,000		
21	Work following Fire Risk Assessment	75,000	0	0	0
22	Development of asbestos database	25,000	5,000		
23	Structural issues & Drainage	450,000	50,000	50,000	
24	Loft insulation	10,000			
25	Capitalising Responsive Works	150,000	150,000	150,000	
26	Garages	30,000	30,000	30,000	
	Total Costs	8,922,000	6,377,000	6,567,000	6,187,000
	Budget	7,610,000	6,160,000	6,160,000	to be determined
	Over Programming	1,312,000	217,000	407,000	