



**ASSET MANAGEMENT STRATEGY
HARLOW COUNCIL
HOUSING SERVICE**

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1. Executive Summary

Sixty years or so have passed since four rural Essex parishes were designated as the area for a post-war new town, and the Council's housing stock is large compared to many other authorities in the region.

The Council's Asset Management Strategy is evolving to meet the challenges of this environment, embracing the implementation of Housing Revenue Account (HRA) "Self Financing" and the way the housing service needs to be delivered.

The new freedoms brought about by self financing mean that the HRA Business Plan is able to plan effectively and with confidence the housing capital expenditure over the next few years. Meaningful programmes, with increased resources and aspiration, are set and communicated with tenants and leaseholders ensuring priorities are established, accountability is demonstrated, and value for money is sought.

The Council's housing stock has generally performed well against other Councils with approximately 82% of the housing stock achieving the Decent Homes Standard (as at April 2012). Overall, the Council's housing stock is in a reasonable state of repair but in need of planned re-investment. Due to the age profile and the stock generally being of the same age and profile, many of the components within individual dwellings have reached the end of their economic life and will require complete replacement in the short to medium term. :

The Council's key objective is to deliver decent homes for all tenants by April 2015, and link to the Council's corporate objective of providing "More and better housing". Investment and procurement plans are in place for these objectives to be achieved, and meet statutory requirements. The establishment of a new five year investment strategy for the stock is based on a transparent investment standards, robust replacement and /or refurbishment plans, the performance of the assets, and business plan affordability.

There are a significant number of families in Harlow that receive some form of benefit. Many of these families may be in fuel poverty. The Council has established a plan identifying high energy use dwellings with low thermal efficiency specifically to raise them above the fuel poverty threshold of spending more than 10% of their income on fuel to maintain an adequate standard of warmth. The Council will also look at using funding from schemes such as the Green Deal programme to supplement its energy efficiency spending. The strategy prioritises improving its worst energy efficient properties with approximately £1m per annum is allocated to improving insulation, boiler efficiency, tackling design issues taking tenants /leaseholders out of "fuel poverty". The Council is actively seeking partners to assist with the continuation of this programme and a priority will be to insulate hard to treat cavities and provide external wall insulation to its tall blocks of flats.

Over the next years further analysis and evaluation of the key assumptions used within this plan are required. A review of the strategy will form part of the work plan of the Housing Management Standards Board and associated Panels linking to the Council's governance structures.

2. Introduction

2.1. Background

In April 2012 a new financial framework was introduced for Council housing. As a result Harlow Council is in the position of being able to manage a “self financed” housing business plan which uses the rental income from the properties to finance the long term management and maintenance of the housing stock. A new 30 year business plan gives the Council the ability to set long term asset management plans for all its housing assets in a way that had been less flexible under the old financial systems.

The new financial framework brings with it additional risks for the Council, to manage its housing business without any ongoing support from central government. It also introduces some limits on the amount the Council can borrow to finance its housing business plan. This means that it is more important than ever for the Council to understand its housing assets and the resources available to maintain them, and to set a long term asset management plan that ensures the value of these assets is maintained and improved in the long term, for the benefit of the Council and residents.

Harlow Council is committed to providing good quality and desirable social housing in partnership with its tenants, leaseholders and Kier Harlow Ltd. The Council recognises that strong tenant and leaseholder involvement is key to securing these aims and is committed to working with its partners and other stakeholders to secure these aims for all its residents.

This strategy covers the Council’s rented housing stock (general needs and sheltered) of just under 10,000 homes, just under 2,400 leasehold and shared ownership properties (where the Council’s repairing liabilities are more limited and costs recharged to owners) and over 10,000 garages. It also includes around 60 leased and managed properties.

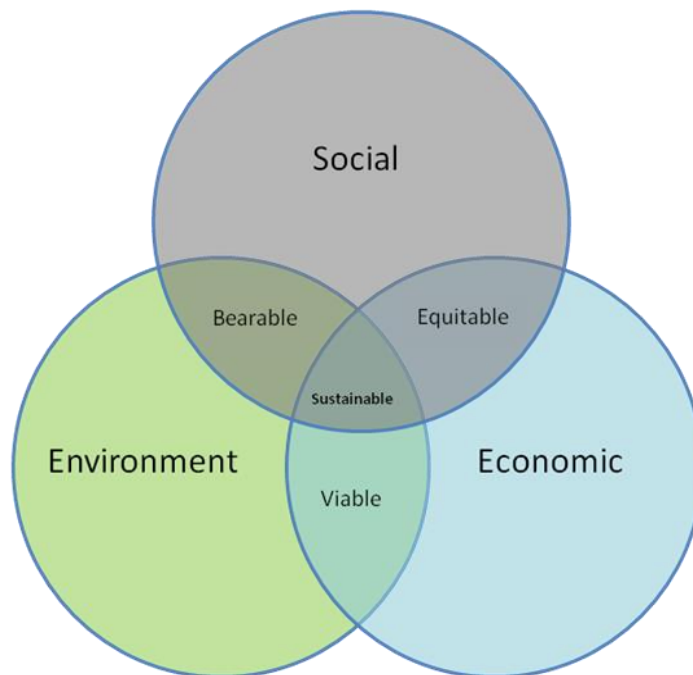
2.2. Purpose of the Asset Management Strategy

The Asset Management Strategy (AMS) provides a framework for us to proactively manage our housing stock in support of overall business plan and corporate objectives and to provide fit for purpose good quality homes for our residents.

Asset management is about understanding and managing the performance of, and risks presented by, a landlord’s assets. An asset management strategy therefore provides a framework for landlords to manage stock proactively and support business plan objectives. It is used by social landlords to link knowledge of the landlord’s stock, the landlord’s holistic property requirements in response to local demand and customer aspirations, and what is affordable in the business plan. It also needs to focus on issues of sustainability, both environmental and social, and fuel poverty.

