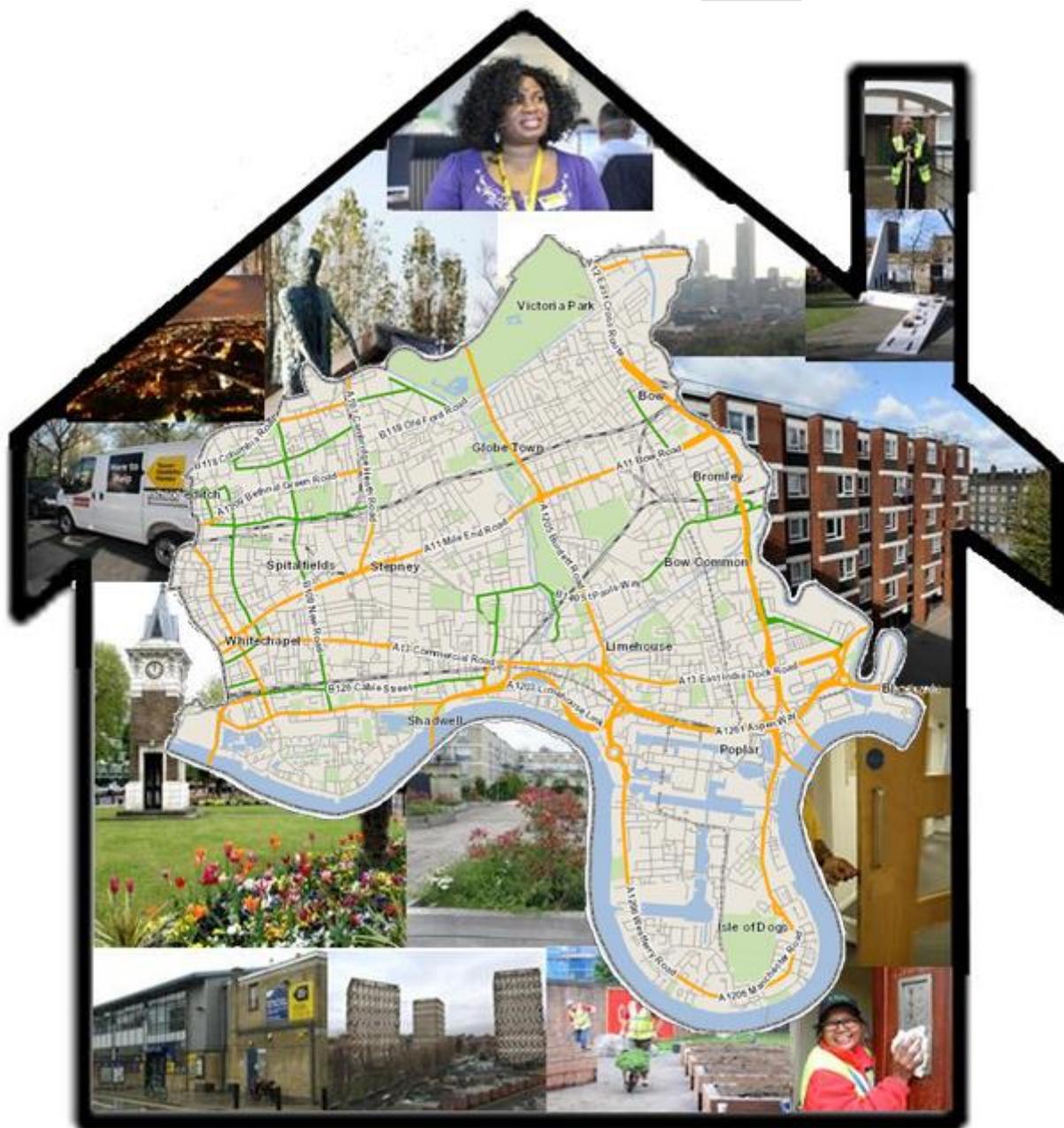


Housing Asset Management Strategy 2016-2021

TOWER HAMLETS HOMES & LONDON BOROUGH OF TOWER HAMLETS V5



FOREWARD

This Strategy is one of the key documents that describe how Tower Hamlets Homes (THH) will work together with London Borough of Tower Hamlets (LBTH). It sets out how THH will maintain, improve and seek to assist in the development new affordable council housing within Tower Hamlets.

We are committed to work together to maximise and improve the quality of the housing assets and improving and building strong communities within the Borough. We will encourage the involvement of all residents, including tenants, leaseholders, shared and private owners, to work together and aim to attract additional funding via energy companies, government, EU or others to help deliver this strategy.

We are also committed to see THH being successful in delivering quality services to residents and support the aspirations outlined within this strategy. This includes allocating suitable financial resources to enable THH to operate successfully and deliver the aspirations contained within THH’s Business Plan.

We wish to ensure there is a culture of trust between the LBTH and THH. To support this there is an agreed level of delegation of responsibility to THH by the Council so decisions concerning the housing service can be reached effectively and efficiently. We also accept the stock ownership remains with the Council but there needs to be accountability for the management of the assets.

This strategy seeks to set out the agreed elements for effective asset management and the Action List within will be regularly reviewed and reported to both organisations to ensure the required outcomes are delivered. Over the 5 years of this strategy we will strive together to ensure we are successful.

Signed

.....

INTRODUCTION

Welcome to Tower Hamlets Homes' (THH) & London Borough of Tower Hamlets (LBTH) Housing Asset Management Strategy which, over the next 5 years, will move asset management from influencing investment decisions to driving future investments. This strategy will both inform and support the delivery of THH's Business Plan and provide a route map for embedding best practice in Asset Management.

In order to make informed decisions over future investment and the viability of some of our assets, we need to undertake a number of tasks which will ensure funds are focussed into programmes agreed with tenants and leaseholders and which deliver greater value for money from our repairs and maintenance services.

We will work to complete the following, as detailed within this Asset Management Strategy:

1. We will formalise our future investment priorities with residents by setting out how we will deliver the Tower Hamlets Homes Standard to compliment other investments required for our properties.
2. We will undertake assessments of the entire asset stock to help identify those properties which need further investigation before we continue to spend money. This will assess the future viability of our properties to meet the current and future needs of those who need our homes, plus identify potential redevelopment opportunities.
3. We will undertake detailed investigations of potentially obsolete assets to determine the most effective solution.
4. We will develop and publish an Environmental Plan, which will detail the primary target for improving the energy issues within the housing stock and address the demanding requirements of the Energy Act 2011.
5. We will also start to restructure our planned maintenance programmes to reduce demand for responsive repairs and deliver greater value for money through it being a joined up approach to maintenance.

In this strategy we have outlined our proposed 4 year investment plan for all the assets, however until we have completed the above exercises, together with some of the other objectives outlined in the document, these figures remain provisional.

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1. PURPOSE & STRATEGIC DIRECTION:

The purpose of this Asset Management Strategy is to describe how THH will ensure that assets are effectively managed and the income they generate is optimised so that we build and maintain desirable, sustainable homes for current and future generations.

The principal drivers for this Asset Management Strategy are:

- Informing and supporting delivery of THH's Business Plan
- Engaging and involving with residents in the provision of services
- Supporting and delivering other agreed THH strategies, such as an Environmental Plan and Affordable Warmth Strategy
- Future-proofing the assets
- Achieving continuing improvement in
 - the average property yield
 - the income generated by the land and property assets
 - the Net Present Value (NPV) across the stock
 - the average SAP energy rating of the stock

This strategy marks a major change towards strategic asset management and demonstrates THH's commitment to it being a priority for the organisation. The close co-operation with LBTH in developing a strategic HRA business plan based around asset investment plans sets a clear direction of travel for delivering this strategy. It is envisaged that Asset Management will become central to day-to-day activities and move THH towards developing best practice in Housing Asset Management.

Throughout this document there are a series of key strategic aims and subsequent objectives as highlighted within a series of green boxes. The objectives are summarised in the Objectives Tracker at the end of the document. This will become the principle method for reporting and monitoring the delivery of the strategy.

2. POLICY CONTEXT:

This strategy seeks to sit within a framework of national, local and business policies and this section of the strategy seeks to explain some of the key policies that will impact on our approach to Asset Management

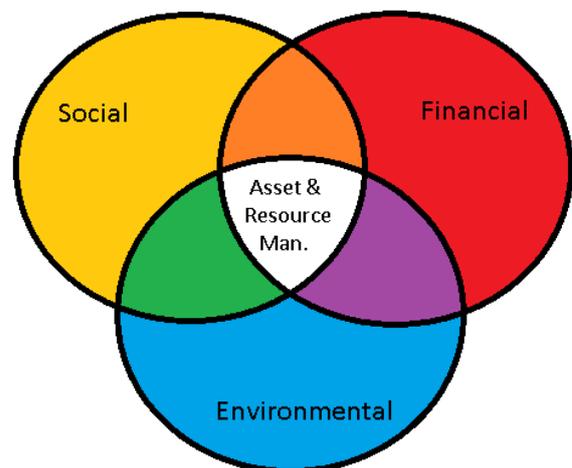
2.1. NATIONAL CONTEXT:

There are a number of national policies which impact on asset management, principal among these are:

- Continuing to satisfy the Decent Homes Standard
- Reducing carbon emissions and improving energy efficiency
- The HCA's Regulatory Framework

During the lifetime of this strategy, the following legislation, regulations and events are also likely to change either our own, or residents' use of assets:

- Regulatory Framework
- Welfare Reform
- Carbon Reduction Targets
- National Affordable Housing Programme
- New housing legislation



The approach within this strategy will support compliance with the Homes and Community Agency's regulatory requirement for sound management of all assets and resources. We will do this by balancing the 3 factors of Social, Financial and Environmental implications in all the key decision making processes.

2.2. LOCAL CONTEXT

London Borough of Tower Hamlets (LBTH) is one of thirty two boroughs located within the greater London area. With a population of almost 300,000 a diverse ethnic community and some of the highest levels of deprivation in the capital

From 2008 the responsibility for the management of the Council's housing stock passed to Tower Hamlets Homes (THH) which is an Arm's Length Management Organisation (ALMO) established and wholly owned by London Borough of Tower Hamlets. The ALMO's prime objective is the provision of affordable housing services to people in housing need within the Borough. Details of the aspirations of both LBTH and THH are spelt out in an agreed Management Agreement and this strategy sits alongside the THH Business plan, as a key element within that Management Agreement.

