

WAVERLEY BOROUGH COUNCIL

EXECUTIVE – 3 NOVEMBER 2008

Title:

**DOUBLE-GLAZING PROGRAMME FOR HOUSING REVENUE ACCOUNT
PROPERTIES**

**[Portfolio Holder: Cllr Richard Gates]
[Wards Affected: All]**

Summary and purpose:

In 2007, the Council agreed to double-glaze 1,000 council homes over a two-year period. This report provides an update on progress; advises of the cost efficiencies and budget savings made in relation to this contract. It proposes that the programme be extended further so that more homes can be double-glazed and new doors installed in order that this element of the homes meet the Decent Homes Standard at 2010.

How this report relates to the Council's Corporate Priorities:

The proposals contained in the report address a number of Corporate Priorities – Environment; Improving Lives; Subsidised Affordable Housing and Value for Money. The replacement of windows that will fail the Decent Homes Standard by 2010 will contribute towards the Government target of meeting the standard by 2010. Furthermore, the installation of double-glazing will improve the look of properties, contributes to the street-scene and shows that homes are cared for – all of which add to the well-being of an area. Double-glazing also improves security and safety of homes. Significantly, it also helps to reduce heat-loss, which in turn can lead to a reduction in the use of energy and a reduction in heating bills.

Equality and Diversity Implications:

There are none arising from this report.

Resource/Value for Money implications:

The Council made provision of £3.7 million within its capital programme to fund the double-glazing of 1,000 homes. Contract procurement was very competitive and there will be a saving on the capital budget. It is being proposed that the saving of £1.1 million be applied to extending the double-glazing programme further and also be used to install a number of doors, which will render homes 'decent' in line with the Government's Decent Homes Standard.

Legal Implications:

There are none arising from this report.

Double-Glazing Programme

1. In 2007, the Council resolved to undertake a double-glazing programme for a number of reasons namely:
 - it was a manifesto commitment arising from contact with local residents;
 - windows are a 'Key Component' for the Decent Homes Standard (DHS) and where windows fail the DHS the whole property fails to meet the standard;
 - of the 5,000 homes owned by the Council 1,769 were not double-glazed, many of which failed DHS or would do so by 2010;
 - in 2003, a survey asked tenants about their priority for improvements, which revealed that 46% of respondents wanted window improvements – likely to be those who have not had their homes double-glazed;
 - the Council had not been able to find enough revenue resources to fund a cyclical external redecoration programme for some years. As a result, some windows were in a particularly poor state and beyond simple redecoration and a more cost-effective long-term solution would be replacement;
 - double-glazing helps to improve the look of a property and the street-scene, and gives the area a cared for appearance;
 - double-glazing improves thermal insulation and helps to reduce heating costs (thermal insulation is a DHS criterion);
 - provides sound insulation against external noise (insulation against external noise is a DHS criterion);
 - double-glazing helps to improve home security; and
 - some double-glazing units, installed many years ago, are now coming to the end of their useful life and need replacement.
2. The Council agreed a programme for double-glazing 1,000 and given that there were 1,769 homes single-glazed at that time it was necessary to provide some criteria against which to determine which homes should be double-glazed. The criteria are outlined at Annexe 1 to this report.
3. It should be noted that the DHS in respect of windows does not specify that single glazed windows that fail the standard should be replaced with double-glazed units. So, in theory, the DHS could be achieved by replacing single-glazed windows on a like-for-like basis – thus achieving the DHS. However, in recent years, Building Regulations have changed and it is no longer permissible for single-glazed windows to be replaced with single-glazing, but rather they have to be replaced with double-glazing.

Progress to Date

4. A small-scale programme was undertaken towards the end of 2007, when 100 homes were double-glazed. Running in parallel to that initiative, the Council undertook a procurement process for the remaining programme of 900 homes.

5. In addition to the 100 homes completed in 2007; the Council anticipates completing the remaining 900 by the start of 2009. In order to meet our original target, 60 homes need to be glazed each month for fifteen months. In theory the last properties on the programme should be completed in March 2009. Good progress is being made on the delivery of this programme as illustrated in the Table below:

2008	Jan	Feb	Mar	Apr	May	June	July	Aug	Sept	Oct
Target	60	60	60	60	60	60	60	60	60	60
Completions	77	41	56	136	53	77	92	62	76	

6. The double-glazing programme has proved to be very popular with tenants whose homes are being double-glazed and levels of satisfaction amongst customers is very high indeed.

Contract Procurement and Value for Money

7. In order to make good progress with programme delivery, the Council's existing window replacement contractor was invited to tender for installing double-glazing to a selection of both 50 and 100 properties. Analysis of the rates tendered confirmed that by having a rolling programme the Council would secure savings from the rates of their existing contract for one-off installations. An interim contract for 100 properties was awarded and installations commenced in August 2007.
8. The value of the contract for double-glazing 900 homes exceeded the European thresholds and therefore Waverley placed an advertisement within the Official Journal of the European Union for the programme of 900 properties.
9. In parallel with the EU process, prices were sought from three "London Housing Consortium" (LHC) contractors. The LHC has a good reputation for securing value-for-money contracts and their contractors are pre-qualified under EU Directive. In order to explore value-for-money, a sample of 11 typical Waverley properties were selected to compare with the prices of our contractor for double-glazing the first 100 homes. This exercise showed that Waverley's original contractor's rates were significantly lower and therefore there would be no benefit in dealing exclusively with LHC.
10. The EU process continued with the evaluation of expressions of interest and quality submissions and a tender list including three of the LHC contractors and, in the event, Dorwin Ltd was selected.
11. Housing Maintenance rationalised specifications and processes to assist contractors in achieving the ambitious programme for the completion of 900 properties in 15 months. These efficiencies contributed to the receipt of two very competitive tenders. Dorwin Ltd were appointed and commenced work on the 900 properties in January 2008.