The strategy recognises that housing assets can also become liabilities, threatening the Council’s viability as a landlord and significantly impacting on tenants’ lives. To decide the best use of its assets the Council has to assess management costs and risks and take a commercial approach focusing on achieving a positive rate of return on investment and overall cost reductions. This may lead to consideration of wider strategies, such as stock rationalisation or disposal and

replacement with new better quality homes. In taking this approach the Council is clear that because as a landlord they are a social business, “investment” means getting the best return for both landlord and resident in terms of economic performance and social and economic sustainability. We need to consider the links between these factors as illustrated below:



2.3. Corporate objectives

This Asset Management Strategy has been established to complement and inform the Council’s (1) Corporate Asset Management Plan (2) Strategic Procurement and Investment Plan 2012 and (3) Harlow’s Council Housing Business Plan and sets out priorities for the physical care and improvement of the housing stock.

Harlow Council has a number of Strategic Objectives, which underpin this document. They include:

- More and better housing
- Regenerating the town and supporting a thriving economy
- A clean, green and sustainable environment
- Successful young people and improving citizenship
- Promoting social inclusion
- Providing community leadership and good governance
- Sound resource management

2.4. Asset Management Priorities

Harlow's Council Housing Business Plan has been prepared to reflect the provision of self-financing and backlog repairs funding to ensure Harlow Councils stock meets its decency objectives by 1st April 2015 and further develops a robust approach to maintaining all its housing assets (land and property) over the 30 years of the Business plan and ensures that previous investment and future value is enhanced by the accurate targeting of cyclical repairs, planned maintenance and responsive repairs.

These objectives which have been mutually agreed with tenants and leaseholders can be summarised as follows:

2.4.1. Short term 5 years

- Decent Homes Targets – using "backlog" funding from central government to meet core Decent Homes targets by 2015.
- Developing the Decent Homes Standard in Harlow including;
 - Kitchen **and** bathroom renewal programme
 - Upgrade single glazed uPVC windows to double glazed uPVC windows
- Priorities identified in the stock condition survey for Housing Health and Safety Rating System (HHSRS) failures – the new Fitness standard for Housing
- Statutory Testing, (e.g. gas servicing, fire alarms testing, electrical testing, fire stopping works and asbestos testing)
- Meeting our day to day repair obligations
- Renewing building elements that have been identified as needing replacement now (Run to failure).
- Review materials and specifications to include for environmental climate change
- Addressing dampness and condensation
- Carrying out disabled adaptations to tenanted properties
- Managing empty properties, sustaining the new relet standard and carrying out work promptly to bring back into use
- Exploring options to return long term empty properties back to general needs housing
- Requirement for repairs under right to repair legislation
- Exploring options for garage sites, including refurbishment and improvement as well as redevelopment.
- Ensure the Council's Temporary Accommodation meets the minimum Decent Homes Standards and statutory obligations
- Maintain the Council's Sheltered Housing in line with Decent Homes where there is long term demand for the accommodation
- Stock rationalisation - challenging the notion of unchanging asset ownership and replacing uneconomic stock to enable the development of new better quality homes e.g. Wissants, The Briars, Copshall Close and Aylets Field
- Maintaining a survey and inspection regime for all trees on our housing land.
- Exploring options to access funding and deliver works under the Green Deal – External Insulation to Non Traditional properties and cavity insulation on 'Difficult to Insulate' blocks of flats
- New Build – To develop a 'pathfinder' using derelict garage sites, and introduce a process of annual review of development potential across the portfolio
- To acquire existing satisfactory street properties to help replace those lost through the right to buy scheme
- Maximise grant funding opportunities

- Tower blocks – To seek external funding to insulate and upgrade thermal efficiency of tower blocks.
- Re-procure the responsive repairs, voids and other servicing contracts

2.4.2. Medium Term 5-15 years

The Council's medium term asset management plan aim is to make best use of its assets by carrying out a review of the property stock and housing land. Comparing investment appraisal, likely demand, and unit expenditure. Specifically the following;

- Implement the outcome of investment appraisals for the future of non traditional construction property types – following an inspection programme (i.e. Airey, Cornish and Wates houses 42 properties) to be completed in 2013 and at Three Hills estate..
- Evaluate the use and need for bin storage including a replacement and refurbishment programme to stores, shed areas and drying areas.
- Tackle unsatisfactory levels of dampness (condensation).
- Improve the layout of amenities not meeting modern requirements and requiring replacement
- Address estate management issues including;
 - Vandalism and graffiti of public realm
 - Limited street furniture and lighting
 - Limited maintenance and management of public realm
 - Paving
 - Environmental improvements
- Garage and parking strategy – To deal with medium and long term priorities for replacement parking
- Sustainability and Energy Saving schemes – supporting government initiatives and ensuring the Council benefits from resources available
- Temporary Accommodation – ensuring a supply of good quality accommodation to meet identified demand
- Identifying opportunities for new build and exploring options for its funding, delivery and long term ownership

2.4.3. Long Term (15 to 30 years)

In the long term the Asset Management Plan will seek to increase and/or replace the housing stock and related assets. Specifically to

- Improve the quality of the public realm and overall neighbourhood management
- Enhance overall building stock and overcome weaknesses in any typology
- Overcome any early failure of building components
- Enhance local property market conditions by meeting the demands of existing and new residents and thereby increasing the value of the properties
- Fulfil the wider housing quality and choice agenda.
- Continuing a programme of new build with annual review

An action plan setting out the delivery of these objectives is included at Appendix One.

2.5. Asset management planning requirements and tools

Harlow Council has a range of tools to assist in the process of delivering this strategy. Central to effective asset management is the development of robust and integrated management information system (Keystone) to enable effective planning. The new strategy relies on

information in the following areas which will need to be regularly updated to ensure it is fit for purpose:

- **Stock condition data**

The plan is supported by a comprehensive scoping survey carried out by Savills. The issue and collection of data will be strictly controlled by Harlow Council and all works of a capital nature will be updated via direct data load by the Council. An annual update and reconciliation of all asset and housing IT systems will be undertaken by the Council to ensure the data is maintained and up to date in all areas.