The overall aim is ensure that THH becomes an excellent housing organisation and, as such, we are determined to grow and improve services and base these on best practices.

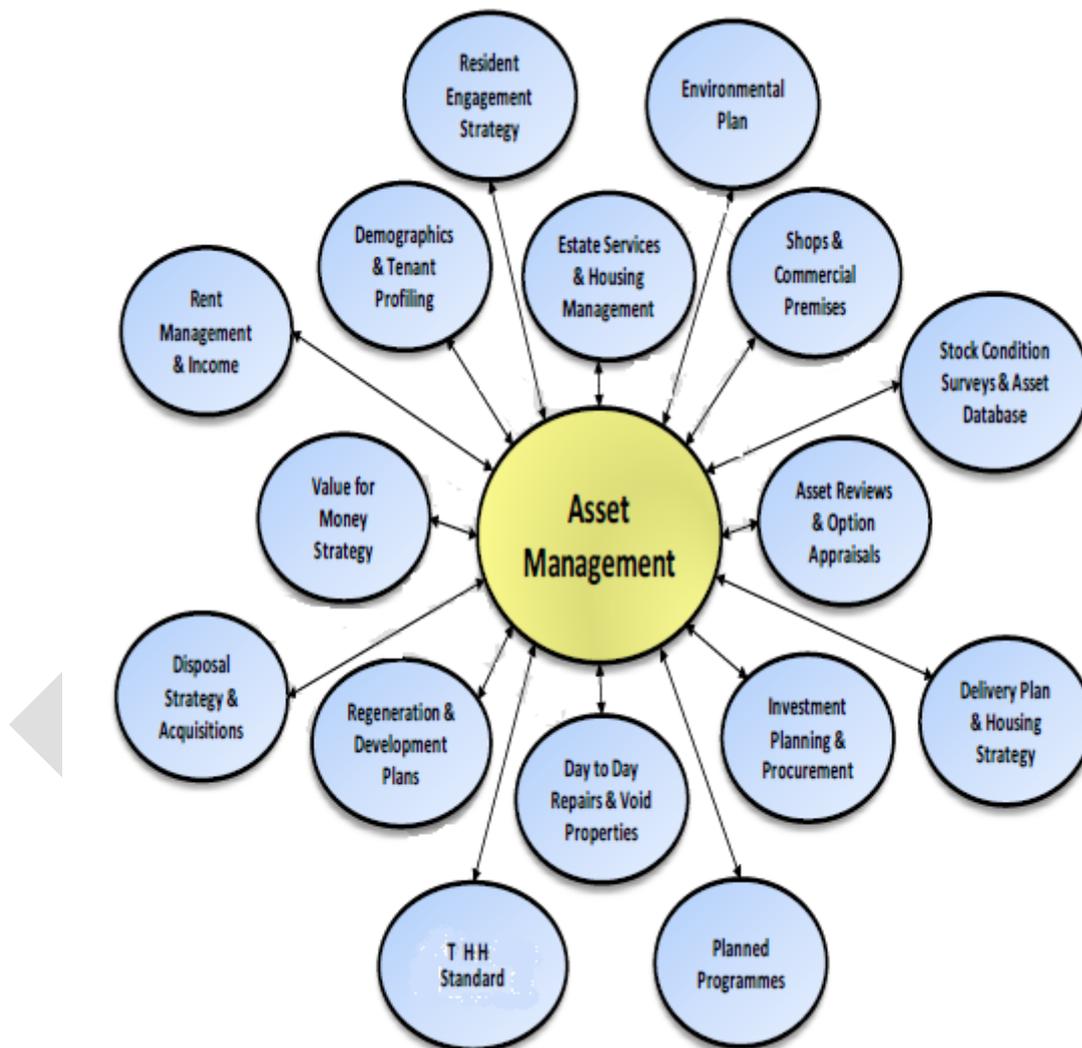
As part of the creation of the ALMO in 2008, Tower Hamlets Homes' LBTH agreed an investment programme that completed the delivery of the Decent Homes Standard and pledged that no more than 10% of the stock would ever be deemed to be "non-decent". The Decent Homes programmes was completed in March 2016 and as a result the vast majority of the stock will meet this standard, with those that don't often as a result of the sitting tenant declining the required work, or access not being obtained

Having met the Decent Homes Standard, homes will then be maintained at or above this level and brought up to the new agreed 'Tower Hamlets Home Standard'. This new standard will enable new planned programmes to be developed and ensure that the THH Business Plan and HRA has the financial capacity to deliver the standard.

3. DEFINING HOUSING ASSET MANAGEMENT:

Asset Management covers the range of activities THH undertakes to ensure that all land and property assets are geared to meet the current and future community, business & regulatory requirements. The term ‘asset’ includes all the land & property managed by THH, such as: homes, garages, gardens, amenity spaces, roads, street lighting, un-adopted roads.

Asset Management is also about making our stock portfolio responsive to policy decisions around service delivery, procedures and standards, etc. Therefore it becomes increasingly clear that asset management is not the sole domain of a single team within THH but acts as a complementary theme supporting the whole organisation, as illustrated below:



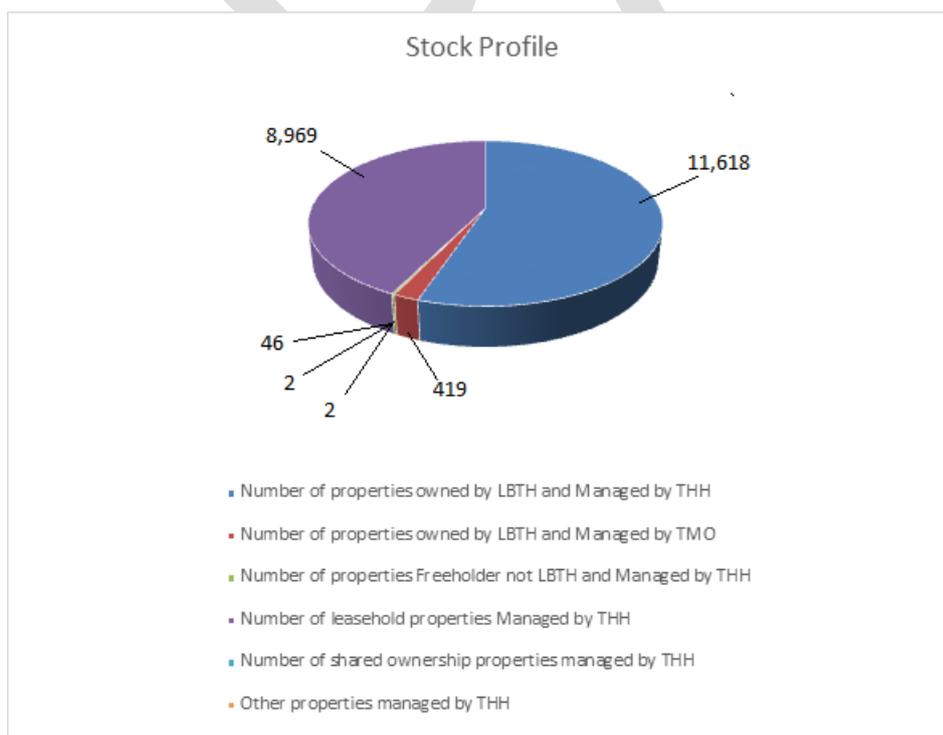
3.1. PROFILE OF TOWER HAMLETS HOUSING UNITS:

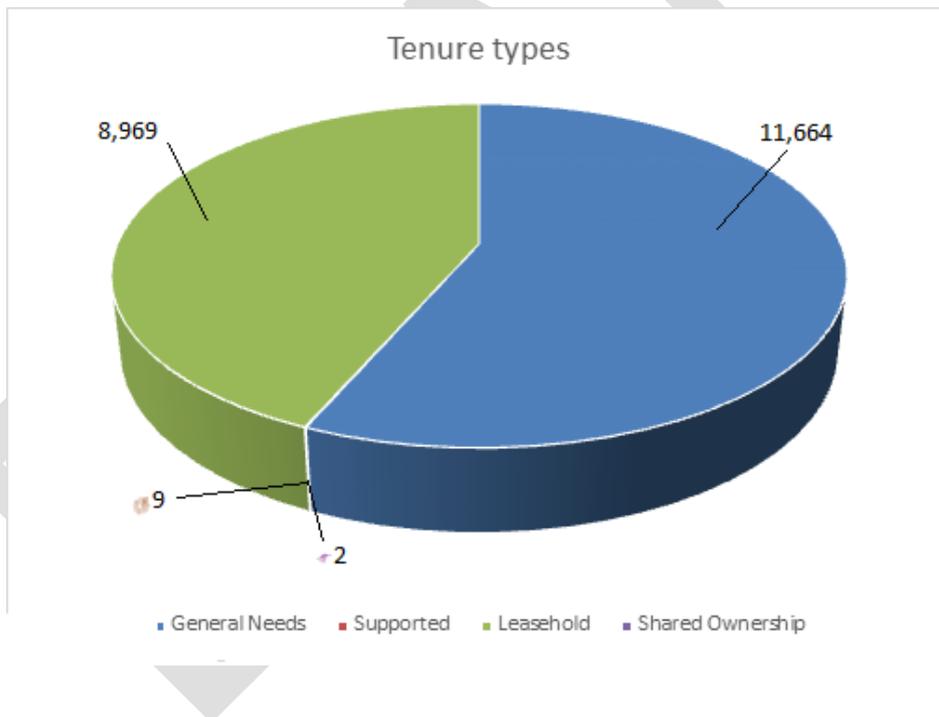
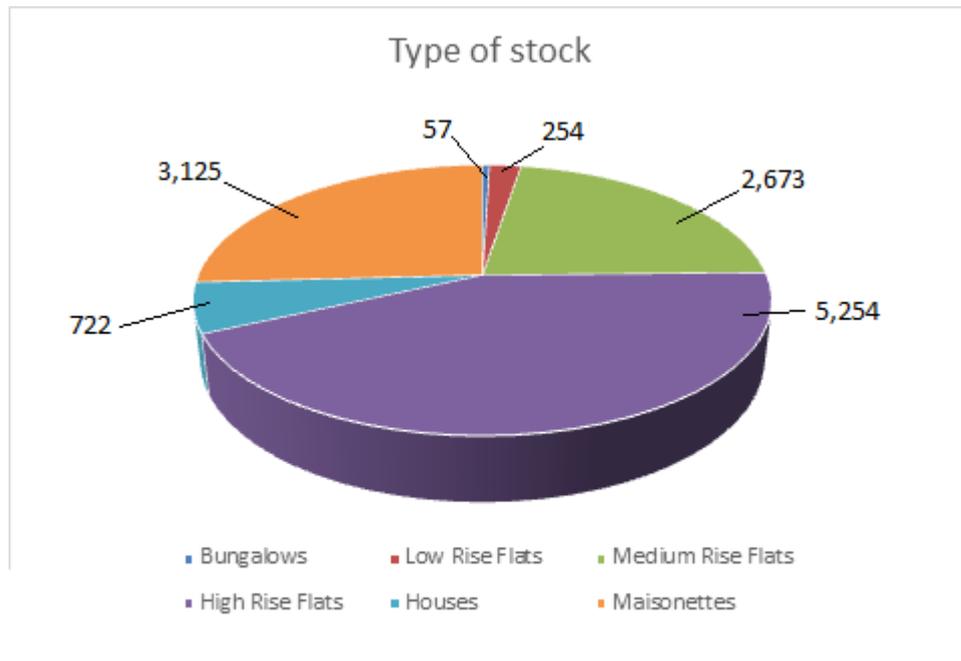
THH manages a total asset base of over 21,000 units, on behalf of London Borough of Tower Hamlets. Together these assets have a substantial market value, subject to tenancy, and they currently generate an annual rental income in excess of £50million. In addition, we have communal areas and facilities, along with play areas and land-holdings so the assets included within this strategy are as follows:

