

Housing Asset Management Strategy

Southwark's eight year plan for its Housing Stock

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This strategy covers the period 2016/17 to 2023/24

Version Control

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Executive Summary

This asset management strategy (AMS) has been prepared by the London Borough of Southwark in relation to the housing portfolio.

Southwark has made a substantial investment in delivering Warm, Dry and Safe (WDS) homes which has made a visible difference to the borough's housing stock and residents' homes. However, there remains an on-going need to replace components nearing the end of their life and some poorly designed and built housing that is expensive to repair and costly to maintain and replace.

For this reason, while our current AMS covers a period to 2015/16 a new strategy is required to support our 30 year housing investment plan which reflects the council's ambition to maintain and invest in its existing housing stock that meets residents' expectations and provides a sustainable long term solution through active asset management. The plan must deliver the key priorities of a quality kitchen and bathroom guarantee, maintain decency, and deliver a cyclical planned maintenance and decoration programme whilst bringing the building components of all properties to a 'tolerable' fire safety risk level.

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1. Purpose

1.1. Our Vision

Through active asset management and proactive investment, achieve a well maintained, sustainable housing stock that residents value and enjoy living in.

1.2. Definition of Asset Management

Asset management is the management of physical assets to meet service and financial objectives. Through applying good asset management practices and principles the council will ensure that its housing stock meets current and future needs, including planning for investment in repair and improvements, and reviewing and changing the portfolio to match local circumstances and housing need.

1.3. Definition of Assets

Assets are defined as those contained within the Housing Revenue Account (HRA) and include:

- Houses, flats, maisonettes where Southwark is the landlord or retains an interest
- Communal blocks and their facilities such as door entry systems, lifts, communal walkways, bin and pram sheds
- Estate facilities such as boiler houses, playgrounds and landscaping
- Other HRA assets such as Tenant & Residents' Associations Halls, Temporary Accommodation and garages
- Commercial units where they are integral to residential blocks

1.4. Importance of Asset Management

The book value of Southwark's housing assets currently exceeds £9,388m (market value). These are supported by £376m (loans) and generate revenue streams of £191m per annum (net) from dwelling rents. The effective management of these assets is therefore critical both as a landlord looking to meet future demands on our housing resource and in achieving our aims, objectives and values.

In the past asset management strategies have focused principally on delivering works programmes rather than managing assets. The focus of asset management has been on:

- Stock surveys providing asset intelligence
- The delivery of works programmes
- Managing budgets and spending money wisely
- Attending to the worst properties first

Increasingly asset managers have seen the need to take a more proactive approach that sees the development of long-term asset management strategies. The focus is now on the long term performance of the property portfolio as a whole, actively managing each asset. This will involve making clear and accountable decisions as to whether to retain properties and if so, what form of investment to make to keep them "fit for purpose".

1.5. Purpose

The purpose of this strategy is to set out how Southwark intends to proactively manage its property assets to support HRA business plan objectives. Recognising the increasing emphasis on long term performance the strategy includes both "traditional" stock investment actions and "active asset management" activities. The strategy distinguishes between these as:

- **stock investment** – those activities that will maintain the stock to a standard that meets need
- **active asset management** – those activities to improve or replace properties that have a poor economic and social performance with properties that are fit for purpose.

1.6. Key Objectives of the Strategy

The strategy seeks to ensure that, moving forward, our residents and key stakeholders are fully engaged in investment decisions and planning programmes in order to support the delivery of an investment **standard** that means we deliver the decent homes target, achieve affordable warmth and meet identified needs.

The strategy sets out how we **manage the stock portfolio**, not just in terms of age, condition and standard, but also as part of a process of assessment to guide policies of re-investment to meet the needs of current and future tenants. This strategy also supports our corporate priorities through **investment plans** that reflect the agreed allocation of resources for re-investment and will contribute to building sustainable neighbourhoods.

The key objectives of this strategy are:

- Provide quality homes to an agreed standard
- Ensure residents are at the heart of everything we do
- Deliver value for money (VFM)
- Inform future investment plans and coordinating resources
- Provide a clear picture and route map for understanding and improving the overall performance of the property portfolio
- Move towards planned investment and works programmes and away from current reactive day to day service

The key strategic priorities are:

- Maintaining council homes to the Government Decent Homes standard
- Delivering a quality kitchen and bathroom guarantee
- Managing resources to enable the council to meet its wider objectives such as delivering 11,000 new homes

1.7. Background

1.7.1. Southwark Context

In late 2011 cabinet agreed a housing investment programme to make every council home warm, dry and safe over a five year period to 2015/16. At the same time, cabinet recognised the need to develop a long-term strategy for the council's housing stock. In order to secure an unbiased perspective, cabinet established the Independent Housing Commission supported by the Smith Institute. The Independent Housing Commission was asked to examine proposals and make recommendations for an investment strategy for up to thirty years, which was sustainable and affordable.

The independent Housing Commission concluded that much of the housing stock in Southwark is of poor quality and in need of sustained levels of investment to bring and keep council housing up to acceptable standards. To achieve the levels of investment required the council would require a more business-orientated mind-set to investment and options appraisals. The report also stated that the council faced a choice on how many low-rent homes it wants to provide and for whom and provided some scenarios.

Following the report and extensive consultation, Southwark Council agreed a large-scale, ambitious home building project, committing to build 11,000 brand new council homes across the borough over the next 30 years to help address the huge demand and short supply in London alongside the investment in the current stock.

The council has also commissioned Savills to carry out financial and options appraisals for the delivery of those plans. This concluded that there were opportunities for a viable long term business plan for investment beyond warm, dry and safe.

In January 2014 cabinet agreed the vision for a new housing strategy and plans for developing a new borough-wide housing strategy for Southwark. The vision emerged from the extensive community conversations on the future of council housing following publication of the independent Housing Commission's report.

The July 2014 cabinet report "Next Steps on Developing Long Term Plans for the Delivery of New Council Homes" established a clear direction of travel for the delivery of both new council homes, and investment in the existing housing stock. Among other actions, the Strategic Director of Housing and Community Services was instructed to undertake a comprehensive review appraisal of the overall performance of current Housing Revenue Account (HRA) assets.

On 27 January 2015 cabinet agreed its new long term housing strategy for the borough, to 2043, probably the first such attempt to develop a long-term housing plan in London for many years. The housing strategy sets the overarching framework for increasing housing supply, transforming housing conditions in Southwark across all tenures, and responding to the borough's housing needs.

The housing strategy contains specific commitments for increasing housing supply, including building 11,000 new council homes by 2043 (including 1,500 by 2018), 'delivering the successor to our 'warm, dry and safe' housing investment programme', as well as taking a longer term view of measures to improve the housing stock over the duration of the strategy.

On 25 February 2015 Council Assembly endorsed the Council Plan to 2017/18 which included the Fairer Future Promise- **Quality affordable homes**, which states 'We will improve housing standards and build more homes of every kind, including 11,000 new council homes with 1,500 built by 2018. We will make all council homes warm, dry and safe and start the roll out of our quality kitchen and bathroom guarantee.'

Southwark Housing Strategy to 2043 set out Southwark's first long-term housing strategy, and marks Southwark out over others in setting out a long-term plan of action. Principle 2 states 'We will demand the highest standards of quality, making Southwark a place where you will not know whether you are visiting homes in private, housing association or council ownership', and more specifically the following commitments as set out in the strategy:

- a. Putting in place a robust 30 year business plan, enabling us to invest in our homes, improve energy efficiency and provide a planned, preventative approach to maintaining and investing in our housing stock
- b. Providing a quality kitchen and bathroom for all council homes
- c. Carrying out other improvement works to our stock and the surrounding area, including increasing estate security.

1.7.2. National Context

On 1 April 2012, the Government abolished the Housing Revenue Account (HRA) subsidy system and introduced self-financing for council housing which gave councils control of rental income, allowing an increased investment capacity.

The Government's welfare reforms provide changes to the welfare system increasing pressure on household incomes and putting pressure on the landlord's revenue streams. The right to buy policy also continues to reduce the number of existing homes and therefore revenue streams.

There are a number of national factors which continue to put pressure on the HRA and the council's ability to deliver its priorities including:

- Strong promotion and increases in local authority right to buy - In March 2013 the right to buy discount was increased to £100,000 in London. This has caused a significant increase in applications and right to buy sales in Southwark, Lambeth, the sub-region and across London. In Southwark sales had been running at about 20-25 a year but increased to 250 in 2013/14 and 304 in 2014/15. Last year Greenwich and Lambeth both had close to 250 right to buy sales, while Lewisham had 122.