- **Fire Risk Assessment (FRA)**

An area of serious concern has been the lack of compartmentalisation between floors and adequate Fire Risk Assessment data covering the communal areas to Harlow's flatted blocks. The urgent works arising from these Fire Risk Assessments have been programmed into years 1 and 2 (2013-15) of the Council's investment plan and has resulted in a rectification programme to ensure common areas meet current fire safety regulations. Management issues identified alongside physical FRA works were undertaken immediately and have been implemented.

- **Asset Performance Evaluation**

The Council has already identified Priority Estate areas where a number of actions have arisen from consultation with residents and decisions made which range from disposal for some estates through to major investment and upgrading of properties and common areas in others. This strategy proposes an approach to assess the performance of all the Council's housing stock. Where stock is performing poorly, on either a financial or broader sustainability basis, alternative options will be explored for these areas before investment decisions are made. This approach ensures resources are targeted where they will provide maximum value for the Council and residents, and helps to plan for the replacement or modernisation of properties.

- **Asbestos**

The current Asbestos management database for Housing Properties has been populated onto the Keystone database to ensure there is a one stop shop for property information. Under the new process this will continue to be developed and it is anticipated that the asset system and asbestos register will be web hosted in 2014/15 to allow contractors and residents/tenants to view their property. Following the asbestos surveys undertaken in 2012/13 around 92% of all dwellings have been surveyed for asbestos and asbestos based products. The Council will ensure that it maintains accurate Asbestos information and this will be tested via Demolition and Refurbishment surveys undertaken over the duration of the business plan.

These are the basic tools required to enable the Council to take informed decisions. Once the strategic decisions have been made, we are able to use the various components of the Strategy to deliver results.

These components include:

- Refurbishment and remodelling or replacement of dwellings to ensure they remain attractive, meet tenant expectations and are effective and sustainable.
- A fully detailed 5 year (rolling) planned and cyclical maintenance programme based on a geographic elemental replacement cycle in conjunction with key investment decisions

achieving economies by replacing components just before they would otherwise require response repairs, anticipating changes in minimum acceptable standards and investing to reduce future requirements for cyclical maintenance.

- Planned re-investment and external painting and repairs to prevent deterioration in the physical condition of the stock.
- A response maintenance service to ensure that residents remain satisfied, safe and secure with their accommodation and to ensure previous investment in the stock is safeguarded.
- An efficient and effective voids management service.
- The creation of neighbourhood plans and a modern re-generation strategy to maintain high quality stock that customers want to rent.

2.6. Links to Business Plan

The Council's Housing Revenue Account (HRA) business plan shows how financial viability can be maintained over the long term upon which the AMS has been based.

The Asset Management Strategy needs to take into account resources available for investment in the stock taking into account:-

- The requirement to service and manage housing debt
- The fact that the amount the Council can borrow to invest in its housing stock is limited by government
- The Council's rent policy ensuring rents remain affordable in the long term but exploring flexibility beyond 2015 to ensure a reasonable return on social housing assets
- Other sources of income from assets including garages and commercial income such as rental for telephone aerials on high rise, rent a roof solar panel schemes etc.
- Backlog funding available from government for decent homes work
- Grant funding for energy performance measures

2.7. Risk Management

Housing Asset Management carries a series of risks for the Council due to it being:

- the greatest consumer of funds before debt servicing
- the element of the Council's landlord operations most vulnerable to increased costs
- the scope and quality of stock investment as a key driver of resident satisfaction

The Council can manage its risks by smart procurement of stock investment. The objective is to improve the base financial position by active asset management:

- Regular quinquennial stock condition reporting
- Sound investment in remodelling outdated homes and estates
- Disposal of unsustainable stock and its replacement with new housing.
- Applying robust investment tests on a regular basis to all our properties to identify poor performers requiring options appraisal, medium performers requiring some investment and good performers where it is ok to continue to invest.
- Optimise use of land and garage sites by regular option appraisals
- Re-designate stock in line with the Councils housing needs survey

A regular process to identify and assess risks (strategic and delivery) is in place and is embedded within the Council's risk register. Any new risks identified are assessed for impact and probability with mitigating actions implemented.

2.8. Future review

This strategy covers the period 2014 – 2019. Progress against the plan will be reviewed annually. The strategy review process will commence in early 2015.

3. Demand and sustainability

3.1. Supply – stock profile

Harlow, established in 1947, was designed by the architect, Sir Frederick Gibberd, who drafted the Master Plan. The construction of the new town was overseen by the Harlow Development Corporation during the 1950s and 1960s. Many new types of construction were tried with varying degrees of success and Harlow is still living with the legacy of some poorly designed and constructed properties and estate layouts.

The Harlow Development Corporation transferred all its housing assets to Harlow Council in 1978, which resulted in the Council's housing assets increasing from 2,000 to 24,000 properties.

With Right to Buy (RTB) sales and other property disposals, the Council's total housing assets (as at 1 April 2013) have diminished to 9,786 dwellings.

An analysis of the stock by type is listed below:

Table 3.1 - Stock Profile by Asset Type and Age (as at 1 April 2013)

Traditionally Built Houses		
Small terrace houses (less than 70m ²)	Pre 1945	12
Semi detached houses	Pre 1945	152
All other houses	Pre 1945	9
Small terrace houses (less than 70m ²)	1945 - 1964	854
Large terraced, semi-detached or detached houses (70m ² and above)	1945 - 1964	2,738
All houses	1965 - 1974	521
All houses	Post 1974	354
Non Traditionally Built Houses		
All houses	Pre 1945 – Post 1974	791
Traditionally and Non Traditionally Built Flats and Bungalows		
Low rise flats (1-2 storey)	Pre 1945	15
Low rise flats (1-2 storey)	1945 onwards	1,361
All medium rise flats (3-5 storey)	Pre 1945 onwards	1,928
All high rise flats (6 or more storeys)	1945 – Post 1974	393
All bungalows	1945 onwards	658
Total		9,786

Table 3.2 - Stock Profile by Asset Type

Property type	Quantity	% of total stock
Houses, all types	5,431	55.50
Bungalows	658	6.72
Low rise flats	1,377	14.06
Medium rise flats	1,928	19.70
High rise flats	393	4.02
Total	9,860	100

The Council also manage over 9,000 garages. Many of these garages became hard to let due to location and vandalism. The Council has a garage strategy which will be revised and updated in 2014/15. The review will include:

- Re-establishment of the working group
- Survey of all garage sites and associated land, building on the previous information collected to include a full repair programme for 30 years.
- Option appraisal of garage sites for sustainability and potential alternative use

3.2. Demand

Harlow Council has a register of 3,213 home seekers and those seeking a transfer as at 31 March 2013 and the Council recognises that it is important to make the best use of the housing stock in line with the demographics of the area and for there to be a quick turn-around in void properties.