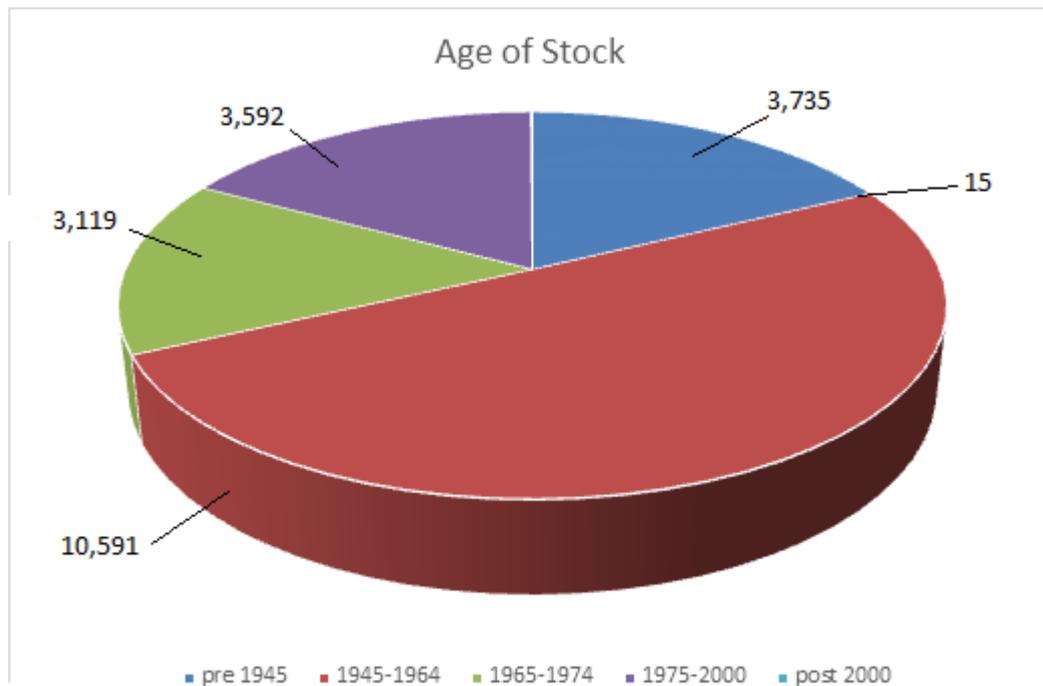
- 11,664 General Needs dwellings, including:
 - Flats
 - Maisonettes
 - Houses
 - Bungalows
- 9 Supported Scheme Units
- 8,969 Leaseholder Units
- 2 Shared Ownership Units
- Communal Areas, including lifts, staircases, laundries and play areas
- Land & Amenity Space
- Around 1,200 Garages & 5,500 Parking Spaces
- 243 retail shops,
- Plus, the use of offices at Jack Dash House, Harford Street, Bethnal Green One-Stop-Shop Depot and the Ideas Store, Watney Market

3.1.1. PROPERTY TYPES:

The tables and graphs on the following page provides a summary of the assets managed by THH







3.1.2. AGE OF THE STOCK:

The age distribution of the stock in the table above demonstrates that the spread is quite even, the major group of properties (10,591 - 50%) were constructed in the post war period between 1945 and 1964, thus making the stock age comparable to that in many other Local Authorities. The next biggest group 17.74% are older, from pre 1945, whilst 17.06% of the stock is quite young dating from between 1975 to 2000, and just 14.8% constructed between 1965 and 1974 with only 15 constructed since 2000.

3.1.3. Non-Traditional Stock:

Within LBTH's housing stock are a number of different non-traditional constructions which use Pre-cast Reinforced Concrete (PRC) as a significant element of the construction. Many of these are classified as 'defective' under part XVI of the Housing Act 1985. However, some have already been overlaid with External Wall Insulation (EWI) to help protect the external fabric, prolong the life of and improve the energy efficiency of these properties. And programmes are underway to extend the installation of EWI to other PRC properties

3.1.4. NEW DEVELOPMENTS:

LBTH has ambitions to provide as much new housing for the borough as possible. There has already been a new development bringing additional properties into the portfolio, including those at Dame Colet and Poplar Baths. THH has a major role to play in this, by providing advice on the condition of the existing stock and data on tenure NPV, future repair costs etc, LBTH can make informed decision about the possibility of either infill development or complete demolition and re-development of any existing sites as well as advising on new potential sites.

3.1.5. MARKET RENT:

Subject to future decisions by the Council in conjunction with THH, consideration will be given to developing a stock of market rent properties as income generators to the business through possible acquisitions over a period. These properties could potentially be sold after 10-15 years to realise capital receipts, whilst minimising the requirement for elemental replacements through planned maintenance programmes, subject to the strength of the local housing market.

3.1.6. RIGHT TO BUY/ ACQUIRE:

Over the past 30 years the number of dwellings owned by LBTH, has declined through Right to Buy sales, whilst at the same time, demand for social housing has increased steadily. In response to this trend, it is both LBTH's and THH's ambition, to increase the number of properties available for affordable housing and contribute to the building of new housing communities. New legislation forcing the sale of higher value void properties will further compound this problem.

3.1.7. LEASEHOLD PROPERTIES:

There are presently almost 10,000 leasehold properties, including 2 shared-owners, these are distributed throughout the stock with every block in management containing at least one leaseholder. Whereas the internal works of the Decent Homes Standard had little impact on leaseholders, the increasing degree of external works will require extensive consultation with leaseholders to procure contracts to allow these works to progress in the appropriate blocks of flats.

There is a shared responsibility for the external fabric of these buildings and, once these contracts are in place, we will issue the required notices and then recharge the leaseholders for the shared cost of these works.

3.2. HOUSING NEED:

This Asset Management Strategy acknowledges that THH provides a significant contribution towards meeting housing need in Tower Hamlets however, we operate in an area with significant unmet demand for affordable housing. Currently there are over 19,104 (1st March 2016) applicants registered on the LBTH Housing Register. Analysis of the customer profile indicates that unemployment levels are rising and dependency on welfare benefits is on the increase. Research also indicates increased economic vulnerability within communities and, in particular, the residents' ability to meet the cost of routine household expenditure.

3.3. PROFILE OF NON-HOUSING ASSETS:**3.3.1. COMMUNAL AREAS AND OTHER LAND:**

The Housing Management Team carries out regular neighbourhood inspections of communal and common areas in blocks of flats and carry out 'Walk-about's' to review the condition of external areas which come under the HRA. The work of Estates Team also plays a major role in the effective management of communal areas and the provision of electricity and water for the cleaning of these areas will be a major consideration over the next 5-10 years. The Asset Management Team will link into both of these teams to facilitate data collection about these communal areas and start to inform the delivery and programming of future works to communal areas.

As part of the development of the Asset Management database, a full catalogue of other land assets will be developed using Unique Property Reference Numbers (UPRNs) and a series of mini-option appraisals undertaken to determine the future use of all this land. Where appropriate, reference will be undertaken with the LBTH Corporate Asset Register to avoid the duplication of information.

Early research shows that these assets consist of:

- Common areas in and around blocks of flats and supported schemes
- communal gardens
- open space around blocks of flats
- verges and strips of land around our properties
- play areas
- other parcels of land

Within the Asset Review process outlined in this plan we will also use the Council's GIS system to look at land density around our properties. Where we identify potential redundant properties with low density and possible adjoining land, the scope for redevelopment can be highlighted and appraised.

3.3.2. GARAGES & GARAGE PLOTS:

LBTH has a portfolio of some 1,200 rental garages and 5,500 parking spaces and a variety of previous reviews of these sites has concluded that there are numerous development opportunities within these land holdings.

The garage portfolio currently generates an annual income in excess of £9.5M however, there are high volumes of void units.. The maintenance of these units is primarily managed through responsive repairs and a 'contingency sum' towards planned programme.

Therefore, as part of this AMS, a new Garage Strategy Project will be initiated to examine the best use of all the garage sites and seek to maximise the income these assets generate. At the same time the existing investment stream will be reviewed to ensure the upkeep and good appearance of agreed sites, including the replacement of asbestos cement roofs and old garage doors.