- Forcing councils to sell vacant council properties in the upper third of values - If regional thresholds are used, this will result in the loss of a significant number of social rented properties in Southwark. Replacement properties have been promised but it is not clear if this will definitely be in the local authority area of the sale, and it is very likely that these will be affordable rents, shared ownership or even discounted sale properties. These will be vacant properties rather than occupied properties, so will directly affect relets.
- Pay to stay – Pay to stay is likely to become mandatory for tenants with combined household incomes of £40,000 in London. This is very likely to increase the number of tenants exercising the right to buy as a means to avoid higher rents.
- Review of lifetime tenancies - Local authorities are likely to lose the option to issue life time tenancies except in a few circumstances. While this is unlikely to apply to existing tenants, it will increase the number of fixed term tenancies. As tenants approach the end of their fixed terms, there could be an increase in right to buy.
- The reduction in the benefit cap from £26k to £23k - Some movement from the social sector is from people in the social sector moving to the private sector to meet their needs (due to the lack and high demand for larger or ground floor properties in the social sector). This change may reduce this.
- The 1% reduction in social rents over the next four years - This replaced the existing plan to allow councils to increase rents by the consumer price index (CPI) of inflation plus 1% until 2026. After the 4 year period rents may possibly revert to increasing by CPI plus 1% but this is by no means certain. This is in addition to very little funding for new affordable housing.

2. Supply and Demand

2.1. Asset Profile

Southwark's Housing and Community Services Department currently manages stock in excess of 51,000 properties, of which around 38,000 are tenanted, and over 13,000 are leasehold properties. The Housing stock under Southwark's control is unusually large and varied in its composition.

Table 1 below shows that as expected for a social landlord based in an urbanised area, the majority of this stock comprises traditional housing blocks: however, there are also a significant number of street properties and houses within Southwark's management. In terms of its tenanted stock alone, over 6,500 dwellings are categorised as houses, street properties or conversions.

Table 1: Housing Stock by Property Type.

Property Type	Total
FLAT TRADITIONAL BLOCK	80%
HOUSE ON ESTATE	7%
CONVERTED STREET PROPERTY	6%
STREET PROPERTY	4%
FLAT SHELTERED HOUSING	2%
FLAT INFILL BLOCK	1%

Within each of the above categories there is a further range of building types and constructions that require varying strategies for effective long-term management of these assets. Table 2 further illustrates the degree of complexity in the composition of the housing stock.

Table 2 – Housing Stock by Property Archetypes

Property Archetype	Total
LOW RISE FLATS POST 1945	43%
HIGH RISE FLATS (6 STORIES PLUS)	25%
LOW RISE FLATS 1920 - 1944	13%
FLATS PRE 1920	8%
HOUSES POST 1945	7%
HOUSES PRE 1945	4%

Post-war residential blocks account for the majority of Southwark's stock. There are, however, still an unusually large proportion of properties that do not fall within this category, including a relatively high number of pre-war blocks and houses, and properties dating from the turn of the previous century.

2.2. Stock Condition and Quality

The quality and condition of Southwark's housing stock reflects the varied profile of its stock, and different maintenance issues arise from different building types and construction epochs, legacies of which still have major implications for the council's ability to bring its stock up to the government's decent homes standard. For example, it is often difficult to meet modern standards for kitchens and bathrooms in the confined spaces of interwar stock. Similarly, the prominent post-war, system-built housing have left a legacy of maintenance problems attributable to poor design, including a variety of structural issues, water penetration, flat-roof failure, asbestos, and poor thermal and noise insulation. These issues have been further compounded by historical under-investment, and made modernising these properties prohibitively expensive.

Large sections of Southwark’s interwar stock were identified as requiring major improvement as far back as the 1970s. However, funding for such work had to be diverted to deal with repairing damage arising from vandalism on its newly completed flagship estates such as the Aylesbury and Heygate estates, meaning only reduced-scale modernisation programmes could be undertaken. The need to deal with aged stock as well as the unforeseeable cost of maintaining new estates meant that the council spent many years operating within a “structural trap” where defects would only be dealt with once they had deteriorated to become major issues.

In 2010 Southwark Council commissioned Savills to carry out a sample stock condition survey of its stock in order to obtain a snapshot of the condition of council housing in the borough, as well as an indication of both current and future investment needs. The Savills’ survey continues to be topped up by a programme of in-house stock condition surveys to review and update Savills’ findings.

In 2010 Southwark Council agreed a capital investment strategy to bring Southwark’s properties up to a Warm, Dry and Safe standard, meeting the government’s decent homes standard. Decency of Southwark’s tenanted properties prior to this investment stood at 56% in April 2010, well below the national average for social landlords. The warm, dry and safe investment will eliminate the majority of the backlog of non-decent housing and enable the council to move towards programmes of maintaining decency and begin investing to improve the quality of its stock.

In 2010, the stock condition survey found that the main causes of failure of the decent homes standard are related to windows, roofs, electrical wiring and bathrooms. The Warm, Dry and Safe Programme is dramatically increasing the number of properties achieving the Decent Homes standard, and this is expected to be at 90% by April 2016.

2.3. Housing Need

Despite the fact that Southwark Council is the largest local authority landlord in London, and the borough has the highest proportion of social housing of any local authority area in England, it still finds itself at the forefront of a London-centric and regional housing crisis where demand for affordable housing far exceeds supply. There are currently around 12,000 people on the housing waiting list in Southwark.

Shortages of low-rent homes are already beginning to drive low-income residents out of the borough and such trends are highly likely to have adverse economic and social consequences for future generations. Southwark Council is committed to building 11,000 new council homes by 2043, with the first 1,500 to be delivered by 2018, enabling the council to at least maintain its current stock levels over the medium term whilst simultaneously encouraging an increasingly diverse range of housing providers to offer affordable housing solutions within the borough.

The high levels of housing need in Southwark are exemplified by the large backlog of applicants on the housing register. Households in priority band 4 are unlikely to ever be offered a property by the council and are hence strongly encouraged to seek alternative housing solutions. But even for applicants in priority bands 1 to 3 there may be prohibitively long waiting times before a suitable offer can be made.

Band	Number on register*
1	1241
2	634
3	4569
4	5497
Grand Total	11941

*August 2015

3. Delivering the strategy

3.1. Stock Investment

The planned maintenance programme sets out what the council will do to maintain the structure and decency of its housing stock to an agreed standard. It follows on from the 5 year warm, dry and safe investment and sets out how the Council will continue to invest in its homes to avoid them falling into long-term disrepair.

3.1.1. Providing quality homes to an agreed standard.

- We will maintain decency to the Government Decent Homes standard. A decent home meets the following four criteria:
 - a) It meets 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 Housing Health and Safety Rating System (HHSRS).
 - b) It is 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) It has 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.
 - d) It provides a reasonable degree of thermal comfort
- We will keep homes in a reasonable state of decorative repair and maintenance
We will deliver a cyclical programme of decorations with associated repairs as outlined below
- We will provide a quality kitchen and bathroom
Going beyond the minimum decency levels Southwark is committed to providing a modern kitchen and bathroom in the first cycle of the programme and onwards.
- We will provide programmed upgrades to other non decency components such as lifts
- We will provide programmed works required from Fire Risk Assessments (FRAs) to maintain all building components of blocks to a 'tolerable' rating, and install and maintain smoke detectors (LD2s) in flats and communal areas of houses to tie in with the overall cyclical programme.

It should be noted that decency levels, which is the government standard for homes owned by social landlords, will remain in the region of 90-95% due to larger-scale regeneration projects, and particularly complicated projects. Also, some properties may fall out of decency unexpectedly if a new issue comes to light after the programme has been agreed; or some schemes may take over a year to complete works.

3.1.2. Moving to a cyclical programme

The council will be moving to a cyclical programme over eight to ten years with the initial programme outlined in Appendix 1. In general, in the longer term there will be an average of 7,000 properties included in each annual programme provided that a seven year programme can be met within budgets. Each year's programme will be derived from stock condition data held in the council's asset

management database (Apex). All programmes are subject to reprioritisation due to emergencies and additional investment requirements.

The cyclical programme will include:

- Wherever possible all main internal and external works, such as doors, roofs and windows, are to be carried out to the structure of a block, together with external and communal decorations and repairs. The individual components of buildings, which are the parts of the building that make up the overall structure, such as doors, roofs and windows, will be repaired where feasible or renewed if detailed surveys indicate that the condition is such that the component has reached the end of its repairable life-span. Components requiring scaffold will be renewed at the same time if the condition warrants this, for example, if we have put up a scaffold to carry out repairs to the roof of a building, we will make sure that we use the scaffold to carry out any repairs to the windows at the same time to avoid the need to erect scaffolding in the future. When we do this, we will always assess whether this is necessary by looking at the best value for money using a simple cost benefit analysis.
- Repairs and decorations to communal internal stairways, walkways, balconies, brickwork, estate railings, integral garages and integral store sheds.
- Decorations to the communal parts of designated sheltered units will also be included if needed.
- Works required from FRAs; this will usually be integrated into the cyclical programme to bring the building components of all remaining blocks to a 'tolerable' rating. Where components such as front doors are renewed based on condition these will be to the standards required by the fire safety regulations. Prior to external decoration works paint testing may be required to ensure that the correct fire rating is achieved. The FRA programme of works is already reviewed on a quarterly basis through a joint strategic meeting between the Council and the London Fire Brigade to ensure that resources are appropriately prioritised.
- We will provide a quality kitchen and bathroom, where kitchens older than 20 years and bathrooms older than 30 years are replaced.