The detailed analysis of the stock set out at Appendix Two includes an analysis of void rates across the stock. As part of its review of Responsive and Void repairs the Council will need to consider what actions can be taken to reduce rent lost from voids and improve the lettable and use of properties.

Despite the demand for more housing in Harlow, all new social housing that has been built in the town for a number of years has been developed by housing associations and the role of the Council has been as a facilitator (rather than a provider). Changes to council housing (HRA) funding and powers have stimulated a wide range of alternative delivery options, including the ability for Councils to build new homes again. The Council recognises that it owns a valuable housing asset base with capacity to raise significant funds to support investment. Its ability to borrow within the HRA is limited by government regulation but there are a variety of alternative options to attract funding and deliver new homes. The Council is now well placed to enhance delivery and maximise value for money, by taking a more proactive role.

3.3. Residents perceptions

The Council employs a wide range of measures to enable it to engage with more of its tenants and leaseholders and contact customers who have recently used the Housing Service to check that they are satisfied with the service provided. The Council has a model for tenant engagement and this can be accessed from the Council's website www.harlow.gov.uk. This model includes the following communication outlets:-

- Housing Standards Board.
- Service Panels (Five Panels).
- Tenant and Leaseholder Forums
- Sheltered Housing Focus Group.
- Tenant and Leaseholder Conference.
- Web site.
- Sounding Board.
- Annual Report
- Harlow Home (a centrefold insert in Harlow Times for Council Tenants and Leaseholders).
- Harlow Times (for all Harlow residents).

By these means, the Council disseminates information to residents and customers and also receives feedback/suggestions on service improvement by the people who receive the service. This information is invaluable to the Council and changes to the service are made as a result of listening to Tenants and Leaseholders. The Council will continue to develop these forums and teams to ensure that Tenants and Leaseholders continue to influence what Harlow Council does.

The Council for the first time published on its website (Link) a full 5 year investment programme detailing what works tenants could expect to their homes. The repairs panel was instrumental in the completion of the programme and this will continue in future years.

In 2014 the Council will publish the external works programme and leaseholders and tenants will again be involved with this work.

3.4. Tenant involvement

The Council is committed to Tenant involvement and is reviewing how it can more actively engage Tenants in the inspection and monitoring process.

There are five Standards Panels (SP) plus one focus group that Tenants and Leaseholders can attend. These are :-

- Sheltered Housing Focus Group.
- Repairs.
- Finance.
- Leaseholders
- Environmental
- Tenancy Standards Panel

The Repairs Panel looks at issues relating to the repair and improvement of Council owned residential properties and makes recommendations for improvements in the service via the Housing Standards Board.

The Council aims to increase Tenant involvement in the repair and maintenance of its properties where it is of mutual benefit to do so. Evidence suggests Resident and Tenant led initiatives can build confidence in local communities, acting as the axis for managing change, and working in partnership with the Council. Not all the estates in Harlow have “active” Tenant and Resident movements and this will require capacity building and carefully thought out consultation plans to build a relationship that can engage on issues and move forward. The Council’s Tenant and Community Engagement Strategy has provided a platform to develop these approaches. Initiatives are being developed in relation to garage management, estates management and procurement.

The Council wants to create more opportunities for Tenants and Residents to get involved in the management of their housing and neighbourhood. Tenant involvement is a key area for increasing choice and opportunity. Giving Tenants a greater say leads to more effective, efficient and responsive services. There will be a need to evaluate options for increased Tenant involvement under the Tenant and Leaseholder Engagement Model.

4. Stock condition

4.1. Information

The Council completed a comprehensive stock condition survey to its properties in 2012/13. Over 92% of properties were surveyed with information cloned from suitable archetypes for the remaining 8% of properties to give a complete picture of the housing investment requirement.

As part of the survey the Council undertook energy performance surveys for each property to provide accurate and up to date information which has influenced the energy and environmental strategy. In addition the Council completed over 6500 Asbestos surveys to individual homes and communal areas to complete its statutory requirement for a comprehensive asbestos register.

All flatted blocks underwent a thorough fire risk assessment and the arising action plan resulted in a programme of works (Category 1 risks in year 2013/14 and category 2 risks in years 2014 – 16) This commenced in 2013.

The asset database and Keystone asset management system has been updated to reflect this most recent information. This provides robust projections for future financial planning and asset management. The Keystone system also links to the housing management system and asbestos database. The forthcoming plans for Keystone include links with the Council's Graphical Mapping System, Component Accounting Module and Energy Performance Certification module. This will provide the Council with a complete profile and up to date asset management suite on the Council's housing portfolio.

4.2. General summary

Overall, the Council's housing stock is in a reasonable state of repair but in need of planned re-investment. Due to the age profile and the stock generally being of the same age and profile, many of the components within individual dwellings have reached the end of their economic life and will require complete replacement in the short to medium term.

4.3. Decent Homes

The Decent Homes Standard was introduced by the Government in July 2001 with the intention of improving the standard of social housing in England. The standard includes four basic criteria

- That homes meet the current statutory minimum standard for housing as assessed under the Housing Health and Safety Rating System (HHSRS).
- That homes are in a reasonable state of repair
- That homes have reasonably modern facilities and services
- That homes provide a reasonable degree of thermal comfort

It was introduced as a **minimum** standard that all social housing should meet, originally by 2010. However government recognises that there are specific local issues that mean some Councils needed longer to bring all housing up to this standard. Above all the standard is intended as one

which “triggers action”¹ meaning that it is a standard that housing should not fall below, rather than a limit on the point at which investment should stop.