3.3.4. OFFICE ACCOMMODATION:

THH currently operates from two main sites, Jack Dash House and Harford Street. This is not the most effective arrangement and depending on other corporate plans held by LBTH, THH will aim to operate from a single location in the borough as soon as possible

3.3.5. LICENCES:

Where it is known that a piece of LBTH's land is being used for purposes which haven't been agreed, or where we are approached with a request to use a piece of land for a particular purpose, licences or other appropriate agreements may be used to ensure that assets are protected. By putting these agreements in place, individuals will not be able to claim possession of land through use. Due to the time and cost of dealing with historical situations, we will normally only act where either the land misuse is blatant or where the situation may prevent a future development.

3.3.6. OTHER MISCELLANEOUS ISSUES:

THH manages a number of additional schemes and properties which come under some other form of agreement and these are listed below:

- Roof Rental Arrangements – LBTH has plans for Solar PV Panels, where the tenants benefit from lower fuel bills to be installed on Brodick House later this year with a review of this scheme to inform future possible roll out
- Agreements with mobile phone companies bestow rights on those companies to operate, access and maintain transmission masts on some residential blocks in the borough. While this provides some income, it also grants some statutory rights to the phone company that could hamper future redevelopments

4. STOCK CONDITION:

Effective asset management begins with reliable stock condition data. It is only when the stock condition database is well managed, that sound investment planning can begin

4.1. HOUSING STOCK CONDITION DATA:

THHs stock condition database provides essential information for reporting on Decent Homes, Energy ratings, Asbestos and for planning future investments.

In 2000 Hunters carried out a 100% sample stock condition survey. This was supplemented in 2009 with a second 10% sample surveyed by Savills to help ensure the delivery of the Decent Homes Standard by March 2016 and the results of these plus an additional 300 blocks surveyed in 2015 now form the basis of the stock condition database. As a result of the delivery of the Decent Homes Standard, many properties have been modernised with new kitchens, bathrooms, re-wires and new heating systems. This information is now also on the system providing a more accurate base from which to work. Commitment is given to expanding the database to include more day-to-day maintenance, particularly the M&E and void repair elements

The IT package “Keystone” is the vehicle used to analyse and interpret the data held and so provide predictions on likely elemental failures upon which investment programmes can be built. Securing and verifying the data held on Keystone and making greater use of its capabilities, will not only improve asset management but will provide asset information to all members of THH rather than just the Asset Management Team.

Strategic Aim - 1

To establish a single, comprehensive and accurate asset database covering all LBTH's housing properties and land

Objectives

1(a) Avoid duplication of entry

1(b) Improve access to the database for staff, contractors and residents

1(c) Optimise the functionality of the asset database to deliver elements of the Asset Management Plan

4.2 APPROACH TO STOCK CONDITION SURVEYS:

Our target is to complete a minimum of 20% stock condition surveys each year and this will clarify the subsequent year's investment plan. In this way, we will produce accurate investment programmes and ensure that funds are spent in the most effective manner.

This stock condition data is a key element when assessing the future viability of our housing stock and is used within the Asset Review Model which is outlined in the section 5 of this strategy. In order to facilitate these surveys a capacity will be created within the Asset Management Team to create our own stock condition surveyor who will build on the data already gathered.

4.3. DECENT HOMES COMPLIANCE:

With the completion of the Decent Homes programmes in March 2016, only some 10% homes (approx. 1200 units) may continue to 'fail' the standard this is due in part to tenants who have chosen to refuse the works, usually by reason of old age or infirmity and part due to newly arising decency failures. Refusal properties (internal works) do not need to be reported as non-decent unless there are serious health and safety issues, and hence are deemed will have met the requirements of the standard.

Each year other properties will become 'non-decent' because some building component will be due for replacement, e.g.: a boiler, kitchen or roof. Our target within this AMS is to continue to reduce the number of non-decent homes and this will be managed within our current investment programmes. THH will continue to engage with customers who declined Decent Homes works, to ensure that they are able to make informed choices, or we will pick these properties up as they become void or as part of future planned programmes.

Nationally the Decent Homes programme is now at an end and no further government funding for such works is available. However, the decent homes standard is still a useful measure of the investment need of the stock and THH is committed to ensuring that the stock remains as much as possible "decent"

The Decent homes standard itself is a very loose description of a minimum standard. To be considered "decent" a property must:

a) Meet the current statutory minimum standard for housing

Dwellings which fail to meet this criterion are those containing one or more hazards assessed as serious ('Category 1') under the HHSRS.

b) Be in a reasonable state of repair

Dwellings which 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) Have reasonably modern facilities and services

Dwellings which fail to meet this criterion are those which lack three 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 insulation against external noise (where external noise is a problem) and;
- 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, therefore it is not necessary to modernise kitchens and bathrooms if a home meets the remaining criteria.

d) Provide a reasonable degree of thermal comfort

This criterion requires dwellings to have both effective insulation and efficient heating. It should be noted that, whilst dwellings meeting criteria b, c and d are likely also to meet criterion a, some Category 1 hazards may remain to be addressed. For example, a dwelling meeting criterion d may still contain a Category 1 damp or cold hazard.

4.4 A TOWER HAMLETS HOMES STANDARD:

Continuing to use the Decent Homes standard as a basic requirement is fine and is particularly useful when drawing comparisons nationally or regionally about stock condition and investment need.

However for local purposes a standard that is universally recognised as being the “Tower Hamlets Standard” is useful for determining investment needs, void repair requirements and even newbuild specifications.

The asset management have been working on a standard that is easy to apply, simple to understand and adaptable to a variety of uses. The aim was to create a description of a property standard that would fit on a single sheet and describe the expectation of minimum standards in every dwelling.

The working standard is shown below; there are some inevitable compromises in developing a single standard to describe any dwelling regardless of its building type, size or location. However we are comfortable that this model can be applied in most circumstances and can be adapted for more specific needs.

Development of a THH Standard is underway and for simplicity can be shown :

Where / What	Outside	Hall/ Stairs/ Landing	Living Room	Dining Room	Kitchen	Bedrooms	Bathroom/ Toilet	Other
Grounds	Garden Free From Rubbish							
Paths	Clear of Severe Tripping Hazards							
Fences/ Gates/ Boundary walls	Structurally Sound, insulated Gates Functional Where Fitted, Handrails Secure Where Fitted							
Roof	Free From Leaks							
Structure	Sound & Weatherproof	Where fitted, Stairs Sound and Free From Tripping Hazards, Handrail fitted & Secure			Where Space Permits, Minimum of 4 cupboards (mix of floor & wall mounted, these to be clean & functioning with worktops in good condition, Space provided for Cooler & Fridge			All areas of Damp, Rot or Infestation to be treated, Clean throughout
Windows	Secure by Design Double glazed throughout, functioning and lockable							Security Screens / Boards Removed, Locks changed on external Doors
Doors	Secure by Design, Weatherproof, Letter plate fitted to one door	Functional & Furniture intact	Functional & Furniture intact	Functional & Furniture intact	Functional & Furniture intact	Functional & Furniture intact	Functional & Furniture intact	
Floors								
Ceilings								
Ventilation								
Gas / Heating		Radiators operable	Radiators operable, Fire operable, otherwise Removed	Radiators operable	Radiators operable cooler installed	Radiators operable	Radiators operable	Landlords Gas Safety Certificate issued

5. STOCK PORTFOLIO MANAGEMENT:

The approach outlined in this section of the strategy will primarily apply to the domestic housing stock however, over the duration of this strategy; action will be taken to improve our approach to other HRA assets, including our land, garages and commercial premises.

Delivering assets that are ‘fit for purpose’ for the future requires a housing stock that offers appropriate features and services that respond to factors such as climate change, demographic change, technological change and residents’ expectations.

5.1 ASSET REVIEWS



THH is developing the ability to assess the housing stock using tools that rank the stock into one of three categories, using a traffic light system as follows:

- **Risk**
- **Appraisal**
- **Core**

Risk Stock are those properties, schemes or archetypes that suffer from low demand, ASB, high turn-over, high repair cost and large investment requirement and have both a negative cash flow projection and sustainability score. These properties will be subject to an Option Appraisal process, but it is possible that the level of investment needed to bring them into Core Stock is likely to be much higher and therefore disposal, demolition and redevelopment could be the more suitable solutions.

Appraisal Stock are those properties that might suffer from some demand, turn over issues, as well as some repair costs but by focussed investment these properties could be made to generate a positive cash flow projection and sustainability score, thereby making them Core Stock.

An Option Appraisal process will be undertaken to determine the ‘Business Case’ for each archetype, scheme or property and keep the level of investment within an affordable ALMO Business Plan. The findings of each option appraisal will be submitted to EMT and, where appropriate, to the ALMO Board for approval

Core Stock are those properties that have high demand, low turnover, low repair cost and minimal investment requirements. Any property ranked as core can have funds invested on an on-going basis, through planned and cyclical programmes.

In addition, some core properties may be placed into the appraisal category where it is deemed that there are commercial opportunities that may benefit the business, for example: where we have isolated high value properties or high value properties which are potentially unviable in the long-term but currently perfectly serviceable.

The Asset Review will be mainly based on various data that THH holds, together with data generated from staff knowledge. These will be placed into the modelling tool that includes the following elements:

- A report from the Keystone - Asset Database, including all the stock condition information and anticipated 30yr investment requirements.
- An inclusion of additional investment requirements that is not held currently within the database but should be included to truly reflect the anticipated spend over the 30yr Business Plan, such as energy efficiency works to deliver carbon reduction targets by 2050,
- An inclusion of additional maintenance investments to cover any cyclical painting programme, gas servicing, asbestos management, and any other management costs, etc.
- A report from 'SX3 - Repairs' giving the response maintenance spends for the last 3 years
- A report from 'SX3' giving the void patterns and average spends for the last 3 years
- Another report from 'SX3' giving the current and anticipated rental income for the next 30 Years
- A linked sheet to the above with a proposed date to move to a higher rental income based on market rent values.
- Finally, inputs from a viability matrix which allows for Social and Environmental factors to run alongside all the financial data to demonstrate community based factors. This ensures that issues such as areas of deprivation, ASB, high management costs and energy ratings, etc. are included into the overall scoring and assessment process.