The cyclical programme will not include:

- Works to be carried out to hard surfaces such as estate paving, estate roads and boundary walls and individual/estate fences, stand alone garages and stand alone store sheds as these repairs will be dealt with as part of the on-going communal repairs.
- Estate drains would not be included where under the management of Thames Water but renewals and repairs to the building drainage systems may be included if supported by an extensive and costly repairs history, and capital resources are available within the scheme.
- District heating; lifts, water tanks and entry phones would generally not be included in the cyclical programme as the budgets and programmes for these are separate.
- Block ducting works, except in communal areas where they are identified as necessary through the fire risk assessment

Notes for the cyclical programme:

- Internal electrics would be checked in tenanted properties only where there are known repair issues, to ensure that they are safe; and it is likely where kitchens are renewed that some internal electrical works would also be required.
- Communal electrics would be checked again only where there are known repairs issues; but otherwise they would be assumed to be safe, with any repair issues identified being resolved by responsive repairs.
- The initial cycle has been compiled in Appendix 1, with the principles in prioritising this in Appendix 2.
- With the recent investment, cyclical programme and a kitchens and bathroom programme in place it is anticipated that voids works will be funded from the revenue budgets
- Stand alone garages, hostels and Tenant & Resident Association halls have received major investment programmes and it is not anticipated that there will be capital investment in the first five years of the programme.

3.1.3. Mechanical and electrical strategy

A planned programme has been outlined in Appendix 3 and allows only for the minimum investment to maintain services provided there are no unforeseen major circumstances. Below are all the key areas of work:

- District heating (boilers, mains, internal works) – Many district heating systems have far exceeded their life expectancy. The programme provides a basic investment, however the council has commissioned a stock and options appraisal to address the future requirements of its needs such as fuel use, Carbon Dioxide (CO₂) emissions, service demands and expectations. This will be completed by the end of February, and will look at solutions, providing clear evidence for the council to take an informed decision via a separate report going to Cabinet in April 2016. There is currently £5m per annum for major district heating works within the asset management strategy and the review could mean there are requirements for other means of funding on top of this.
- Individual boilers are serviced annually and the programme allows for a 7% annual replacement of its stock. This ensures that all individual boilers are replaced at the end of their life expectancy.
- Landlord communal electric supplies (including lateral mains) – The installations are tested every 5 years to monitor the condition and these tests provide evidence that renewals are required. The programme allows for only minimal replacements/ extensive repairs as and when installations are identified as being at risk of failure.
- External lighting – This programme only allows for essential works.
- Emergency Lighting – These are tested monthly in line with current legislation. The programme allows for only essential installation, and replacement as and when installations fail.
- Lifts – Monthly planned maintenance and performance data highlight lifts that will require refurbishments to ensure step free access to the council's residents. Currently the KPI for availability is exceeding the council's target.
- Tanks – The programme allows for replacing old galvanised tanks that require urgent attention.
- Door Entry Systems – An existing revenue budget allows for upgrading obsolete systems and a small number of new installations only where anti social and criminal activities exist.
- Communal ventilation replacements – The existing communal ventilation systems, many of which are the original, require a programme of fan replacements to ensure moisture is removed from internal bathrooms and toilet that have no natural ventilation (windows).
- Internal electrics to homes – These require a full rewire approximately every 35-40 years.
- Smoke and fire alarms – A programme is in place to install smoke and heat alarms (LD2) to tie in with the overall cyclical programme.

3.1.4. Health and Safety

The health and safety of council residents, staff and contractors is given the highest priority and is summarised below;

- The council has a rigorous health and safety vetting procedure as part of its procurement process which ensures that contractors comply with current legislation and regulations
- The council has on-going health and safety training for its employees. Contractors are required to demonstrate training as part of the procurement exercise and periodic audits
- Council employees visiting sites hold a Construction Skills Certification Scheme (CSCS) card
- The council carries out assessments of properties in line with the Housing Health and Safety Rating System (HHSRS) and incorporates these into its programmes.
- The council has an extensive asbestos register which is maintained in accordance with regulations and the council's policy on asbestos. Surveys are undertaken and the register is updated as asbestos materials are found or removed. Additionally, all known asbestos in communal areas is inspected annually to check its condition.
- The council has a 100% duty to ensure all properties with gas have a Landlord's Gas Safety Record to meet current legislation
- The council has a proactive testing and compliance regime to ensure water hygiene and management of risk of legionella
- All landlord electrical installations are periodically tested every 5 years

- Pressure vessels and district heating plants are inspected and tested annually
- Lifts are independently inspected every 6 months and by contractors on a monthly basis.
- The council carries out FRAs of all communal areas, and these are kept current with plans put in place to actively manage risks. The council wants to ensure all building component related risks are 'tolerable' by delivering works to reduce risks. Although the risks are constantly updated with the new assessments, the council has tackled the majority of the known building component risks identified as substantial, and has plans in place to tackle the remaining substantial risks. The majority of works required are to the building components of properties with a 'moderate' risk. Most of the FRA works such as installing fire approved doors, where required, will be carried out alongside the cyclical programme.
- The council has a programme to install smoke and fire alarms (LD2) to both tenanted and leasehold properties
- All schemes comply with Construction Design Management (CDM) Regulations 2015 and this is monitored by an in house CDM Compliance Manager.

3.1.5. Other programme considerations

Other programme considerations include:

- Energy efficiency issues – Over 7,000 properties have benefited from ECO funded energy efficiency works in partnership with British Gas to March 2015. The council will continue to look for opportunities to maximise funding and deliver energy efficiencies including, carrying out a pilot scheme to look at photovoltaics on a council block, replacing redundant lighting with more energy efficient lighting systems and providing insulation when replacing roofs.
- The council will also seek to resolve thermal comfort issues by replacing single and double glazed units that are beyond repair with modern double glazing and improving the efficiency of district systems through the use of Building Energy Management Systems (BEMS).
- Aids & Adaptations – the council is working alongside health professionals to ensure all major works and installations meet the requirements of the residents, such as the installation of new bathrooms
- Other assets such as playgrounds, community buildings and other assets will be repaired as necessary through day to day maintenance

3.1.6. Delivering value for money (VFM)

The Council will constantly be looking to deliver VFM in its asset management strategy to maximise the use of scarce resources and keep down tenant and leaseholder charges.

An effective procurement policy is in place that maximises the use of framework contracts for both contractors and consultants, which not only achieves VFM but is seen to do so. Having different types of procurement will ensure benchmarking of pricing can be done simply.

The partnering contracts with contractors contain clauses to ensure supply chains are used to drive down prices whilst maintaining quality and to ensure a continuity of materials with the repairs teams and contractors.

One of the key performance indicators (KPIs) which will be used to monitor performance of contractors will be value for money.

A new contractor framework is now in place for the delivery of works as of January 2016, primarily in two of the five contract areas, whereby two lists of contractors would be chosen to tender for individual building works projects through mini-competition (one for smaller contractors to offer opportunities to medium sized firms). The current major works partnering contracts are still in place in the remaining three contract areas until 13 June 2018 subject to contract extension and have non exclusive extensions with termination at will clauses. However mini-competition through the new framework contract will be used in the areas where there are no major works partnering contracts.

Delivery of work is being programmed wherever possible so that whole estates are in a single contract to save on set up and cost of preliminaries.

External funding sources will be maximised where opportunities arise such as with the ECO funding and if necessary trying to use existing funding as match funding.

The more resources that can be used for planned major works and investment programmes, the less resources that will be required for reactive day to day repairs.

Benchmarking will be used to verify that all planned programmes are delivering value for money and the investment modelled alongside repairs to see the effect of planned works on the day to day repairs.

3.2. Active Asset Management

3.2.1. Options appraisals

It is commonly assumed that residential property is always an asset. In practice the market and high costs can often have the results that properties are actually liabilities, threatening viability.

Our aim is to ensure that there is a continuing demand for our properties and to identify stock that is, or may become a liability. Such properties may be a drain on resources and best suited for disposal or redevelopment. It is important that we do not bring properties up to a decent homes standard if there is a question about their short to medium term future.

Southwark's housing stock is not uniform and in reality asset analysis will vary across the borough with some assets creating surpluses and others making losses. Given the legacy of housing in Southwark that is now reaching the end of its life, it is important that we understand the cashflows associated with different assets in order to provide an objective basis for future decision making.

The financial criteria used to identify those properties or estates which potentially could be a liability might include:

- Low net present value of assets in existing use
- Assets showing cashflow deficits in early years
- High capital expenditure in early years and over the entire life of the business plan
- Assets with a high vacant possession value

The analysis of return on investment needs to include more than a purely financial measure. The financial results needs to be considered alongside an assessment of other sustainability factors linked to our housing obligations, these might include:

- Demand and housing need
- Cost of re-provision
- Social return linked to our housing obligations
- Maintaining efficiencies in management costs.

One of the central features of an effective asset management strategy is the robust measure and appraisal of the performance of housing stock and other assets. It is clear that for the life of this strategy data intelligence and management will become central to the work of the asset management team in the future. This links to the review of our own asset management systems and a re-launch of Apex, the council's asset management system in 2016.

3.2.2. Investment Planning

HRA self funding introduces new opportunities for a viable long term business plan with potential to increase levels of investment beyond Warm, Dry and Safe. Initial modelling indicates that additional investment is affordable. This will be constantly reviewed and developed with information presented into our on going 30 year investment plan using stock condition data held in Apex.