Harlow has not had sufficient investment funds historically to achieve the decent homes target by 2010 and requested an extension to the timescales and additional funding from government. In 2011/12 Harlow was successful in achieving additional backlog decent homes funding of £6.4m with a revised timetable to achieve decency by 31st March 2015. The Council is committed to using backlog funding for mainstream decent homes work and is on target to achieve all decent homes works by 2015

Regular reporting is made to the Homes and Community Agency (HCA). In addition, Decent Homes delivery is a key performance measure for the Council’s Housing Service which together with various other performance indicators, are subject to detailed scrutiny by the Audit and Improvement Committee and the Corporate Management Team.

In the past, not unlike many authorities, works to properties was mainly to the external fabric of the property (e.g. doors, windows and roofing). The Decent Homes Standard changed the emphasis to the internal fabric, such as kitchens and bathrooms.

Currently, the level of non-decency is approximately 12%. The main area of failure is in the state of repair category with 1183 properties failing against these criteria.

Table 4.1 - Homes Not Compliant with the DHS in 2013

Decent Homes Criteria	Non Decent
HHSRS (Formerly Unfitness)	3
State of Repair	1,180
Modern Facilities	336
Thermal Comfort	139
Total Non-Decent	1,183

The above total for non-decent properties makes allowance for double counting. Where one property may fail the Decent Homes Standard on more than one criterion, it is only counted as non-decent once, regardless of the number of individual failures.

4.4. Decent Homes Targets

This strategy is committed to meeting core Decent Homes targets by March 2015. This includes extensive programmes of work in the following areas

¹ *Decent Homes: Definition and guidance for implementation*, CLG 2006

- Kitchen and bathroom renewal programme
- Upgrade single glazed uPVC windows to double glazed uPVC windows
- Front and Rear Door Replacements
- Security Improvements
- Priorities identified in the stock condition survey for HHSRS failures

The tables below show the project achievement of decent homes completions until March 2015 and the type of work to be carried out to meet this target. This takes into account work required to homes which will fall into non-decency during this period, unless work is carried out to them. It is estimated that if no further work is carried out on properties, approximately 80% of them would fall into non-decency by 31st March 2015.

Table 4.2 – Project decent homes completions

Completion timescale	Number of homes decent	Number non decent	Percentage non decent
March 2014	8,944	842	9.41
March 2015	TBA	0	0.00

4.5. Harlow standard

Recognising that Decent Homes is a minimum standard, the Council has carried out consultation with residents and developed a set of local investment standards. These are based on the knowledge of the housing stock from the most recent surveys, and business plan affordability.

Replacement Kitchens were the main element that residents wanted replaced as part of the Harlow standard, followed by Front and Rear doors and security measures. Bathrooms were a desirable improvement for most residents but there was an understanding that these would be a secondary element and only where finance allowed. Harlow Council recognises that there have been very minor bathroom replacement programmes historically and that there will be a growing need to undertake bathroom replacements.

In arriving at the standard Harlow Consulted with its Repairs Panel and agreed sign off for all major works specifications including agreeing what represents a new:

- Kitchen
- Bathroom
- Heating System
- Electrical Rewire
- Front and Rear door styles and locking equipment

Dampness due to structural defects and building design has meant Harlow has invested around £500,000 in reactively resolving dampness issues throughout the District. Hot spot analysis, correct specification and a proactive programme to install damp measures have been built into the new standards wherever possible including extract ventilation to replacement kitchens and bathrooms with an extensive catch up programme to retro fit humidifiers and fans in properties that benefited from works previously.

Disabled and less ambulant residents will benefit from a programme (Kitchens, Bathrooms, Heating and Electrics) where any adaptation will be undertaken at the same time as the major works replacement programme to avoid any discrimination in programming works.

4.6. Sustainable communities, the built environment and landscaping

The Decent Homes Standard does not take regard of wider stock sustainability requirements, regeneration priorities and wider aspirations. This new asset strategy seeks to reflect this to develop an investment programme which delivers Decent Communities

Harlow understands the need to have communities that are sustainable. A sustainable community is described by the Government as a neighbourhood where

- People actively want to live.
- Where people feel safe.
- Homes meet current demands.
- A clean and tidy environment.
- A mix of tenures.
- A mix of economics.
- Multi-cultural and multi-generational.
- Good local facilities such as schools, pubs, shops, work places.
- No Council housing estates characterised by poor stock condition and high levels of economic and social deprivation.
- Good delivery of services such as repairs, refuse collection, policing.
- People know their neighbours.

The Council has an obligation to repair and renew its homes and provide them to its customers in a good state of repair. The Council has limited funds and competing priorities. Some of its properties are nearing the end of their life cycle and do not meet modern standards or Tenants' aspirations. In the past major investment has gone into refurbishing and renewing some of the priority estates, but have not necessarily seen a return on investment in terms of extension of life cycles, improving the quality of the built form, connections/infrastructure and popularity with Tenants and Leaseholders.

In 2005, the Council commissioned a comprehensive Housing Requirements Study (formerly known as Housing Needs Surveys). The outcome of this study indicated the need to deliver more diversity in housing in Harlow. This sits comfortably alongside national Government direction and accepted social research into the long term viability of housing areas. More importantly, diversifying the housing stock will assist in improving the social and economic viability of housing areas, as well as increasing the range of options available for people looking for a first or larger home. This survey has been used to inform the development of Council Policy and it is through these policies and joint working with partner RPs that additional, affordable family homes are built to replace some of the stock lost through the Right to Buy and demolition schemes and stock that is no longer economic to repair. This strategy sets out how the Council can take a more leading role in housing development in the future in consultation with local communities.

A Decent Community is not just about the appearance of an area. It sets the scene for how it is used and it is as important to residents that they feel secure within their neighbourhood as it is in their homes. To improve the appearance and feel of the estates and neighbourhoods, the Council will identify and prioritise areas that require change to bring them up to standard. It will then consider a range of options to resolve the particular issues within the estates, including

- Create hard standings using former garage sites.
- Change green amenity spaces into soft landscape parking spaces.