Inputting this information into the model produces a balanced scorecard and a range of asset related performance indicators, which will be the starting point for identifying assets for potential refurbishment remodelling, redevelopment, demolition or disposal. These include:

- Net Present Value (NPV) for each property and by groups of assets
- 30 year Cash Flow by groups of assets
- Scatter plot chart by groups of assets

Other detailed data analysis will be generated by property, street, location or archetype, etc. from the data within the model to highlight trends; for example: response repairs, property yield, SAP Rating & void turnover, etc.

Strategic Aim - 2

To understand how LBTH's assets are performing and demonstrate sound portfolio management.

Objectives

2(a) Ensure all elements of LBTH's stock are included within the Asset Database, including garages, land and other premises

2(b) Undertake regular Asset Reviews to highlight those properties which require alternative solutions than continued planned programme investment

6. OPTION APPRAISAL:

Once the Asset Review identifies those elements of the stock that require further consideration, the Option Appraisal process follows to determine the best solution for these properties. EMT will be the main decision making forums for these findings and then to LBTH particularly to inform possible development decisions.

The principal outputs of the Option Appraisals process could be as follows:

- Retention & maintain as existing, based on the outcome of the Asset Review
- Retention, but with change of tenure
- Retention, but with an increased level of investment
- Refurbishment
- Remodelling
- Demolition & redevelopment
- Demolition & disposal
- Disposal

Standard appraisal templates will be developed to allow these solutions to be fully assessed and will include scoring of each solution along the Social, Environmental and Financial criteria to form a recommendation.

THH will use this option appraisal process to undertake a detailed review of the development potential across our stock portfolio and consider releasing under-used or difficult to maintain assets that could facilitate new housing development.

Strategic Aim - 3

To be in a position to make informed decisions about stock using an option appraisal approach

Objectives

- 3(a) *Engage with the council's estate capacity project to provide data on potential developments sites identified by the options appraisal process*
- 3(b) *Undertake a review of all Garage Sites by completing a mini-option appraisal for each site and include the investment needs.*

EMT will act as the main approval forum for the majority of key asset management decisions and they will filter schemes prior to any subsequent reports to the Board and/or LBTH. However, a new **Asset Management Forum** will be created so THH managers can agree that the majority of basic asset management decisions, before reference to the EMT. The Forum will meet on a Quarterly basis and consist of representatives from:

- Asset Management
- Repairs & Maintenance
- Housing Management
- Rent & Leasehold Services
- Estate / Caretaking Services
- Residents (where appropriate)
- LBTH Housing Strategy and/ or Corporate Asset Management

The Asset Management Team will ensure that all reports going to EMT allow time for full and proper consultation and inclusion of comments from the following groups or managers, as appropriate:

- Residents
- Finance Team
- LBTH Client Services – subject to Management Agreement

The purpose of developing a clear investment plan is to deliver effective and efficient repairs & maintenance services for residents and is underpinned by reliable asset data and a secure arrangement about future funding.

7. INVESTMENT

7.1. HOUSING STOCK INVESTMENT:

Having delivered the Decent Homes Standard, THH will build on this to deliver a Tower Hamlets Homes Standard to the housing stock. As a result of the Decent Home Standard, the vast majority of THH's stock is now in a better condition. The delivery of the Tower Hamlets Homes Standard into the future, together with programmes to improve the energy efficiency of our properties will mean that by 2025, much of the stock is likely to be more sustainable for the long term.

At present the funding of asset management related capital programmes is based on an annual HRA capital provision. Work is underway, as LBTH finalises the HRA medium term financial plan, to agree a longer, 5 year investment term. This will enable earlier planning of capital programmes and help for example avoiding work on heating systems in the winter months. A first draft of the estimated 5 year investment need is show at page 37

Moving forward, the management agreement between LBTH and THH specifies how the partners will work together to use this strategy – as it is reviewed and developed with new information – to agree on future investment programmes, and to set the management fee payable by LBTH to THH within the HRA. There will also be a review of any General Fund investment to revenue or capital on the same rolling, annual basis in accordance with the Council's budget setting cycle.

Around £16m/year is revenue funded and covers:

1. Response Repairs
2. Voids
3. Servicing: gas, electric, lifts, fire alarms, etc.
4. Grounds Maintenance
5. Cleaning of Communal Areas
6. External Painting

Whereas on average £25-£30m/year is capital funded and covers:

1. External elemental repairs and replacements
1. Internal elemental repairs and replacements
2. Communal repairs and replacements
3. Energy Improvements
4. Other works & programmes: - anything not covered by the above

7.2. INVESTMENT PRIORITIES:

THH will consider future investment requirements and the use of funds utilising the following prioritisation matrix:

	Priority	Details	Examples
1	Health & Safety	<ul style="list-style-type: none"> To comply with all Health & Safety regulation/ legislation To remove H&S Risks to the business 	Asbestos Management, Gas Regulations, Water & Fire Safety, Radon, etc..
2	Legal	<ul style="list-style-type: none"> To comply with all legal requirements as a ALMO Landlord of social housing 	House, Landlord & Tenant Acts, Case Law, DDA., Right to Repair, etc
3	Government Standard & Policies	<ul style="list-style-type: none"> To comply with government investment requirements and standards 	Decent Homes Standard, Energy Targets, HCA Regulation
4	THH's Service Standard & Policies	<ul style="list-style-type: none"> To work in partnership with borough Councils and other regional significant bodies, eg NHF To meet service standards and promise pledges To achieve Business Plan objectives and priorities Responsive Repairs & Voids Cyclical & Service Maintenance 	Tower Hamlets Homes Standard, Planned Programmes, Response Repairs timeframes, etc.
5	Local Requests	<ul style="list-style-type: none"> Service demands which fall outside of the above and are often in reaction to service failures or due to limited funding availability 	Requests from MPs, Local Councillors, Community, Residents, Staff, etc

7.3. HEALTH & SAFETY MATTERS:

THH has a legal duty of care to ensure all residents live in a safe environment so this section deals with a series of areas of responsibility:

7.3.1. GAS SERVICING:

Under the Gas Regulations 1998 there is a legal responsibility to annually check the safety of all gas appliances, pipe work and associated fittings within properties. Gas servicing is currently undertaken by an external contractor and a new partnering contract will come into existence on 1st April 2015.

The Gas & Servicing Team will work with residents to ensure that the gas servicing process remains focused on the customer, whilst satisfying our legal responsibilities.

7.3.2. FIRE SAFETY:

THH continues to develop effective fire safety policies and procedures to ensure resident safety, having already completed all the fire risk assessments for communal areas in blocks and sheltered schemes. In addition, electrical or battery smoke detectors will be installed in every property by 2020 and these will be checked and serviced as part of the gas servicing and electrical safety inspections THH will also ensure the on-going provision of the following:

- Reviewing the completed fire risk assessments and develop planned programmes to address outstanding items
- Check all firefighting equipment and signage, replacing any damaged or faulty equipment
- Provide fire safety training for staff and residents
- Complete the current programme for the upgrading of fire doors
- A regime of fire inspections and ongoing review of the fire risk assessments, together with regular meetings with London's Fire and Rescue Service.

7.3.3. ASBESTOS:

THH will ensure that we comply with all duties relating to Asbestos Management Regulations 2012 and follow best practice relating to domestic premises. All asbestos data is held in the Keystone Asbestos Register and will be managed by the Compliance Team, especially the Health and Safety Manager.

Asbestos is presumed to be present in all properties constructed before 2000. All Asbestos is managed in situ until such time as it becomes prudent to remove, whilst some higher risk asbestos is removed, if appropriate.

Non-domestic areas of our stock (i.e. communal areas) have been surveyed and asbestos details held on the register which is monitored through the Compliance Team. This team ensures that all asbestos details are recorded and the database updated so that when works are issued the latest information is made available to contractors and the risk continually managed.

7.3.4. LEGIONELLA:

All communal systems are currently under a regular inspection regime, however, with changes to the guidance on water safety, the Compliance Team will be completing some risk assessments for domestic premises and manage these additional risks.

To ensure compliance with other health and safety responsibilities, the following additional measures will continue to be carried out:

- Periodic electrical checks
- Legionnaires
- Management of communal lifts and door entry systems

These inspection regimes are used to collect regular data that identifies any asset deterioration and informs replacement timescales.

Strategic Aim - 4

To provide safe, secure and quality homes for residents.

Objectives***Gas Servicing:***

4(a) Ensure all gas appliances are checked on an annual basis.

Fire Safety:

4(b) Review all the Fire Risk Assessments for communal areas

4(c) Undertake training for staff and residents on fire safety in the home

Asbestos:

4(d) Ensure the asbestos register is effectively managed

4(e) Ensure that there are seamless processes in place to manage risk

4(f) Ensure the Asbestos Management regulations are complied with

Legionella:

4(g) Check and sample water to all water systems that could be susceptible within the timescales laid down by the Health and Safety Executive

Electrics:

4(h) Carry out periodical electrical checks and ensure asset database is updated accordingly

Lifts:

4(i) Check all lifting equipment every six months or monthly, dependant on the type of equipment

Security:

4(j) Review the requirement for on-going communal door entry system servicing

7.4. INVESTMENT CONSIDERATIONS:

Our investment decisions need to be a balance between response repairs, servicing, void properties, planned programmes, renewals, new build schemes, acquisitions and disposals.

Fundamental targets for the investment planning process are:

- To reduce spend on Responsive Repairs by more effective planned preventative maintenance programmes
- To rationalise the planned programmes to fully deliver value
- To ‘sweat’ assets by maximising income and whilst avoiding unnecessary expenditure
- To have clear volumes of work to drive current contracts and future procurement requirements
- To provide greater certainty for residents about works to their homes

In addition, consideration will be given to 3 factors when making decisions on how to invest in the future of the assets:

- a) **Social:** This will ensure that we are fulfilling our responsibility to be an effective ‘social’ landlord and making decisions that are based on the needs of the community and the provision of ‘affordable’ housing services. We will do this by:

- Creating places where people want to live
- Putting residents first
- Being a leading provider and offering quality services in Tower Hamlets
- Promoting a culture of financial inclusion
- Involving and empowering residents in the decision making processes

- b) **Financial:** This will ensure that we are driving forward ‘value for money’ and ensuring we have a long-term financial plan that is both deliverable and sustainable. We will do this by:

- Delivering Value for Money
- Being creative with new procurement opportunities
- Looking at whole life costs and best value
- Optimising the income that can be generated by our assets

- c) **Environmental:** This will ensure that we consider the impact on the environment of our assets and how affordable the likely energy consumption will be against rising fuel prices. We will do this by:

- Delivering on our Environmental Plan and reducing the carbon footprint
- Targeting energy efficiency programmes and external grant funding opportunities
- Developing energy performance criteria for all our assets and providing annual average energy ratings
- Improving the Average Energy Rating for our stock on an annual basis

7.5. PROGRAMME DEVELOPMENT:

THH is committed to:

- Delivering the Tower Hamlets Homes Standard for the existing stock, which will include showers over baths, energy efficiency, security, doors, windows, kitchens, bathrooms, heating, electrics and environmental improvements
- Providing improved response repairs and void services, including a review of current standards
- Environmental and neighbourhood improvements to enhance the condition of communal areas within our control and security of homes and estates
- Cyclical work which prolongs the life of building elements and improves the aesthetic appearance of our properties and estates.