There can be real tension between investing in existing assets and the delivery of new homes. The council has ambitious plans to deliver 11,000 new homes over the next 30 years. Detailed work is being undertaken so that resources for the initial 1,500 homes can be delivered by 2018 as well as ensuring the HRA is forecast to have sufficient resources to meet the needs of the current stock over the next 30 years and whilst building 11,000 homes. The delivery of new homes will be funded with contributions from the Affordable Housing Fund, section 106 funding, Right to Buy receipts, grant, loans and other forms of cross subsidy through mixed tenure development.

The asset management strategy is an important document in aiding the delivery of new homes, with the two being intricately linked.

A progressive business will use its asset management strategy to continuously examine the performance of its assets in terms of social and economic performance. Such reviews will identify opportunities for new build development in terms of:

- Re-provision of existing homes
- Increasing densities
- Identifying additional land capacity
- Utilising existing assets in terms of airspace, undercrofts, hidden homes and infill sites etc.

In Southwark, land values are on average over 50% to 60% of the total scheme cost of any new build development, so any opportunity to maximise the council's assets will increase the cross subsidy opportunities to successfully deliver the council's new homes objectives.

The new council homes that are developed and included within the council's property portfolio must be accounted for in our asset management strategy. They will bring real benefits to meeting the objectives of the strategy; However, new stock will require a different approach with regards to ongoing maintenance as their construction and the technological advances within the building will make them very different to the majority of homes we currently manage and maintain.

The increased new homes provision together with a gradual reduction of those existing assets that have a negative worth within the overall business plan will aid in meeting the following objectives:

- Provide quality homes
- Reduce on-going maintenance cost in the short term and major works capital expenditure in the longer term
- Increase our energy efficiency average SAP ratings
- Balance the portfolio
- Maintain the level of council owned homes

3.2.3. Portfolio Economic and Social Performance

Following the Housing Commission report in 2012, Savills consultancy was instructed to carry out work in conjunction with the council to assist with a comprehensive appraisal of the overall performance of current HRA assets. The aim of this review was to:

- Consider operational cash flows at a local level and assess their worth to the housing business to provide a measure of financial performance
- Identify non-financial measures of social sustainability and to provide an analysis of this at the same local level.

Savills' evaluation of the performance of HRA assets has been used to inform the investment strategy and detailed planning based on an active asset management approach where the council seeks to make investment decisions that are informed by an understanding of the financial performance of the stock, and the extent to which it delivers the council's social housing objectives. In this way decisions can strengthen the business plan and contribute to meeting the council's policy objectives.

The 30-year net present value (NPV) of the income and expenditure associated with a tenanted housing stock, at the point in time when Savills undertook the analysis, stood at £457.3m or £12,597 per unit. This reflects a range of NPV levels across the stock.

11.5% of the stock (4,167 units) has an NPV which is below zero. We will be working with residents of these 'High Investment Needs Estates' to find the best way to improve this stock. As with our approach for previous High Investment Needs Estates such as Four Squares and Hawkstone estates and Maydew House, redevelopment would only be considered as a last resort.

Southwark has already committed to the Warm, Dry and Safe programme, which includes the majority of the units that the analysis showed as having a negative NPV.

The WDS investment plans have been fed into the Savills' analysis to create a revised investment profile. Since receiving the Savills' model, Southwark has been developing a revised HRA asset management plan which has fed into the over-arching business plan, which in turn includes the investment needs of the existing stock as well as the new build programme.

Further refinement of the business plan and associated decisions has allowed the resources available for capital investment to be estimated and therefore prioritisation for this investment strategy.

The business plan and resources will be under constant review and the impact of recent announcements from central government, particularly around the annual reduction to council rents of 1% year on year for the next four years, are still being assessed by officers regarding the effect that this will have on the council's overall housing investment plan.

Savills supplemented the financial performance data by undertaking broader sustainability analysis taking into account the social and economic performance of a neighbourhood in which an estate is located.

Savills worked closely with Southwark to develop a set of indicators that reflects the council's social housing objectives. The combination of sustainability analysis and financial analysis allow an estate's overall sustainability to be more accurately measured.

The purpose of including non-financial data into the measurement of the sustainability of estates is to ensure that interventions in management services can be planned to support the physical investment in estates.

Southwark will use this tool to continually model the performance of its assets in terms of social and economic performance to assess the best option for the long term sustainability in both investing in existing assets and delivering new homes.

An initial year appraisal has been carried out on the blocks within the first year of the programme in Appendix 5.

3.3. 30 year financial plan

Since April 2012, the national housing revenue account subsidy system was abolished and replaced with a local authority managed 'self-financing' system introduced through the Localism Act 2011.

Authorities now retain the rental income generated from their housing assets, alongside the responsibility for maintaining and improving them. The introduction of 'self financing' included a one-off payment to or from each council, which was used to adjust their housing debt to reflect the value of their stock.

The Housing Revenue Account Self-financing Determination for Southwark Council

Local Housing Authority	Notional housing borrowing (SCFR) £'000	Self-financing Valuation £'000	Payment to be made by Secretary of State on 28 March 2012 £'000
Southwark	773,937	574,683	199,254

As the self-financing valuation for the council was less than the SCFR, the Secretary of State made a payment so that the debt was equal to the self-financing valuation.

The HRA 'self financing' means that the council has new opportunities to take proactive and decisive actions in actively managing and investing in stock that were not previously available.

To enable those decisions to be made it is even more important that the council understands its asset portfolio, the condition of the assets and the investment need. The council will need to have a better understanding of where stock investments make long term economic sense. Through strategic management of the HRA and its associated assets the council will need to make key decisions around investment, re-development and disposal decisions in order to maintain a long term viable business plan.

This asset management plan has been prepared alongside the HRA Business Plan, setting out priorities for investment and improvement of the HRA housing stock and related housing assets. The resources to deliver this strategy have been allowed for within the HRA business plan, however work continues on the plan to balance priorities with resources.

3.4. Data Management

Asset Management Software

Apex is the asset management software suite used by Southwark Council to store key stock condition data about its housing stock. This data is used for short, medium and long-term planning purposes to address the borough's investment needs.

Southwark's Housing Services department uses Apex to maintain an accurate record of the condition of its housing stock, and to facilitate the complex analysis required for a best-value approach to strategic planning.

The Apex asset register stores information about the key building elements of Southwark's housing stock. The most crucial pieces of information stored relate to the age, quantity, current condition, and estimated 'remaining life' for all core building components/elements of Southwark's blocks and properties.

Southwark has commissioned an 18 month project to deliver an upgraded Apex system that will be completed by 2016. This will deliver an upgraded system that will encompass a servicing and inspection regime, energy information and wider access to asset and programme information.

3.5. Service Standards

Southwark are committed to maintaining the highest service standards in the delivery of its asset management strategy. The quality and availability of our properties is important to the health and wellbeing of our customers and the current investment strategies will ensure that all of our properties are up to the decent, modern standard that our customers expect.

The planned maintenance programmes will deliver significant investment in the housing stock for the next thirty years, to improve standards and to ensure there is a continuing demand for properties. Effective asset management will ensure that this programme is financially sustainable.

Homes will be kept in good condition beyond this by adopting a strategic, long-term approach to investment and an intelligent approach to cyclical maintenance aimed at maximising the life of building components.

High customer satisfaction and contributing to sustainable communities will be achieved through constant monitoring and review. There will be two main arms to deliver this.

Quality of Contractors

The intention is to increasingly move towards a high quality group of contractors who can deliver high standard works, understand what makes residents satisfied, are committed to delivering value for money, and will work with the council in enhancing the community through the use of local apprentices, sponsoring local events and working with local firms. This can best be done by developing long term framework agreements.

At the same time, efforts will be made through both procurement and through large contractors using local sub contractors and suppliers, to enhance the local Southwark economy and create more employment opportunities for Southwark residents.

The performance of contractors will be monitored through a series of Key Performance Indicators (KPI's) which will be analysed to see where service improvements are required.

Quality of Technical Support Services

Wherever possible in house technical support services are used, but if professional technical services, for example surveyors, are required from outside firms, the intention is to use a small number of high quality firms through frameworks for exactly the same reasons as for contractors. Southwark currently has contracted two firms providing professional technical support services until October 2017. These firms will also be able to develop a sustained knowledge about the stock, which can be used to supplement other data gathering information for stock condition analysis purposes and to prepare programmes. Their performance will be monitored through the use of a series of Key Performance Indicators (KPI's) which will also be analysed to see where service improvements are required.

3.6. Residents involvement

The council is fully committed to resident involvement in all aspects of its asset management strategy. Resident involvement forms a very important part of the process of making decisions about assets. The strategic objective is to ensure tenants are at the heart of decisions taken in planning, delivering and monitoring the service, with discussions on standards and timetables being the priorities within this AMS.

Investment in assets should reflect the views expressed by residents in customer surveys and via other feedback mechanisms. The resident representative organisations, such as Tenants' Council, will be involved in investment decisions including the overall strategy. Affected residents will be consulted about locally applicable proposals and strategies, for example in relation to new homes and conversions.

In terms of the overall strategy, this will be presented and agreed with the two main resident representative groups, Tenants' Council and Home Owners' Council.