- Off-street parking and use of rear garden parking.
- Refurbish or enlarge remaining garages and provide lighting to garage areas to encourage take-up.
- Create secure parking area for caravans away from housing estate.
- Provide litter bins
- Enforce tenancy with regard to untidy gardens.
- Garden scheme for elderly tenants and those with disabilities with no family in the area.
- Low maintenance planting with plants giving good ground coverage.
- Regular maintenance of planting.
- Use of recycled plastic for fencing.
- Construct one brick thick boundary walls with robust detailing.

The Council recognises that it must be innovative in seeking solutions to these areas and that each estate will have individual needs and solutions. A solution for one estate may be unworkable in another. Any solutions will need to be found in partnership with residents. We will also explore working in partnership with other statutory authorities in seeking solutions for estates.

Shed and drying areas to flat blocks are often sites that are unused and become unsightly dumping grounds for rubbish. In the past they have often been omitted from contracts due to cost and as a result they deteriorate further. The Council has commenced a survey of these areas and of residents to identify the best course of action these areas. Amongst options to be considered would be:-

- Refurbish the areas and provide greater security for shed blocks.
- Demolish unwanted stores and drying areas and provide a garden amenity.
- Demolish unwanted stores and drying areas and provide parking areas.
- Demolish and rebuild shed blocks to a higher standard, e.g. increasing the size of sheds, allowing for storage of bikes, increasing the security of shed areas.

Bin store areas are also areas of concern, with existing bin chutes unable to cope with the rubbish sacks used today. There is also a lack of recycling facilities provided in flat blocks and the Council will look at ways of improving both the waste disposal and recycling in flat blocks as part of the waste contract, including

- Increasing the size of refuse chutes and hoppers.
- Consider providing specific recycling areas adjacent to bin stores.
- Utilising unwanted sheds for recycling.

4.7. Planned maintenance

A key feature of the condition of the stock in Harlow is that there are large variations in patterns of historical maintenance, sometimes in the same street or block. This strategy seeks to move away from this, with a plan to deliver improvements across all housing. In doing this we need to minimise the impact on tenants to avoid repeat visits to the same property. Our initial aim is to carry out all decent homes related failures (e.g. where building elements have been identified as needing replacement now) before April 2015..

The planned and cyclical maintenance programmes have been, since February 2007, delivered through the Kier Harlow Ltd Surveying Team, who carry out the client functions of specifying, tendering, evaluating and recommending a contractor (before managing the works on site for the

Council). Kier Harlow have been awarded an extension to their contract which will now conclude in January 2017.

The new survey work provides detailed information on the scope of works required over the next 30 years. This will ensure that the short, medium and longer term objectives of the Councils Business plan are achieved.

This strategy sets out the investment rules and procurement principles that will be followed to ensure the right works are done to the right properties at the right time, along with a procurement strategy to target the works procurement packages and work-streams.

The Council continues to look at ways that the responsive repairs works can help to inform the planned works programmes and will be linking up the repairs reporting system with the stock condition database.

The Council wishes to ensure that the planned works budgets are fully spent and this means that any planned works programmes must be identified and agreed at an early date and consultation with residents should take place well in advance. In the past the Council has only really been able to conduct this exercise annually, but the new financial framework will enable it to consult with residents on a rolling five year programme.

Whilst it is apparent that most dwellings will require some work, not every home will require all elements. In order to deliver a programme that is both affordable and meets Harlow Council's Business Plan, it is necessary to apply a clear set of investment rules to decide when each element will be replaced.

Key investment rules that affect the delivery of the Asset Management Strategy were agreed with all of the standards panels and the criteria used for implementing the investment programme include the following:

- Maximising the ability to achieve the Decent Home Standard by December 2015 including planning of back log repairs of £20.5m of which £17m relates to Decent Homes works;
- Meeting the obligations stipulated with Harlow Council's Business Plan by 2017;
- Areas with the highest stock condition investment need and Decent Home failures according to work package are to be programmed first.
- Maximise the number of tenants to benefit from some form of improvement work, as required, throughout the 5 year investment programme.
- Heating upgrades and high efficiency boiler replacements wherever applicable to address the growing concerns over fuel poverty and the increasing cost of energy.
- Replacement windows and doors to houses to be programmed for delivery over the shortest practical and affordable timeframe. However, this will depend on overall affordability within business plan and programme modelling.
- Replacement kitchens to be programmed early within the programme. Remaining internal items such as bathrooms, heating and re-wires would be carried out at the same time where appropriate and subject to budget;

- Programmes of work to remain within the constraints of the overall Business Plan spend profile.

Over the next five years the Council plans to:

- Upgrade over 4,600 kitchens.
- Modernise over 4,400 bathrooms.
- Install over 4,900 energy efficient boilers and/or full heating systems.
- Carry out over 3,500 electrical rewires.
- Install over 3,300 hard wired smoke detectors.
- Replace/Install over 10,000 extractor fans with new models.

External Works:

- Upgrade double glazed windows in over 2,400 homes.
- Replace over 6,300 front and rear doors with high security products.
- Replace over 1,000 flat and pitched roofs.
- Carry out environmental improvements - new door entry systems, bin store upgrades, fencing and paving schemes - in flat blocks.

The Council has published and will maintain its rolling 5 year programme on its website <http://harlow.gov.uk/housing-investment-programme>

4.8. Cyclical programmes and statutory testing

Cyclical programmes ensure that Harlow Council maintains the investment made to the Housing stock and will become increasingly important over the future years when the major investment programme is completed.

The Council has various cyclical programmes, a number of which are compliance testing or inspection of components. The cyclical programmes that are currently being undertaken are as follows

- Boiler/Gas Appliance testing/servicing contract
- Electrical testing
- Water testing
- Lift servicing
- External pre-paint and redecoration
- Stairlift servicing
- Fire fighting equipment and Smoke Detector Testing
- Lightning Conductor Testing
- Communal Aerial Testing
- Door Entry Maintenance
- Asbestos Testing and Management

The Council is developing a centralised register of service contracts to ensure that the contracts are managed and delivered successfully.