12. In addition to the competitive rates, the programme double-glazing programme established in accordance with the criteria set out at Annexe 1 has resulted in a number of smaller dwellings (with fewer windows) being double-glazed than had been estimated for originally. This means that the programme of 1,000 homes to be double-glazed can be contained well within the budget made available and, indeed, the savings made on the programme can now be reinvested in the Council's housing stock, aimed at DHS works. The Council therefore can now make a decision whether to take the saving on this programme and reinvest it elsewhere in its capital programme or extend the double-glazing programme.
13. Notwithstanding the good contract procurement, it is considered appropriate to enter into further negotiations with Dorwin in order to achieve further efficiency gains.
14. There are a range of works that can contribute to the DHS (see Annexe 1) including replacement kitchens and bathrooms; replacement boilers and central heating systems; rewiring; re-roofing etc. There are programmes for replacement boilers and rewiring. Kitchen and bathroom replacements are the largest issue for the Council to tackle in respect of the DHS works. There is a small programme of c130 kitchen replacements in 2008/09, with some 2,500 needing kitchen and bathroom replacements. However, some 700 homes still are single-glazed – mostly metal crittal windows, which will fail the DHS in the next few years. It is proposed therefore that the savings on the double-glazing programme be reinvested in extending the double-glazing programme so that another c400 homes can be double-glazed. In most instances, it would be the officers intention to target homes where windows would fail the DHS.

Resource Implications

15. There is approximately £1.1 million available from the HRA Capital Budget for reinvestment from the original budget estimate of £3.7 million.

Conclusion

16. There are significant advantages in carrying out a programme of double-glazing, as outlined in paragraph 1, not least the contribution it makes towards meeting the DHS. Whilst the Council is likely to have sufficient resources to extend the current programme it does mean that over future years there will be less resource to invest in other desirable works that contribute to the Decent Homes Standard – such as replacing kitchens and bathrooms. However, expenditure on double-glazing will help reduce pressure on the HRA revenue budget in respect of repairing and painting windows; and makes an important contribution to energy efficiency and thermal comfort of the occupiers.

Recommendation

It is recommended that:

1. the Executive notes the good progress being made on the delivery of the programme and the value for money achieved thus far;
2. the Executive agrees to extend the contract with Dorwin Ltd further to enable approximately 400 additional homes to be double-glazed, at prices to be negotiated with the Head of Housing and Deputy Chief Executive, and the costs of which to be contained with the original HRA capital budget provision of £3.7 million.

Background Papers (DoCS)

There are no background papers (as defined by Section 100D(5) of the Local Government Act 1972) relating to this report.

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ANNEXE 1

Double Glazing – Criteria for selecting homes for double glazing programme

The following criteria were agreed:

- a. homes that, when double-glazed, would then meet the Decent Homes Standard at the target date of 2010;
- b. homes whose windows are in poor condition and are beyond economic repair and painting;
- c. homes that have windows that are difficult to open and close (nb particularly metal crittal windows)
- d. homes on main roads where noise is problematic;
- e. the above to be packaged into programmes (area by area) that make sense for practical and economic purposes.

Decent Homes Standard

In summary, in order for a home to meet the Decent Homes Standard it must:

- a. **meet the statutory minimum standard for housing**
Any dwelling that fails one or more of the hazards assessed as serious under the Housing Health and Safety Rating System (HHSRS) would fall into the category.
- b. **be in a reasonable state of repair**
Dwellings which fail to meet the criterion are those where either
 - one or more of the key building components (e.g. wall structure, lintels, brickwork, wall finish, roof finish, chimney, windows, external doors, central heating gas boiler) electrical systems) are old and, because of their condition, need replacing or major repair; or
 - two or more of the other (non-key) building components (e.g. kitchen (30yrs), bathroom (40yrs), heating distribution (40yrs) are old and, because of their condition, need replacing or repair.

NB: The Council's Stock Condition Survey indicated that by 2010, 1,072 Waverley homes will fail the DHS for the windows component at (b) above. A programme of double-glazing will make a significant impact on dealing with this specific element of the Decent Homes Standard for the long term.
- c. **have reasonably modern facilities and services**
A dwelling is considered not to meet this criterion if it lacks three or more of the following facilities:
 - a kitchen which is 20 years old or less
 - a kitchen with adequate space and layout
 - a bathroom which is 30 years old or less
 - an appropriately located bathroom and WC
 - adequate external noise insulation; and

- adequate size and layout of common entrance areas for blocks of flats.

[NB: the ages used to define the 'modern' kitchen and bathroom are less than those for the disrepair criterion.]

It is worth noting that the Decent Homes Standard is something of 'a moving target' because:

- as time goes on more homes can become 'Non-Decent' because they continue to age, and therefore get caught by the DHS criteria (b) and (c) above;
- judgement has to be exercised when determining whether an element is in 'reasonable condition' or needs repair or replacing;
- other homes (both Decent and Non-Decent) are sold under the Right-Buy;
- other Non-Decent Homes are disposed of by the Council occasionally;
- Decent Homes work is being done – particularly in relation to boiler replacement; and rewiring, along with a small kitchen and bathroom replacement.

Furthermore, each Council has to establish its own 'specification' or definition of what it means as a 'decent' kitchen or bathroom. For example, in a kitchen – how many floor and wall cabinets; how much tiling; the quality of the sink and taps etc? - all of which have cost and budget implications.

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