The council's consultation strategy 'Putting Residents First' is currently under review but the existing scheme is currently being continued. This sets out an extensive and thorough consultation process from the start of each scheme through to the end of the defects liability period.

The Major Works Monitoring Group chaired by the Lead Cabinet member for Housing will continue, with resident representatives at each meeting.

The overall Asset Management Strategy will be formally reviewed every five years however an annual update will be provided to Cabinet, Tenants' Council and Home Owners' Council.

3.7. Key measurable outcomes

To show the delivery of this strategy a series of key measurable deliverables will be monitored and commented on as part of the updates.

- Delivery against the plans outlined in appendix 1 and 3, including cyclical works.
- Percentage of decent homes
- Percentage of homes receiving and meeting the kitchen and bathroom standard
- Resident satisfaction
- SAP energy scores (following the conclusion of the apex project in 2016)
- % of homes reaching a 'tolerable' level from fire risk assessments
- % of district heating systems outages
- % of individual boilers replaced
- % of lift availability

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4. Strategy Action Plan

No	Action	Date	Reporting	Key Measures
1	Deliver cyclical Investment Programmes <ul style="list-style-type: none"> - Maintaining decency - Delivering FRA works - Delivery of kitchens and bathroom programme 	Annual	Annual Cabinet / Resident forum update report	<ul style="list-style-type: none"> • Percentage of decent homes • Spend against planned resources • % of blocks reaching a 'tolerable' level from fire risk assessments • SAP energy scores • Percentage of homes receiving and meeting the kitchen and bathroom standard
2	Review of planned and reactive budgets to ensure the best use of resources	Annual	Annual Cabinet / Resident forum update report	<ul style="list-style-type: none"> • Spend on planned compared to reactive
3	Review planned investment programme to ensure the investment will deliver economic and social performance	Annual	Annual Cabinet / Resident forum update report	<ul style="list-style-type: none"> • Investment performance measures reported.
4	Review resident consultation on major works	Annual	Annual Cabinet / Resident forum update report	<ul style="list-style-type: none"> • Resident consultation plan formally agreed with Tenants' Council and Home Owners' Council. • Resident satisfaction
5	Deliver lift and heating programmes	Annual	Annual Cabinet / Resident forum update report	<ul style="list-style-type: none"> • % of district heating systems outages • % of individual boilers replaced • % of lift availability
6	Deliver the upgrade to the APEX asset management and compliance system	March 2017	Update in cabinet report	<ul style="list-style-type: none"> • Cabinet Paper

5. Key Terms

Term	Meaning
Asset Management	Asset management is the management of physical assets to meet service and financial objectives.
Fire Risk Assessments (FRAs)	Legislation requires that landlords carry out fire risk assessments in all areas of their properties. This process will identify any fire hazards and who is at risk and decide if anything needs to be done to remove or reduce that risk. The council carries out risk assessments of all communal areas these are kept current and plans in place to actively manage risks. The council wants to ensure all risks are 'tolerable' by delivering works to reduce risks.
Stock investment	Those activities that will maintain the stock to a standard that meets need
Active asset management	Those activities to improve or replace properties that have a poor economic and social performance with properties that are fit for purpose.
Value for money (VFM)	A term used to assess whether or not an organisation has obtained the maximum benefit from the goods and services it both acquires and provides, within the resources available to it.
Warm, dry and safe (WDS)	WDS principles equate to the Government's Decent Homes Standard. This is the standard that Southwark is maintaining and improving upon through the delivery of this strategy. These principles are: Warm – modern functioning heating, well insulated roofs, windows in good condition or double glazed with secure locks, sliding window vents and restrictor hinges where needed, draught excluders on front doors, cavity wall insulation Dry – roofs, windows and building fabric in good condition, free from water penetration and damp Safe – modern electrics including rewiring where necessary, secure front doors (fire rated where necessary)
Decent Homes Standard	A Government minimum standard that all social housing should meet. a) It meets the current statutory minimum standard for housing. b) It is in a reasonable state of repair c) It has reasonably modern facilities and services d) It provides a reasonable degree of thermal comfort
Housing Health and Safety Rating System (HHSRS)	All rented properties must meet certain standards to make them safe and fit to live in. The Housing Health and Safety Rating System (HHSRS) is used to assesses these standards
Net present value	Is defined as the sum of the present values (PVs) of incoming and outgoing cash flows over a period of time. It is an indicator of how much value an investment or project adds to the council.
SAP ratings	Is the government standard for calculating the energy performance of buildings. It estimates the energy efficiency performance of your home expressed on a scale of 1 to 100.
Housing Revenue Account (HRA)	The HRA is a "ring-fenced" account held by local authorities. It contains all the spending and income related to the dwellings owned by the council, acting as landlord.
Construction Design Management (CDM) Regulations 2015	The Regulations that aim to make sure the construction project is safe to build, use and maintain and offers good value.

Appendix 1 – The cyclical programme

Type of Works	1	2	3	4-5	6-7	8-10	Total
External & Communal Maintenance (Estates)	£ 18,280,498	£ 15,170,830	£ 22,114,935	£ 76,591,585	£ 96,978,513	£ 174,341,359	£ 403,477,720
Kitchens & Bathrooms (Estates)	£ 5,653,064	£ 4,275,440	£ 6,760,680	£ 27,318,837	£ 31,861,144	£ 41,541,682	£ 117,410,847
Street properties (All works inc. K&B)	£ 9,109,359	£ 14,688,858	£ 6,186,803	£ 6,439,226	£ 38,125,337	£ 34,621,028	£ 109,170,611
Engineering	£ 12,240,000	£ 12,480,000	£ 12,720,000	£ 26,160,000	£ 27,120,000	£ 42,480,000	£ 133,200,000
Fire Risk Assessment	£ 3,060,000	£ 3,120,000	£ 3,180,000	£ 6,540,000	£ 6,780,000	£ 10,620,000	£ 33,300,000
Total	£ 48,342,922	£49,735,128	£ 50,962,417	£ 143,049,648	£ 200,864,994	£ 303,604,069	£ 796,559,178

Appendix 2 – Prioritisation principles for the initial programme cycle

The initial cycle of works has been planned on the following basis:-

- **Year 1:** Any estate/block properties that fall out of decency in April 2016 would be included in the 2016/17 programme. In addition, some of the properties that did not previously have works completed under the Warm Dry and Safe (WDS) programme, and now require some planned maintenance works would be included. Two of the eight management areas (based on the management areas of Borough & Bankside, Walworth, Bermondsey, Rotherhithe, Camberwell, Peckham, Dulwich, and Nunhead & Peckham Rye.) would have work to all its street properties in 2016/17, as indicated above. Any properties with immediate structural issues will also be included.
- **Year 2:** 2017/18 would include those estate/block properties that fall out of decency in April 2017, plus some of the properties which had works completed as part of the old 'two year programme'. (This was a previous two year programme agreed in approximately 2008-09 to the 'Southwark Standard' which included kitchens and bathrooms, which predated WDS) Another area of street properties would also be included.
- **Year 3:** 2018/19 would include estate/block properties falling out of decency in April 2018; plus some estates that were in the WDS 2012/13 programme. Another area of street properties would also be included.
- **Year 4:** 2019/20 would include properties falling out of decency in April 2019, plus some estates that were in the WDS 2013/14 programme. Street properties in another management area would also be included.
- **Year 5:** 2020/21 would include properties falling out of decency in April 2020, and some estates that were in the WDS 2014/15 programme; plus possibly another street properties area.
- **Years 6 & 7:** 2021/22 and 2022/23 would include properties falling out of decency, and some estates that were in the WDS 2015/16 programme; plus any remaining street properties.
- **Years 8 to 10:** 2023/24 to 2025/26 would pick up any remaining properties, with the intention to move to a seven year programme as quickly as resources allow.
- There may be some variations to the planned programme should a newly arising urgent repair issue occur. This is expected in the main to be newly arising structural issues which potentially pose a risk to health & safety.