The Council has improved the number of gas boiler services that are achieved annually and have streamlined the system to ensure that there is a quick and easy route to follow when access cannot be obtained.

The Council will continue with the inspection, testing and subsequent repair of identified remedial works of domestic electrical systems, communal water tanks, lifts and fire fighting equipment in flat blocks. The frequency, of testing will depend on the requirements of the particular item.

The Council will continue the external redecoration of properties on a cyclical basis and will seek to increase the interval between painting cycles, investigating partnering with a paint manufacturer to assist with this process.

4.8.1. Gas safety

The Council is required to manage its gas appliances in accordance with the Gas Safety (Installation and Use) Regulations 1998. It has a legal duty to service all of its gas appliances annually. The Council is committed to ensuring that they meet this duty and as such has put into place a robust procedure.

Where the Council or its partner (Kier Harlow) cannot gain access to a dwelling, action will be taken to gain access through all measures at its disposal, including court action and in extreme cases, eviction. The Council will also seek to recover all costs that may have been incurred in gaining access to a property. This has been endorsed by the Tenancy Standards Panel.

The Council working with Kier Harlow targets its gas compliance statistics to ensure it achieves 100% compliance every year to ensure the safety of its tenants.

4.8.2. Asbestos

The Council has responded to the Control of Asbestos at Work Regulations 2006, the Asbestos Management Procedure document has been revised and an Asbestos Management Plan introduced. A full Council Wide Policy dealing with Asbestos in ALL Council Owned properties and buildings will be in place in 14/15

The Council has linked its housing management database with its partners' responsive repairs system to allow it to flag up whether asbestos is present when an order is raised.

The Council is aware that the age of some of its housing stock means that asbestos is likely to be present in significant amounts within most of its properties.

The Council is continuing to carry out Management and Renovation and Demolition type (R&D) asbestos surveys of all areas of its housing stock where it has a legal duty to do so and has completed 100% Management type surveys of the common areas to flat blocks and 97% of all residential properties. The remaining 3% will be surveyed as and when the properties become void.

The Council is continuing to survey garage blocks where there are corrugated roofing sheets and cloning this information to other garages in the block where it considers it safe to do so.

The Council recognises that all of its housing stock can be work places for staff and contractors carrying out responsive repairs and have commenced sample surveys of property archetypes to identify where asbestos is located. This information from several sample surveys is then cloned to

other properties of the same archetype, giving a “worse case scenario” of where asbestos may be present in a property. The Council is intending to continue this practice until all properties are surveyed. The Council recognises that this will take a significant time, but as more surveys are carried out, this will add to the accuracy of the cloned information. The Council will make available to Tenants and Leaseholders copies of the asbestos surveys relating to their homes or blocks.

Asbestos survey results will assist the Council in the further development and refinement of its new Asbestos Management Policy and the programming of annual re-inspection and monitoring of asbestos containing material left in situ. The Council has produced specific procedures and these have been issued to appropriate staff, with the necessary training.

The Council recognises that the cost of the total removal of all asbestos in its properties is very significant, and would not necessarily be best value. Therefore, its policy is to manage the asbestos in the properties in accordance with the HSE advice and only remove in circumstances where it has:

- Been damaged
- The location of the asbestos and use of the area may cause it to become a health and safety risk.
- Where maintenance work will disturb the asbestos.

The existing policy and asbestos management documents are reviewed on an annual basis to ensure they comply with current legislation and best practice.

4.8.3. Water treatment

The Council's obligations come under the requirements of the Health and Safety at Work Act and extend to non-employees, such as residents, independent contractors and members of the public. The Council has a legal duty to ensure the risk of exposure to the legionella bacterium is properly controlled. Guidance to fulfil these obligations is set out in the HSE Approved Code of Practice, commonly referred to as "L8". The Council has implemented the requirements of L8 for all sheltered housing schemes and flat blocks. This includes completion of risk assessments, water hygiene regimes and undertaking of necessary upgrade works. The Council has also drafted a policy on Legionella. In the future the Council intend to

- Review its existing requirements, systems and procedures
- Carry out a generic risk assessment for all single family dwellings
- Train staff on the risks of water borne diseases and their control
- Provide advice to its tenants and leaseholders
- Keep and maintain a register of all records for a minimum of 5 years

4.9. Responsive maintenance

The Council's partner for the delivery of all of its repairs service is through the Joint Venture Company Kier Harlow. This arrangement has been in place since 2007 and is due to end in January 2017. The current repairs service is coded and costed via the National Housing Federation Schedule of Rates (Version 5.0) and the current uplift for 2013/14 is +4.37%.

Harlow Council recognises the need to undergo a new procurement to ensure a new repairs contractor is in place for January 2017. The procurement team have identified an 18 month procurement timetable which is due to commence in July 2015. In the interim the Council is keen

to work with the JVCo. to establish a modern cost model and management arrangement to deliver an improved service via a best value review. The Council have taken back in House some of the elements of the management of the service and will continue to develop their knowledge as an informed and intelligent Client.

2013/14 will be a pivotal year in taking back the repairs ordering for its tenants and there is a plan in place agreed by both Kier Harlow and the Council to ensure this commences.

The productivity of Kier Harlow Ltd is managed via a suite of Performance Indicators. As a partnership, the risks as well as the rewards are shared and where a problem arises both parties meet to agree a solution.

The ratio of responsive repairs to planned repairs is still too high (50:50 during 2012/13) and the Council and Kier Harlow Ltd are working towards a 70:30 split. It will seek to achieve and improve on this ratio through a number of measures including:

- Assessing the repair work for which the Council is responsible.
- Using better quality materials.
- Carrying out planned work to void properties after occupation.
- Continuing planned works programmes, including the use of “draw down” contracts.
- Pre-vacation inspections of dwellings.
- Recharging for damaged properties and unauthorised alterations that need rectification.

4.10. Right to Repair

The Council undertakes its responsibilities under the Right to Repair Scheme Seriously and has to fix urgent problems in its tenanted and leasehold properties which could affect health, safety or security within a certain period. The Councils procedure for dealing with right to repair claims is contained within the repairs policy.