In addition, there are a number of Health & Safety considerations that go in-hand with the above:

- Gas and electric safety tests
- Fire safety improvements
- Asbestos removal or encapsulation
- Regular servicing of equipment, e.g.: lifts, door entry laundries, etc.
- Management of other Health & Safety matters such as safe water supplies to avoid legionella and construction site safety
- Managing the integrity of boundary & retaining walls and other structures within the external curtilage

The Asset Management Team, together with;

- Residents
- Finance, Procurement and Legal Teams
- All elements of the Landlord Service
- Partnering and local Contractors & Suppliers
- Will develop and then maintain a detailed 5 year investment plan.

The Asset Management Team will produce programme maps and lists of properties with due dates from all surveys undertaken on our properties. Any 'pockets of high repairs demand, turnover, etc.' within the stock will be identified and used to create forecast planned programmes to ensure delivery and maintenance of the Tower Hamlets Homes Standard.

Strategic Aim - 5

To develop coordinated and effective planned programmes using the Keystone database as the principal Asset Management business tool

Objectives

- 5(a) *Agree a detailed rolling 5 year investment plan which builds on intelligent timing of component replacements*
- 5(b) *Adoption of whole life costs within asset management to improve quality and reduce costs to the business, including identifying regeneration and new development opportunities*

7.3. VALUE FOR MONEY:

Delivering value for money is a key target and, within the area of Asset Management; THH will achieve this through the following:

- Optimisation on land and property
- Optimisation of rental income
- Determining viable solutions for all properties that generate a negative Nett Present Value (NPV) through the Asset Review and Option Appraisal Processes
- Greater predictability of elemental volumes / pricing of work
- Innovative procurement, including any available existing frameworks or joining a housing procurement consortium and seeking to identify other commercial opportunities
- Considering the impact of the Social Value Act 2012, where THH may not always go for pure VFM as we would rather employ a local contractor rather than a national one, or sell a property for less than the best offer as we want it to go to a community non-profit organisation
- Development of effective partnerships (internal / external) through performance related contracts.
- Robust, customer focussed monitoring of contracts and budgets
- Effective use of benchmarking data

THH will ensure that investment is balanced between planned and responsive maintenance with the target of delivering a 60/40 ratio of planned/ responsive.

Good practice in Asset Management also recommends that 1% of the total maintenance spend should be invested into the resourcing of data management, such as:

- Stock condition surveys, energy surveys and additional stock data
- Improved data software and hardware
- Independent audits

Strategic Aim - 6

To provide cost-effective, efficient, quality homes and services for residents

Objectives

- 6(a) *Obtain value for money through pro-active procurement and the maximisation of in-house and partnering opportunities*
- 6(b) *Agree methodology with Finance for measuring efficiency savings and service improvements arising from this strategy*

7.5. ENVIRONMENTAL AND ENERGY EFFICIENCY:

A key THH objective is to work with residents and seek to ensure they benefit through initiatives such as:

- energy and water savings,
- alleviating fuel poverty,
- good recycling,

Both THH and LBTH benefit through these broad objectives by becoming more sustainable organisations and thus realise:

- financial savings
- reductions in maintenance costs
- better working environments for staff
- raised profile within the community of being businesses/ organisations which champion environmental sustainability.

THH's approach toward this agenda will be detailed in a new Environmental Plan, which will be approved by the EMT in 2017, which will set out to:

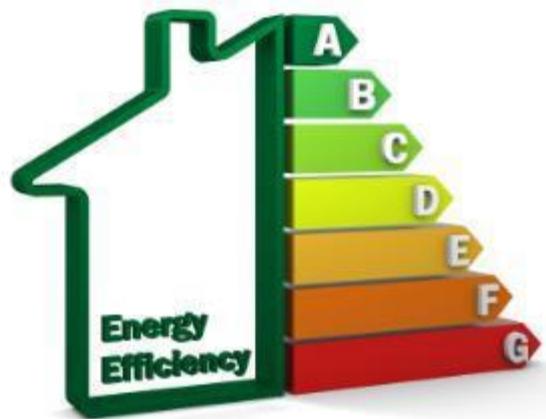
- Reduce THH's carbon footprint
- Increase the energy efficiency and sustainability of our assets
- Influence resident lifestyles and usage of our assets to reduce fuel bills and improve sustainability within communities

This plan will also outline how THH will seek to meet government carbon reduction targets, provide affordable warmth, reduce fuel poverty, whilst using the Green Deal, EU and other grant funding to help deliver these objectives.

With rising fuel prices, brought on by the diminishing availability of fossil fuels, there will be increased pressure from government and residents to provide more energy efficiency works to our homes. THH has already commenced the provision of energy efficiency improvements to the housing stock and this has included schemes to:

- Insulate walls and lofts
- Install A-rated double glazing
- Install high efficiency condensing boilers
- Some over-cladding of non-trad properties
- Pilot the installation of PV Panels

As a result, our average Standard Assessment Procedure (SAP) energy rating for housing stock is around 58 The Asset Management Team will improve the knowledge base of the stock by capturing the data from Energy Performance Certificates (EPC) surveys and recent Stock Condition Surveys by Savills to create a robust energy database.



In addition to energy efficiency measures, environmental works will be carried out to help reduce the incidence of and opportunity for ASB. This may involve increasing use of door entry systems better external security measures, improved lighting, removal of “shelter points” where drug dealing/taking and other forms of ASB occur.

General improvements to the external fabric and appearance of the stock will also enhance the “feel” of estates and make them more desirable places to live and give residents some pride in their environment.

Strategic Aim - 7

To improve the quality of life for residents through THH being an organisation that champions environmental sustainability

Objectives

- 7(a) *To produce an Environmental Plan that clearly outline how we will improve our assets and facilities to reduce THH’s carbon footprint and seeks to maximise the energy grant funding available*
- 7(b) *To develop a series of planned programmes that will move towards the requirements of the Energy Act 2011 to reduce carbon emissions from the housing stock and to include these within the Business Planning process.*
- 7(c) *To deliver improvements in the average SAP/ Energy rating of our housing assets and help reduce fuel bills for residents.*

8. DELIVERING THE STRATEGY:

THH exists to provide homes and build communities that customers want to live in so this part of the strategy focuses on delivering this through improved asset management functions.

8.1. RESIDENT INVOLVEMENT & EMPOWERMENT:

Resident involvement and empowerment forms a vital part our decision making process and, therefore, how assets are managed. Future investment in assets will increasingly reflect the views expressed by residents through a variety of channels such as the Tenants’ Panel and Service Improvement Panels (SIPs).

THH is committed to putting residents first so resident engagement will be optimised by the Asset Management Team through existing groups and communication channels, whilst developing new communication channels, such as a possible future website portal.

Strategic Aim - 8

To place residents at the heart of decision making and influencing the delivery and monitoring of all services

Objectives

8(a) Support appropriate resident groups with information coming out of the Asset Review and other Asset Management processes

8.2. STOCK PROFILING:

One of the first exercises to be undertaken is to develop detailed stock profile information about the following:

- Property Archetypes: eg: Blocks of flats, Non-trad units, Timber-framed, Traditional, etc.
- Internal Communal Areas: including lifts, laundries, staircases, etc
- External Communal Areas: to blocks of flats/ maisonettes & supported schemes
- Land: including garage sites, play areas, amenity areas, verges, etc.

Developing this information will allow strategic decisions on each of these profiles and start to shape the overall direction of future investment decisions and potential regeneration and renewal schemes.

Strategic Aim - 9

To understand all land and property assets and produce future plans for each asset management group

Objectives

9(a) Complete Stock Profiles, including comprehensive asset information about each property type and incorporation of GIS mapping and photographs

8.3. ASSET PERFORMANCE MONITORING:

This strategy will be supported by a comprehensive set of performance measures and stock information that will be reported widely.

- How many properties meet the Tower Hamlets Homes Standard?
- How energy efficient are the properties?
- Which properties require more responsive repairs?
- Which properties are becoming void the most often?
- What proportion of the stock have had adaptations undertaken?
- What is the value of the housing stock?
- How many & which properties are being bought through Right to Buy?

There is considerable scope for improving the level of satisfaction for completed responsive and planned maintenance work as can be seen from the monitoring of complaints. Therefore the monitoring of asset performance should only help to reassure residents that THH understand the housing stock and manage the required investment effectively.

8.4. LEASEHOLDERS:

A clear THH objective is to deliver quality, value for money services to leaseholders and provide them with the opportunities to participate in developing and monitoring services. As a result of the Leasehold Reform Act 2002, the management of leasehold stock presents special requirements from the perspective of management, repairs and maintenance services and any planned programmes or regeneration proposals. The key objectives for the Asset Management and Leasehold Teams are:

- To provide leaseholders with up-to-date and accurate information and monitor satisfaction, supported by the development of a rolling 5yr investment plan.
- To ensure that Section 20 notices are fully compliant so that THH can fully recharge for the cost of completed works
- To issue individually tailored leaseholders bills and statement of account and be able to more accurately forecast future costs.
- Provide opportunities for leaseholders to influence decisions and receive regular feedback.