Appendix 3 – Mechanical and Electrical Programmes

The approximate annual breakdown for the capital mechanical and electrical programmes are:

No	Element	Amount
1	District heating	£5,000,000
2	Individual boiler replacement	£4,000,000
3	Communal electrical supplies, emergency and external lighting	£1,000,000
4	Lifts	£1,200,000
5	Tanks	£ 490,000
6	Ventilation	£ 310,000

The planned programmes (subject to change and reprioritisation)

Year	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24
District heating scheme	Acorn Estate underground mains Ashdene 1-10 Ashdene 11-23 Ashdene 24-26 Oakdene 1-19 Pinedene 1-21 Meeting House Lane 53-89(o) Meeting House Lane 131-157(o) Carlton Grove 1-53 Carlton Grove 6-76 Carlton Grove 78-148 Beechdene 1-28 Willowdene 3-4,7-14,17-18,21-28 Willowdene 1,2,5,6,15,16,19,20 Hollydene 1,2 Hollydene 3-18 Arica House 1-88 Canada Boiler House (Canada Estate) Salisbury Plant Room (Heygate Estate – Salisbury) Leontine Close 1-99 Brandon Estate Plant Rooms Morton House 1-39 Napier House 1-36 Bateman House 1-68 Brawne House 1-68 Cornish House 1-68 Cruden House 1-68 Prescott House 1-68 Walters House 1-68	Albert Barnes 1-99 Bankside Boiler House Peronet 1-90 Green Walk 6-11 Green Walk 12-20 Green Walk 21-26 Rephidim Street 50-57 Rephidim Street 58-63 Rephidim Street 64-69 Rephidim Street 70-75 Keetons Plant Room	Wentworth Crescent 1-16 Wentworth Crescent 17-36 Wentworth Crescent 37-62 Pennack Rd 1-35 Pennack Rd 37-75 Pennack Rd 77-133 Pennack Rd 2-26 Pennack Rd 28-46 Willowbrook Rd 1-3	Prory Ct 1-36 Prory Ct 37-72 Columbia Point 1-80 Regina Point 1-80 Adron 1-16 Millender Walk 1-78	Cossall Walk SHU 109 (1-32) Cossall Walk 1-108 Gordon Rd 1a-5c,7a-15a(o),7-23 Mortlock Close 1-12 Mortlock Close 13-19 Mortlock Close 20-22 Mortlock Close 23-31 Mortlock Close 32-40 Mortlock Close 41-44 Sunwell Close 1-22 Sunwell Close 23-39 Hooks Close 1-9 Hooks Close 10-30	Hooks Close 31-35 Hooks Close 36-44 Hooks Close 45-59 Woods Rd 6-22 Woods Rd 24-40 Woods Rd 42-52 Woods Rd 54-88 Burchell Rd 2-42 Queens Rd 90 SHU (1-24) Toussaint Walk 1-5 Toussaint Walk 7-17 Toussaint Walk 2-8 Toussaint Walk 10-20 Webster Rd 1-31 Tranton Rd 1-17 Tranton Rd 19-29 Tranton Rd 2-12 Tranton Rd 14-20 Tranton Rd 22-42 Tranton Rd 44-54 Keetons Rd 30-40 Ben Smith Way 1-11 Gillison Way 1-8 Major Rd 2 John Roll Way 1-11(o),37-65(o),12-36 Collett Rd 2-36 John Mckenna Walk 1-20 Storks Rd 71-73 Storks Rd 75-81 William Ellis Way 1-9 Dockley Rd 20-34 Jamaica Rd 112-122 St James's Rd 32-38 St James's Rd 41-59 St James's Rd 61-85 St James's Rd 87-95 Rock Grove Way 1-42 Rock Grove Way 43-60 Market Place 14-23 Market Place 24-35 Drappers Way 1-35	Pardoner 1-12 Wakefield House 1-21 Wakefield House 22-37 Wakefield House 38-46 Wakefield House 47-54 Wakefield House 55-70 Wakefield House 71-91 Attleborough Ct 1-15 Attleborough Ct 16-25 Attleborough Ct 26-40 Attleborough Ct 41-57 Bromleigh Ct 1-6 Bromleigh Ct 7-12 Bromleigh Ct 13-21 Bromleigh Ct 22-29 Bromleigh Ct 30-36 Bromleigh Ct 37-42 Dunton Ct 1-10 Dunton Ct 11-20 Parfew Ct 1-6 Thetford Ct 1-11	Barset Estate refurb of pipework Potier Street 1-12 Tabard Street 269-279 Harry Lambourne SHU (1-36) Hastings Close 1-58 Helen Gladstone House 210-221 Helen Gladstone House 222-269 Jack Jones SHU (1-38) Lucy Brown SHU (1-38) Quenington Ct 1-32 Quedgley Ct 1-36 Westonbirt Ct 30 North Peckham Plant Room 5 Pentridge Street 37-67 North Peckham Plant Room 6 Cronin Street 63-88 Cronin Street 39-62 East Surrey Grove 18-38 Rowan Ct 25-45 Pear Ct 1-17 North Peckham Plant Room 7 Ct 1-18 Thames Ct 1-15 Danube Ct 19-30 Danube

Year	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24
Lift Refurbs	Fleming House Falcon Pt 31-42 Falcon Pt 73-84 Falcon Pt 95-102 Falcon Pt 103-110 St Peters Hse St Peters Hse Downend Ct Quedgley Ct Quedgley Ct Torrens Ct 1-12 Torrens Ct 13-24 Torrens Ct 25-36 Grosvenor Park SHU Grosvenor Park SHU	Bramcote Development Cooper Close Moreton Hse Ifield Hse Ivychurch Lane Leysdown Hse Littlebourne Hse Swinburne Ct 10-21 Swinburne Ct 22-33 Swinburne Ct 34-45 Swinburne Ct 46-57 Swinburne Ct 58-69 Honor Oak Rise Lew Evans Hse SHU Lew Evans Hse SHU	Prestwood Hse Abinger Hse Abinger Hse Abinger Hse Pedworth SHU Pedworth SHU Pedworth SHU Perth Ct 10-21 Perth Ct 22-33 Perth Ct 34-45 Perth Ct 46-57 Perth Ct 58-69 Shaftesbury Ct 1-12 Shaftesbury Ct 13-24 Shaftesbury Ct 25-36	Keetons SHU Jephson Hse Jephson Hse King Charles Ct SHU Hughes Hse SHU Prospect Hse Prospect Hse Tayside Ct 22-33 Tayside Ct 46-57 Hovendon Hse Ryegates Walkynscroft Crane Hse Crane Hse	Pallant Hse Pallant Hse Selbourne Hse Selbourne Hse Selbourne Hse Selbourne Hse Selbourne Hse Ely Hse Gisburn Hse Greystoke Hse Cross Ct 13-24 Mayhew Ct 1-12 Leconsfield Hse	Lingfield Hse Bittern Hse Crompton Hse Dartford Hse Hartley Hse Brownlow Hse Kellow Hse Huntley Hse Markham Hse Markham Hse Solomons Passage Russell Ct SHU Applegarth Hse Andoversford Ct Westombert/East	Blick Hse Eglington Ct Molesworth Hse Molesworth Hse Napier Hse Napier Hse Olney Rd 225-263 Andoversford Ct Cam Ct Quenington Ct Wickway Ct Wickway Ct Honeywood Hse Havil St 20-100 Havil St 165-203	