Strategic Aim - 10

To ensure leaseholders receive a quality service, tailored to their requirements

Objectives

10(a) Ensure robust procedures are in place around leaseholder consultation

10(b) Ensure that accurate data is available

8.5. PROCUREMENT:

This plan will seek to establish a new Procurement Plan, which will include working with residents to select contractors and materials, as well as considering the potential of local, regional and nation procurement groups providing solutions to future procurement needs. THH will also be increasingly seeking to use modern methods of procurement to embed partnered relationships with service providers, suppliers and contractors.

The Asset Management Team will work with the Procurement Team in LBTH to ensure that the Procurement Plan is both deliverable and regularly reviewed to achieve value for money. The measurement of this value for money will include benchmarking of costs through HouseMark and other similar housing providers. We will also work with others to explore the opportunity of combining contract management costs.

Where appropriate, we will consult with the LBTH Asset Management Team to highlight the opportunities for shared procurement opportunities.

Strategic Aim - 11

To achieve Value for Money through strategic procurement of all repairs & maintenance services, major regeneration and new-build projects

Objectives

11(a) To identify future work-streams and volumes of work to determine innovative procurement solutions that will deliver greater Value for Money

11(b) To continue to involve residents in the procurement process for selecting and monitoring contractors for works within their homes.

9. DELIVERING SERVICES:

This section of the strategy seeks to outline some of the specific improvements and actions required within the repairs and maintenance functions that THH will deliver.

9.1. RESPONSE REPAIRS:

This work is currently delivered by a partnership arrangement with MEARS who operate an system of appointment through a scheduling system, mobile working through their operatives' PDAs and adopting multi-tasking within the workforce. As a result, THH aims to:

- Reduce the cost of delivery by doing the job 'right-first-time', through improved diagnostics, an effective appointment system, a multi-tasked and well trained partner's work force, mobile working, and properly stocked vans.
- Continue to analyse the proportion of emergency repairs to identify trends and set targets to reduce this type of work.
- Identify repair hotspots and develop strategies to address individual and collective issues.
- Reduce the overall volume of responsive repairs through planned programmes, batched repairs and predictive analysis.
- Reduce back-office costs by better system integration.

Strategic Aim - 12

To deliver a value for money repairs service that is 'right first time' and meets the needs of and offers choice to residents.

Objectives

12(a) Complete the implementation of direct access to our partner's scheduling IT systems together with their mobile technology

12(b) Work to clarify the impact of the Tower Hamlets Homes Standard on the repairs and voids services

12(c) Undertake a review of demand and the products where there is high demand and consider changes in specification or supply chain to reduce long-term costs or implement more planned preventative maintenance

12(d) Improve the online Repairs Reporting options for all residents.

9.2. RELET WORKS/ VOIDS:

This work is delivered through our repairs partner (MEARS) and officers continue to work with them to develop greater value for money, more efficient processes and deliver a more customer focused service.

Using the THH standard for relets will ensure consistency and provide a sound platform for sustainable tenancies. As part of this, new policies and procedures will be developed to:

- Decide if, where units suffer from low demand, some properties may receive enhanced works in order to attract more prospective tenants
- Provide incentives to encourage tenants to leave their home in a good state of repair.
- Optimise the use of recharges where previous tenants have left the property in disrepair

9.3. AIDS & ADAPTATIONS:

The UK has an ageing population as people are living longer and medical care improves, this is resulting in more people requiring adaptations as they seek to stay in their homes rather than move to more suitable accommodation such as sheltered or other schemes designed for the elderly. With Local Authorities having to find cost reductions, many housing organisations are appointing their own Occupational Therapists and thereby come forward with proposals for optimising existing assets by closer working with agencies to deliver greater value for money. We are seeking to update 'SX3' with all the details provided by the Adaptations Team on all the adaptations completed to LBTH properties and it is likely that a significant proportion of the stock has benefitted from this form of investment. Budgets for adaptations within the Business Plan will also be reviewed to deal with possible changes in demand for adaptations. New approaches will also be explored to improve value for money and keep waiting times to a minimum.

Strategic Aim - 13

To ensure best use of our adapted stock and deliver an effective adaptations service to residents with disabilities.

Objectives

- 13(a) *Promote moving as an alternative to expensive adaptations by matching people with adaptation needs to suitable properties*
- 13(b) *Improve information used on the Choice Based Lettings system to better inform disabled people bidding for properties, and incorporate this into the Asset Review process*

9.4. PLANNED PROGRAMMES:

THH will use planned, preventative maintenance to reduce demand for responsive repairs, maximising value for money, whilst minimising disruption and improving resident satisfaction.

Most of our planned maintenance programmes have been delivered through a number of key partnering contracts, with the primary focus of delivering the Decent Homes Standard and, secondly, commencing the delivery of the Tower Hamlets Homes Standard, such as:

- Kitchens
- Bathrooms
- Electrical Refurbishments
- Heating Upgrades
- Window and Door Replacements

Over the life of this strategy many of the above work elements will continue but there is still a need to improve internal communal facilities to our blocks of flats and maisonettes, together with new programmes for external elements and communal areas.

Once the required new programmes have been developed, it is likely that new frameworks or contracts will be procured to deliver the works not covered by the existing contracts, such as;

- Roofs
- Windows
- Doors
- Fascias & Soffits
- Rainwater Goods
- External Wall Insulation (EWI)
- Renewable Heating/ Energy solutions, such as PV Panels or Heat pumps

9.4.1. ENVIRONMENTAL IMPROVEMENTS

A simple programme will be produced to outline the operational aims of an environmental programme and this shall run in parallel to other planned programmes which will focus on communal facilities, including the following:

- Bin Storage
- Communal Lighting
- Laundries
- Lifts
- Door Entry Systems
- Internal Decoration
- Front and Rear Entrance Paths

9.4.2. OTHER PROGRAMMES/ SERVICES:

Fire Safety works - All Fire Risk Assessments for all the communal areas have been completed are currently being “refreshed”. A programme of fire safety improvement works has been developed to minimise these risks. In addition, closer working with the housing management team to maintain the integrity of fire escape routes and better links with London Fire & Rescue Services will reduce the risks associated with building fire safety.

Strategic Aim - 14

To produce and deliver coordinated planned programmes that achieve value for money and offer certainty for residents.

Objectives

- 14(a) Develop process for establishing coordinated planned programmes, using the asset database as the primary source*
- 14(b) Develop a forward plan for all Environmental Improvements Programmes*
- 14(c) Publish programmes for residents, utilising GIS mapping*
- 14(d) Embed VFM monitoring within Planned Programmes.*

9.5. DEMOLITION, REDEVELOPMENT & NEW BUILD PROJECTS:

The long-term goal is to form a new development function within THH beyond 2018 with the aim of building a set number of new affordable homes per year, subject to the financial capacity of the Business Plan and possible Grant funding. Some new homes may be procured by a variety of means including purchase of S106 affordable homes, joint ventures with developers and increasingly the acquisition & development of land directly by THH.

THH will adopt a “THH Standard for New Homes”, based around the Tower Hamlets Homes Standard, which will summarise our ambition for new homes in terms of spatial standards, internal layout, estate planning and sustainability. Wherever practical and reasonable, THH will be prepared to invest to bring new homes as near to the THH Standard as possible.

As part of the Asset Review and Stock Profiling processes, it is likely that some existing homes will be determined to be obsolete and/or surplus to requirements. In that event, an option appraisal will be undertaken and will include consideration of demolition and replacement. In addition, the process will continuously seek to identify scope for in-fill development or extensions to meet the needs of larger families. If/when a decision is made to proceed with a development, the site will be progressed by the new Development/ Major Projects Team as a new opportunity, subject to the normal processes of internal authority and due diligence.

As new homes are completed, they will be added to the property database and the life-cycle costs will be factored into business plan projections.

Strategic Aim - 15

To deliver the ability to grow LBTH’s housing stock in support of agreed business objectives.

Objectives

- 15(a) To assist the delivery of a Development Plan, commence the identification of land, infill sites and redundant stock, suitable for redevelopment.*
- 15(b) To continue to work with LBTH’s Strategic Housing and development Teams to bring forward viable, high quality homes to meet priority housing needs*

9.6. DISPOSALS & ACQUISITIONS:

THH will use the Asset Review, Stock Profiling and Option Appraisal processes to identify unsustainable and expensive to maintain properties, as well as high value properties which provide business opportunity costs. From all this information the Asset Management Team will develop a draft Disposal and Acquisition Strategy for EMT and subsequently the ALMO Board and LBTH Housing Strategy Team to consider. Some Listed and/or older solid wall properties may be too expensive in terms of future investment.

EMT and LBTH will monitor the generation and use of capital surpluses from the sale of properties and determine the balance between the provision of new properties and investment into the existing stock.

10. LINKS TO THE BUSINESS PLAN:

To provide THH with the confidence to support future funding requirements, it is vital that robust asset data is the primary driver to investment programmes. To clearly demonstrate this, the data used within the Asset Review process will be used to inform the Business Planning process as there are some elements of expenditure that are not presently held within 'Keystone'. The figures within the Asset Review model include costs for the management of asbestos, cyclical maintenance, response repairs, voids, and proposed future expenditure on programmes, such as the outcomes of the Environmental Plan, etc.

The use of Asset Reviews and the subsequent Option Appraisals will demonstrate that we are maximising our income and driving value for money into our housing stock. By 'sweating' our assets and having clear future investment plans we may be able to improve our financial position and secure future funding if and when new loan agreements may be required.

11. STRATEGY REVIEW:

This strategy will remain under constant review over the next 5 years to ensure it remains relevant, particularly through EMT. However, it will not just be the contents of the strategy that is reviewed and updated; it will include an assessment of risks to the strategy together with an assessment of the impact on the community from an equalities perspective.

11.1. Risk Register:

THH is developing a Risk Management Plan and the Asset Manager will work to identify the key risks of the asset management functions and how these can be best controlled and managed. The asset management functions and all the key risks are therefore constantly being reviewed by EMT and the Board as part of THH's overall risk management process.

11.2. Equalities Impact Assessment:

THH have completed an assessment of the impact of this strategy from an equalities perspective and the THH Asset Management Team will review this on an annual basis to ensure that the decisions reached on asset management minimise any possible negative impact on the community.

We aim to consult and engage with residents and communities to ensure that we obtain a wide scope of views and take into account the diverse needs of communities. The primary route for this will be the involvement and engagement of residents in setting out how the agreed Tower Hamlets Homes Standard will be delivered over a 10yr period. We will also consult resident groups about all the major policy, procedures and standards contained within this Asset Management Strategy.