Year	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24
Tanks	Amigo Hse, Westminster Bridge Rd, SE1 Applegarth Hse A, Rockingham Estate, SE1 Applegarth Hse B, Rockingham Estate, SE1 Bittern Hse, Lant Street, SE1 Falcon Point 103-110 J, Hopton Street, SE1 Falcon Point 1-10 A, Hopton Street, SE1 Falcon Point 11-20 B, Hopton Street, SE1 Falcon Point 21-30, Hopton Street, SE1 Falcon Point 31-42 D, Hopton Street, SE1 Falcon Point 43-56 E, Hopton Street, SE1 Falcon Point 57-72 F, Hopton Street, SE1 Falcon Point 73-84 G, Hopton Street, SE1 Falcon Point 85-94 H, Hopton Street, SE1 Falcon Point 95-102 I, Hopton Street, SE1 Flaxman Hse, London Rd, SE1 Helen Gladstone Hse C, Blackfriars Rd, SE1 Helen Gladstone Hse D, Blackfriars Rd, SE1 Helen Gladstone Hse, Blackfriars Rd, SE1 Hunter Hse 1-15, Borough Rd, SE1 Hunter Hse 16-30, Borough Rd, SE1 Hunter Hse, King James Street, SE1 Laurie Hse, St Georges Rd, SE1 Meadow Rd 56-66, SE1 Meadow Rd 68-78, SE1 Meadow Rd 80-90, SE1 Meadow Rd 92-108, SE1	Detling Hse, Congreve Street, SE17 Dormstone Hse, Congreve Street, SE17 Cooks Rd 31-101, SE17 Dighton Ct 1-38, John Ruskin Street, SE17 Dighton Ct 28-54, John Ruskin Street, SE17 Eglington Ct 27-35, Peller Estate, SE17 Eglington Ct 36-44, Lorrimore Rd, SE17 Fielding Street 41 a-f, Peller Street Estate, SE17 Hillingdon Street 154-170, Peller Estate, SE17 Hillingdon Street 172-188, Peller Estate, SE17 Hillingdon Street 72 a-f, Peller Estate, SE17 Kean Hse 1-13, Duddington Grove, SE17 Langdale Close 29-34, Off Fielding Street, SE17 Lorrimore Rd 123-181, Lorrimore Rd, SE17 Manor Place 145-159, Manor Place, SE17 Molesworth Hse, Brandon Estate, SE17 Morton Hse 1-39, Otto Street, SE17 Olney Rd 234-262, Olney Rd, SE17 Penrose Hse 13-24, Penrose Street, SE17 Penrose Hse 133-138, Penrose Street, SE17 Penrose Hse 25-36, Penrose Street, SE17 Penrose Hse 37-52, Penrose Street, SE17 Penrose Street 94-104, Penrose Street, SE17 Penrose Street 133-138, Penrose Street, SE17 Penrose Street 140-190,	Laing Hse Tank Room, West Camberwell, SE5 Lowel Hse 20-40, Sultan Rd, SE5 MyersHse 1-16, Bethwin Rd, SE5 Palgrave Hse 1-45, Sultan Rd, SE5 Palgrave Hse 19-31, Sultan Rd, SE5 Benhill Rd 1-27, Benhill Rd, SE5 Benhill Rd.1-27, Benhill Rd, SE5 Bonsor Street 12-17, Bonsor Street, SE5 Cunningham Hse 1-20, Hopewell Street, SE5 Hopewell Street, SE5 Asylum Rd SE15 Bath Close, 126 - 138, Asylum Rd SE15 Bath Close, 140 - 150 Asylum Rd SE15 Bath Close, 14-24 Asylum Rd SE15 Bath Close, 150 -160 Asylum RD SE15 Bath Close, 91 - 101 Asylum Rd SE15 Bath Close.1 - 11 Asylum Rd,SE15 Bath Close,104 - 114 Asylum Rd,SE15 Beechdene Hse 19, Carlton Grove SE15 Bird in Bush 48-58, Bird In Bush Rd, SE15 Bird in Bush Rd, 48-58 Bird in Bush Rd,SE15 Bromyard Hse, Commercial Way, SE15 Budleigh Hse, Oliver Goldsmith Estate, SE15 Bunbury Hse, Oliver Goldsmith Estate, SE15 Carlton Grove, 25 Carlton Grove, SE15	Naylor Rd 85 - 91a Flint Street SE17 Naylor Rd 86 - 92 Flint Street SE17 Oakdene Hse 10, Queens Rd, SE15 Oakdene Hse 15, Queens Rd, SE15 Oakdene Hse 18, Queens Rd, SE15 Oakdene Hse 20, Queens Rd, SE15 Peterchurch Hse, Commercial Way, SE15 Andovers Ct, St Georges Way SE16 Hordle Promenade South, North Peckham, SE16 North Peckham Estate Tower 6, SE16 North Peckham Estate Tower 9, SE16 North Peckham Estate Tower 10, SE16 72 Grove Lane Camberwell Grove 125 - 151 Lettsom St SE5 Camberwell Grove 125 - 151 Lettsom St SE5 Camberwell Grove 125-151 Lettsom St SE5 Camberwell Grove 94 Camberwell, SE5 Chatham, Lettsom, SE15 Crasdon, Lettsom, SE15 Crofton Rd 61-73, Crofton Rd, SE5 Edge Combe Hse, Lettsom, SE15 Fearnley Hse 14-84, Vestry Rd, SE5 Fowler, Lettsom, SE15 Graces Rd, 15-23 Graces Rd SE5 Harden, Lettsom, SE15 McNeil 26-61, Lettsom,	Brownlow Hse 1-20, George Row, SE1 Dartle Ct, Scott Lidget Street SE17 Purbrook D 81-106, SE16 Purbrook E 107-130, SE16 Burton Hse 1-24, Cherry Street, SE16 Layard Square, New Place Estate, SE16 Lockwood Square, New Place Estate, SE16 Marden Square, New Place Estate, SE16 New Place Square, New Place Estate, SE16 Perryn Rd, St Crispin Estate, SE16 Risden Hse, Albion Estate, SE16 Ritchie Hse, Howlands Estate, SE16 Maydew Hse 1-145, Abbeyfield Rd, SE16 Tissington Ct, 73-134 Rotherhithe New Rd SE16 Detling Hse no. 10, Congreve Street, SE17 Detling Hse no. 13, Congreve Street, SE17 Detling Hse, Congreve Street, SE17 Detling Hse, Congreve Street, SE17	Dormstone Hse, Congreve Street, SE17 Dormstone Hse, Congreve Street, SE17 Hampton Hse, Newington Offham Hse, Townsend Street, SE17 Bowness Hse, Tustin Estate, Old Kent Rd, SE1 Dartford Hse, Tustin Estate, Dunton Rd, SE1 Kentmere Hse, 1-38 Old Kent Rd, SE1 Mortain Hse, 1-16 Camilla Rd, SE1 Radcliffe Hse 1-16, Anchor Street, SE16 Ramsfort Hse 1-36, Roseberry Street, SE16 William Rushbrook Hse, Linsey Street SE15 Alberta Street 37-41, Alberta Street, SE17 Alberta Street 8-24, SE17 Churchward Hse, Lorrimore Rd, SE17 Cooks Rd 1-11, Brandon Estate, SE17 Cooks Rd 13-23, Brandon Estate, SE17 Cooks Rd 13-31, Brandon Estate, SE17 Cooks Rd 14-24, Brandon Estate, SE17 Cooks Rd 2-12, Brandon Estate, SE17 Cooks Rd 26-32, Brandon Estate, SE17 Cooks Rd 31-101, Cooks Rd, SE17	Cunningham Hse 1-20, Hopewell Street, SE5 Cunningham Hse 1-20, Hopewell Street, SE5 Dalwood Street 9-19, Dalwood Street, SE5 Gilesmead 1-40, Vicarage Grove, SE5 Herrick Hse 1-18, Elmington Rd, SE5 Hood Hse 1-24, Brisbane Street, SE5 Kimpton Ct 1-11, Kimpton Rd, SE5 Kimpton Rd 1-35, Kimpton Rd, SE5 Kipling Hse, 1,6,721, Camberwell Rd, SE5 Kipling Hse, 1,6,721, Camberwell Rd, SE5 Lamb Hse 1-40, Camberwell Rd, SE5 Langland Hse 1-14, Edmund Street, SE5 Rill Hse, Harris Street, SE5 Rumball Hse, Harris Street, SE5 Sedgemoor Place 138-148, SE5 Angelina Hse, Oliver Goldsmith Estate, SE15 Ashdene Hse, Meeting Hse Lane SE15 Ashdene Hse10 - 12 , Meeting Hse Lane, SE15 Ashdene Hse15 - 16 , Meeting Hse Lane, SE15 Ashdene Hse17 - 18 , Meeting Hse Lane, SE15 Bath Close 2 - 12 , Asylum Rd SE15 Bath Close 25 -35, Asylum Rd SE15 Bath Close 26 36, Asylum Rd SE15 Bath Close 37 - 47 , Asylum Rd SE15	

Year	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	
	<p>Merrow Hse, Rushworth Street, SE1 Murphy Hse 1-6 A, Borough Rd, SE1 Murphy Hse 19-22 C, Borough Rd, SE1 Murphy Hse 7-18 B, Borough Rd, SE1 Newman Hse 19-55 B, Garden Row, SE1 Prospect Hse, Gayworth St, SE1 Prospect Hse, St Georges Drive, SE1 Redman Hse 1, Lant Street, SE1 Redman Hse 1-52, Lant Street, SE1 Redman Hse 8, Lant Street, SE1 Redman Hse C, Lant Street, SE1 Redman Hse D, Lant Street, SE1 Redman Hse E, Lant Street, SE1 Redman Hse F, Lant Street, SE1 Redman Hse G, Lant Street, SE1 Redman Hse H, Lant Street, SE1 Redman Hse J, Lant Street, SE1 Redman Hse Lower A, Lant Street, SE1 Redman Hse Lower B, Lant Street, SE1 Redman Hse Tower 1-52, Lant Street, SE1 Redman Tower B, Lant Street, SE1 Ripley Hse A, Rushworth Street, SE1 Ripley Hse B, Rushworth Street, SE1 Rockingham Community Centre, Flamouth Rd, SE1 Rowland Hill Hse, Blackfriars Rd, SE1 Trundle Hse, Lant Estate, SE1 Vaughan Hse, 1 - 55 Blackfriars Rd, SE1 Brownlow Hse 1-20, George Row, SE1</p>	<p>Penrose Street, SE17 Sharsted Street 24a - 24f, Sharsted Street, SE17 Sharsted Street 26a - 26f, Sharsted Street, SE17 Stopford Rd 1a-5c, Stopford Rd, SE17 Chadwell Hse, Inville Rd Chartridge, Portland Street, SE17 East Street 184 A-F, East Street, SE17 Gayhurst 1-61, Hopwood Rd, SE17 Groombridge Hse 1-9, Upnor Way, SE17 Knight Hse, Huntsman Street, SE17 Latimer Hse, Beaconsfield Rd, SE17 Lees Hse, Inville Rd, SE17 Brantwood 1-19, Sultan Rd, SE5 Brantwood 20-40, Sultan Rd, SE5 Crawford Est 22-55 Crawford Rd SE5 Laing Hse Tank Room, West Camberwell, SE5</p>	<p>Carlton Grove, 47 Carlton Grove, SE15 Clifton Way 22-32 Clifton Way SE15 Clifton Way 22-32, Clifton Way, SE15 Commercial Way 157 - 177 Commercial Way SE15 Friary Rd ,69 -73 Friary Rd SE15 Hollydene Hse 1-2 , Carlton grove SE16 Holme Hse 1 - 6 Studholme St SE15 Juniper Hse 1-75, Pomeroy Street, SE14 Labernum Close 1 - 8 Clifton Way Labernum Close 13 - 18 Clifton Way Labernum Close 25 - 30 Clifton Way Labernum Close 31 -35 Clifton Way Labernum Close 43 - 51 Clifton Way Labernum Close 7 - 12 Clifton Way Meeting Hse Lane 155 Meeting Hse Lane SE15 Naylor Rd 85 - 91a Flint Street SE17</p>	<p>SE15 McNeil 62-85, Lettsom, SE15 Rignold, Lettsom, SE15 Springfield, Lettsom, SE15 Vestry Rd 116 - 130 Vestry Rd SE5 Vestry Rd 132-142 Vestry Rd SE5 Vestry Rd 90 - 112 Vestry Rd SE5 Vestry Rd 132 - 142 Vestry Rd SE5 Walters Hse,1-14, Lettsom Street, SE5 Arnold Dobson Hse, St Marys Rd, SE15 Hawkslade Rd, SE15 Torrige Gardens 1-23, Torrige Gardens SE15 Hannen Hse, Pirie Rd, SE5 Sunray Avenue 89-95, Denmark Hill, SE5 Sunray Avenue 105-111, Denmark Hill, SE5 Adys Rd, 1-11 Adys Rd SE15 Adys Rd,1-11 Adys Rd SE15 Adys Rd,1-11, Adys Rd, SE15 Naylor Rd 85 - 91a Flint Street SE17 Holderness Hse, Champion Hill, SE5 Oak Hill Ct 1-25, Honor Oak Park, SE23 Ullswater Hostel , Tustin Estate, Old Kent Rd, SE15 Russel Ct, Heaton Rd, SE15</p>				<p>Bath Close 38 - 48 , Asylum Rd SE15 Bath Close 49 - 59 , Asylum Rd SE15 Bath Close 50 - 60, Asylum Rd SE15 Bath Close 61 - 79 Asylum Rd SE15 Bath Close 80 - 90 Asylum Rd SE15</p>	

Year	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24
Ventilation	Ryehill Park 210 - 296 66 Linden Grove Albert Barnes Hse Albert Westcott Amstel Ct 1 - 6 Amstel Ct 7 - 17 Andoversford Ct Arnot Hse Astley Hse Balman Hse Barsett Rd Barton Close 1 - 12 Barton Close 13 - 20 Barton Close 21 - 39	Arica Hse Bateman Hse Bells Green Community Centre Bishopsmead Blackthorne 1 - 8 Blackthorne 9 - 16 Blackthorne 17 - 31 Bradenham Hse 1 - 41 Bradenham Hse 42 - 256 Brodie Hse	Calverton Camberwell Grove Chatham Street 2 - 8 Chatham Street 10 - 16 Chatham Street 18 - 24 Chatham Street 26 - 32 Church Mead Columbia Point Coniston Hse Consort Community Centre Cornish Hse Cossall Community Centre Crane Hse Cronin Street 25 - 62 Cronin Street 63 - 68 Cronin Street 115 - 126	Cronin Street 1 - 12 Dunlin Hse East Surrey Grove 1 - 38 East Surrey Grove 63 - 92 Edgecombe Hse Eglington Ct Egret Hse Emberton Empress Street Hemp Walk 5 - 8 Hemp Walk 9 - 12 Hemp Walk 13 - 16 Hillery Close 7 - 12 Hillery Close 13 - 18 Hillery Close 31 - 36 Laird Hse Marie Curie Hse Marinel Hse Masterman Hse	Mardyke Hse Pennack Rd 1 - 35 Pennack Rd 2 - 26 Pennack Rd 28 - 46 Pennack Rd 37 - 75 Pennack Rd 77 - 133 Penrose TA Hall Pentridge Street Pentridge Street 25 - 67 Pope Hse Prescott Hse Prospect Hse Redman Hse 53 - 110 Regina Point Rignold Hse Simla Hse	Siskin Hse Smeaton Ct Tawny Way Thames Ct 1 - 15 Thames Ct 16 - 33 Thames Ct 34 - 53 Tissington Ct Wendover 1 - 240 Wendover 241 - 471 Wickway Ct	Southwark Park Rd 10 - 20 Southwark Park Rd 22 - 36 Southwark Park Rd 38 - 48 Springfield Hse Styles Hse Tadworth Hse Taplow Walkynscroft Walters Hse Wilmot Close Windsmere Point Winslow Witcombe Point Wollaston Close	

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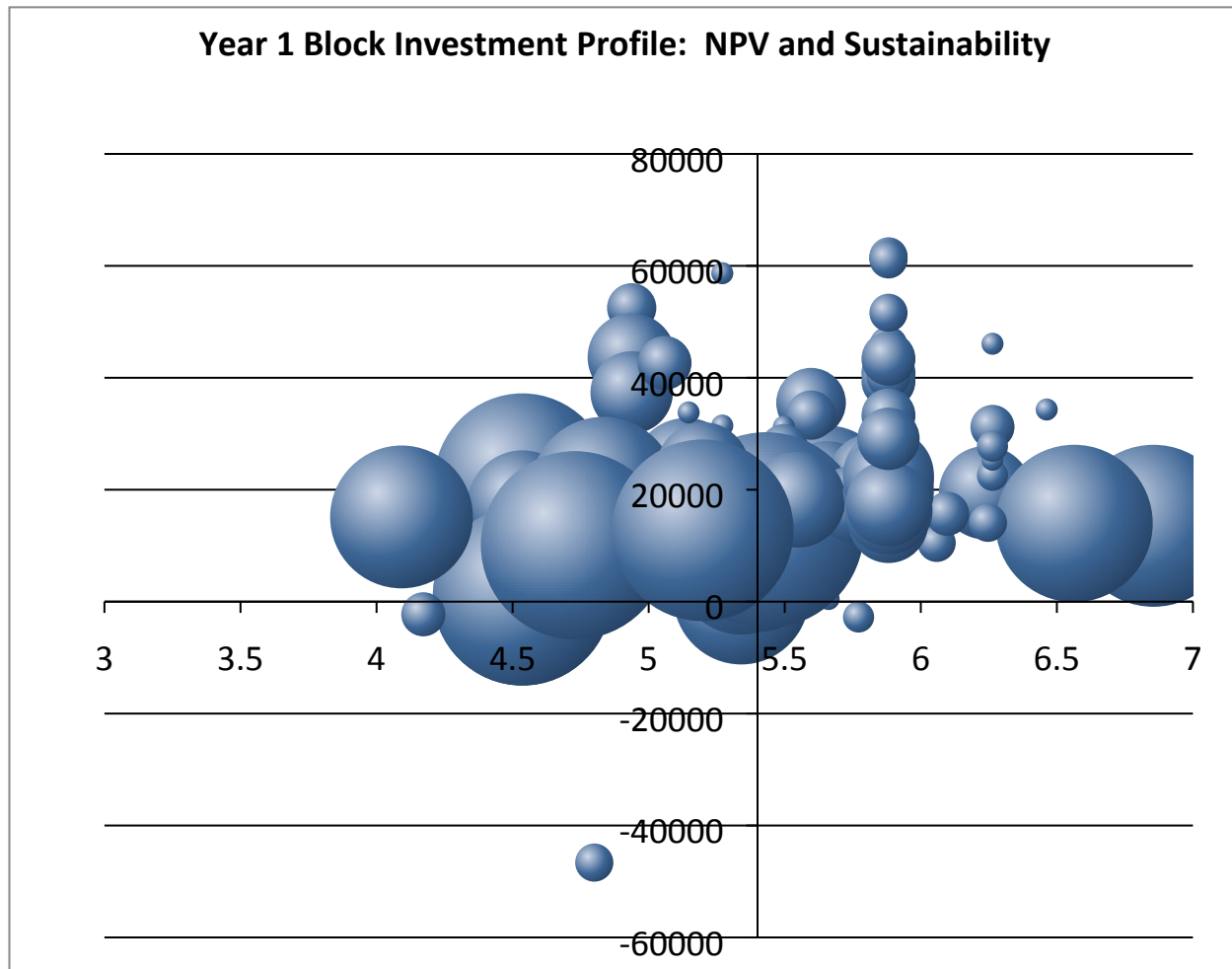
Appendix 4 – Strategy Capital resources in the 30 year business plan

The following resources are currently within the 30 year HRA business plan assumptions to deliver the strategy. The resources exclude any existing commitments for WDS.

Year	Amount
1	£48,342,922
2	£49,735,128
3	£50,962,417
4 – 5	£143,049,648
6 – 7	£200,864,994
8 – 10	£303,604,069
10 – 15	£304,214,999
16 – 20	£341,294,248
21 – 25	£359,863,801
26 – 30	£308,172,132

Appendix 5 – Initial Year programme and investment appraisal

Using the model developed by Savills a profile of the year one block investments has been created. This shows that nearly all the blocks have a positive NPV, despite these block containing properties that are falling out of decency or properties that did not receive works in the previous five years. The majority of these properties are above the bottom quartile for sustainability of 4.82.



There are two blocks showing bottom quartile for sustainability (against the overall stock) and a negative NPV. On further investigation there was found to be data integrity issues for one block leaving one block that had a poor NPV and sustainability score. It is a two storey building, with 4 tenanted homes and 3 commercial units. These properties have, for the moment, been removed from the programme for further consultation in line with the Charter of Principles.

Year 1 investment profile

Measure	Block Average
NPV (30 year)	£21,970
Sustainability score	5.5

Savills stock average

Measure	Average
NPV (30 Year)	£12,597
Sustainability score	4.8

Block under consideration

Measure	Average
NPV (30 Year)	-£2,258.75
Sustainability score	4.2