11.3. Strategic Objective Tracker:

The tracker sheets, which follow, summarise the actions detailed throughout the plan and are intended to ease the monitoring of progress in delivering the aims of this strategy document and can be used as the means of reporting to EMT and Client officers.

DRAFT

Draft 5 Year Investment Plan

Work Category	2017/18	2018/19	2019/20	2020/21	2021/22	Grand Total
Windows	£ 3,352,160	£ 4,639,652	£ 3,305,555	£ 2,467,946	£ 5,244,320	£ 19,009,634
Roof Structure	£ 288,561	£ 116,219	£ 136,183	£ 163,278	£ 384,764	£ 1,089,004
Roofs	£ 2,024,226	£ 1,632,050	£ 1,922,357	£ 1,521,351	£ 927,291	£ 8,027,275
Wall Finish	£ 1,054,304	£ 815,487	£ 1,147,820	£ 934,011	£ 686,630	£ 4,638,253
Wall Structure	£ 2,913,988	£ 1,442,330	£ 1,335,560	£ 3,635,364	£ 2,397,446	£ 11,724,688
Balconies	£ 2,551,002	£ 2,364,933	£ 4,085,610	£ 3,135,631	£ 2,819,867	£ 14,957,043
External Curtilage (Boundary walls, gates, hardstanding, paths etc)	£ 1,406,450	£ 1,354,793	£ 1,280,930	£ 1,225,660	£ 1,953,251	£ 7,221,085
Doors	£ 540,833	£ 874,737	£ 710,134	£ 682,714	£ 1,534,705	£ 4,343,122
Other	£ 458,515	£ 1,116,007	£ 575,810	£ 618,419	£ 1,100,170	£ 3,868,920
Sub Total	£ 14,590,039	£ 14,356,208	£ 14,499,959	£ 14,384,374	£ 17,048,444	£ 74,879,024
Internals (K&B)	£ 1,000,000	£ 750,000	£ 500,000	£ 500,000	£ 500,000	£ 3,250,000
Internal Decorations (Stairwells & Lobby linked to FRA recommendations)	£ 750,000	£ 3,750,000				
Sub Total	£ 1,750,000	£ 1,500,000	£ 1,250,000	£ 1,250,000	£ 1,250,000	£ 7,000,000
Lifts	£1,950,260.0	£1,950,260.0	£1,950,260.0	£1,950,260.0	£1,950,260.0	£9,751,300.0
Door Entry	£2,113,987.2	£2,113,987.2	£2,113,987.2	£2,113,987.2	£2,113,987.2	£10,569,936.0
Comm Heating	£3,379,355.87	£3,379,355.87	£2,252,903.9	£1,126,451.96	£1,126,451.96	£11,264,519.6
R&Ls	£1,500,182.8	£1,500,182.8	£1,500,182.8	£1,500,182.8	£1,500,182.8	£7,500,914
Boosted Water	£124,342.4	£124,342.4	£124,342.4	£124,342.4	£124,342.4	£621,712.0
Communal Ventilation	£123,468.8	£123,468.8	£123,468.8	£123,468.8	£123,468.8	£617,344.0
Water Tanks	£640,190.1	£640,190.1	£640,190.1	£640,190.1	£640,190.1	£3,200,950.7
Emergency Domestic Boilers	£100,000.0	£100,000.0	£100,000.0	£100,000.0	£100,000.0	£500,000
Planned Domestic Boiler Replacement	£300,000.0	£300,000.0	£300,000.0	£300,000.0	£300,000.0	£1,500,000
Smart Metering	£100,000.0	£100,000.0	£100,000.0	£100,000.0	£100,000.0	£500,000
Communal Play Areas	£50,000.0	£50,000.0	£50,000.0	£50,000.0	£50,000.0	£250,000
Envirionmental (incl Estate Lighting, Security etc)	£600,000.0	£600,000.0	£600,000.0	£600,000.0	£600,000.0	£3,000,000
Aerials/IRS	£90,000.0	£90,000.0	£90,000.0	£90,000.0	£90,000.0	£450,000
FRA	£ 4,000,000	£ 2,000,000	£ 2,000,000	£ 1,000,000	£ 1,000,000	£ 10,000,000
Sub Total	£15,071,787.2	£13,071,787.2	£11,945,335.3	£9,818,883.3	£9,818,883.3	£59,726,676.3
Grand Total	£31,411,826.5	£28,927,994.9	£27,695,294.5	£25,453,257.1	£28,117,326.8	£141,605,699.9

STRATEGIC AIMS AND OBJECTIVES TRACKER				
AIMS	OBJECTIVES	OWNER	TARGET COMPLETION BY	
Strategic Aim - 1				
To establish a single, comprehensive and accurate asset database covering all LBTH's housing properties and land	1(a) Avoid duplication of entry			
	1(b) Improve access to the database for staff, contractors and residents			
	1(c) Optimise the functionality of the asset database to deliver elements of the Asset Management Plan			
Strategic Aim - 2				
To understand how LBTH's assets are performing and demonstrate sound portfolio management	2(a) Ensure all elements of LBTH's stock are included within the Asset Database, including garages, land and other premises			
	2(b) Undertake regular Asset Reviews to highlight those properties which require alternative solutions than continued planned programme investment			
Strategic Aim - 3				
To be in a position to make informed decisions about stock using an option appraisal approach	3(a) Engage with the council's estate capacity project to provide data on potential developments sites identified by the options appraisal process			
	3(b) Undertake a review of all Garage Sites by completing a mini-option appraisal for each site and include the investment needs.			
Strategic Aim - 4				
To provide safe, secure and quality homes for residents.	Gas Servicing: 4(a) Ensure all gas appliances are checked on an annual basis.			
	Fire Safety: 4(b) Review all the Fire Risk Assessments for communal areas 4(c) Undertake training for staff and residents on fire safety in the			
	Asbestos: 4(d) Ensure the asbestos register is effectively managed 4(e) Ensure that there are seamless processes in place to manage risk 4(f) Ensure the Asbestos Management regulations are complied with			
	Legionella: 4(g) Check and sample water to all water systems that could be susceptible within the timescales laid down by the Health and Safety Executive			
	Electrics: 4(h) Carry out periodical electrical checks and ensure asset database is updated accordingly			
	Lifts: 4(i) Check all lifting equipment every six months or monthly, dependant on the type of equipment			
	Security: 4(j) Review the requirement for on-going communal door entry system servicing			
	Strategic Aim - 5			
	To develop coordinated and effective planned programmes using the Keystone database as the principal Asset Management business tool	5(a) Agree a detailed rolling 5 year investment plan which builds on intelligent timing of component replacements		
		5(b) Adoption of whole life costs within asset management to improve quality and reduce costs to the business, including identifying regeneration and new development opportunities		
Strategic Aim - 6				
To provide cost-effective, efficient, quality homes and services for residents	6(a) Obtain value for money through pro-active procurement and the maximisation of in-house and partnering opportunities			
	6(b) Agree methodology with Finance for measuring efficiency savings and service improvements arising from this strategy			
Strategic Aim - 7				
To improve the quality of life for residents through THH being an organisation that champions environmental sustainability	7(a) To produce an Environmental Plan that clearly outline how we will improve our assets and facilities to reduce THH's carbon footprint and seeks to maximise the energy grant funding available			
	7(b) To develop a series of planned programmes that will move towards the requirements of the Energy Act 2011 to reduce carbon emissions from the housing stock and to include these within the Business Planning process.			
	7(c) To deliver improvements in the average SAP/ Energy rating of our housing assets and help reduce fuel bills for residents.			
Strategic Aim - 8				
To place residents are at the heart of decision making and influencing the delivery and monitoring of all services	8(a) Support appropriate resident groups with information coming out of the Asset Review and other Asset Management processes			
Strategic Aim - 9				
To understand all land and property assets and produce future plans for each asset management group	9(a) Complete Stock Profiles, including comprehensive asset information about each property type and incorporation of GIS mapping and photographs			

AIMS	OBJECTIVES	OWNER	TARGET COMPLETION BY
Strategic Aim – 10			
To ensure leaseholders receive a quality service, tailored to their requirements	10(a) ensure robust procedures are in place around leaseholder consultation		
	10(b) Ensure that accurate data is available		
Strategic Aim – 11			
To achieve Value for Money through strategic procurement of all repairs & maintenance services, major regeneration and new-build projects	11(a) To identify future work-streams and volumes of work to determine innovative procurement solutions that will deliver greater Value for Money		
	11(b) To continue to involve residents in the procurement process for selecting and monitoring contractors for works within their homes.		
Strategic Aim – 12			
To deliver a value for money repairs service that is 'right first time' and meets the needs of and offers choice to residents.	12(a) complete the implementation of direct access to our partner's scheduling it systems together with their mobile		
	12(b) work to clarify the impact of the tower hamlets homes standard on the repairs and voids services		
	12(c) undertake a review of demand and the products where there is high demand and consider changes in specification or supply chain to reduce long-term costs or implement more planned preventative maintenance		
	12(d) improve the online repairs reporting options for all residents.		
Strategic Aim – 13			
To ensure best use of our adapted stock and deliver an effective adaptations service to residents with disabilities.	13(a) Promote moving as an alternative to expensive adaptations by matching people with adaptation needs to suitable properties		
	13(b) Improve information used on the Choice Based Lettings system to better inform disabled people bidding for properties, and incorporate this into the Asset Review process		
Strategic Aim – 14			
To produce and deliver coordinated planned programmes that achieve value for money and offer certainty for residents.	14(a) Develop process for establishing coordinated planned programmes, using the asset database as the primary source		
	14(b) Develop a forward plan for all Environmental Improvements Programmes .		
	14(c) Publish programmes for residents, utilising GIS mapping		
	14(d) Embed VFM monitoring within Planned Programmes.		
Strategic Aim – 15			
To deliver the ability to grow LBTH's housing stock in support of agreed business objectives.	15(a) to assist the delivery of a development plan, commence the identification of land, infill sites and redundant stock, suitable for redevelopment.		
	15(b) to continue to work with LBTH's strategic housing and development teams to bring forward viable, high quality homes to meet priority housing needs		