4.11. Void properties

In 2012/13, The Council had 559 void properties over the year a reduction of 51 properties from 2011/12. The total cost for voids was £900,000 which gives an average cost per void of £1,600 compared to a national average benchmark rate of £1,200 per void. Harlow are paying more than would normally be expected for a straightforward void property and this cost is increasing in the early part of 2013.

The average key to key turnaround time for void properties was 21 days. The 21 days includes properties that have required the following works

- Insurance works, i.e. flooding or fire damage.
- Major works, such as structural repairs, rewiring, and central heating.
- Asbestos removal.
- Vandalised dwellings.

A new void standard has been in operation since the commencement of the modern homes programme and a process map explains what major works the Voids contactors should and should not undertake in void properties.

4.12. Tower blocks

A tower block is defined as any building with six or more storeys. Harlow has 14 tower blocks ranging from 6 storeys up to 15 storeys. A number of these blocks are of non-traditional construction. A schedule of tower blocks and their construction type is set out at Appendix Three.

A regular routine inspection of these buildings is considered desirable, the frequency being based upon the construction relative to the type of risk. All of the tower blocks have lifts, with some blocks having two cars. Many of these lifts are around 20 years old and will soon require replacing. Spares for some of these lifts are becoming difficult to obtain and the Council is negotiating with lift companies to hold more spares in stock for these lifts where they are available.

Access and egress to the tower blocks is not suitable for those people with a disability. It is intended to survey the buildings to see what work is required to make them more accessible for the disabled. Specifically, the Council will look at what can be done to improve access, egress, lighting levels in common areas and fire escape staircases.

Following the fire in a high rise block in Camberwell in 2009, in which 6 people died, the Council carried out an urgent review of its fire safety procedures. Fire Risk Assessments were undertaken to the Councils blocks of flats in 2012/13 and a works programme has been identified on a priority ranking system to improve fire safety and fire safety management. A prioritised work programme commenced in April 2013 on urgent works with a structured approach to the remaining works over the following two years (2014/16).

Mobile phone masts have already been erected on some of the tower blocks within the town. The Council will not unreasonably withhold permission for these to be installed providing health, planning and structural issues are adequately addressed. The Council obtains a small fee allowing the rental of these masts, however the tall block strategy should identify any potential refurbishments to enable adequate notice to be given to these providers to avoid costly removal/re-location charges that may occur.

As part of our work to evaluate the performance of assets we have looked at the feasibility of improving the thermal efficiency of our tower blocks. This analysis is set out in Appendix three. The cost of carrying out this work is such that the existing cashflows of the assets are not strong enough to support the funding requirement. Therefore work can only proceed where additional subsidy is available, either from the broader housing business plan, or from energy companies under the Green Deal. This needs to be considered in the context of the overall requirement for energy efficiency works across the whole stock.

4.13. Adaptations to homes for people with disabilities

The Council is committed to addressing the needs of all its customers and undertakes measures such as aids and adaptations to enable residents to stay in their homes. The Council is also instrumental in assisting residents to take up Disabled Facilities Grants (DFG) for improvements designed to meet the needs of people with disabilities.

The Council has identified a budget of £750,000 per annum for disabled adaptations to its Housing Stock for the next 4 years. The Business plan reduces the expenditure to £630,000 per annum for the remainder of the plan. To ensure the Council provides homes that are suitable for

its customers it works closely with Occupational Therapists and the Social Services Department to identify disability issues. It continues to use previously adapted homes for disabled residents (where appropriate) and will seek to reuse equipment in properties where it is removed and the property turned back to General Needs Housing.

The new modern homes programme due to commence in 2013/14 will incorporate disabled adaptations as part of the works content to individual properties. Specifications have been changed to include lever taps as a standard fitting and residents given the option of normal taps.

Residents will benefit from adaptations to their homes at the same time that they would otherwise experience the improvements (such as new kitchens and bathrooms) and will not be disadvantaged due to their specific needs or requirements.

4.14. Sheltered housing

The Council currently has 19 sheltered housing complexes totalling 493 properties. The Residents are generally self sufficient, but have the benefit of a call alarm system and visits from Sheltered Housing Officers who check on their well being.

Only one of the sheltered housing schemes, Sumners Farm Close is classified as an extra care scheme which attracts additional funding for the running of the scheme which is managed by Essex County Council.

The call alarm systems, which are maintained by Tunstall Telecom (on a 5 year maintenance contract), also operates the door entry systems (to those complexes that have door entry) and the smoke detectors. There is also a master key system to enable the Sheltered Housing Officers to gain access in the event of an emergency.

All the complexes with common rooms have laundry facilities for the residents use, but the layout of some areas is not ideal and most do not have disabled toilet facilities. The complexes are ageing and many need upgrading to make them accessible by all residents and to make them compliant with the Disabilities Discrimination Act. In some cases this will mean an extension to the buildings to provide these facilities and the viability of carrying out this work needs to be tested as part of a more detailed options appraisal.

A review to the sheltered housing strategy is programmed for 2014/15. The review will seek to incorporate the following:

- Access into and around sheltered housing complexes and individual properties
- Modernisation and improvement of facilities
- Office facility for Sheltered Housing Officer
- Security
- Fire safety
- Safety in the home
- Easy to operate fittings
- Level access showers
- Alarm systems
- Heating systems i.e. low surface temperature radiators.
- Ease of adaptation

- The extent to which existing properties will be able to meet the growing number of older people with more complex needs
- Sustainability and cost
- Decommissioning

The asset performance evaluation in the next session shows the financial viability of current schemes. This reflects the works identified in the stock condition survey. A full appraisal of each scheme is needed to identify whether further works are needed to meet the sort of standard illustrated above, to bring properties up to a modern standard and meet the Disability Discrimination Act, Housing Health and Safety Rating System and Decent Homes standard ensuring the moneys spent provide effective and efficient use of resources for the longer term.

The action plan includes the development of a five year plan to review sheltered housing schemes.

While the asset performance evaluation considers the property related costs and income associated with sheltered housing schemes, any detailed options appraisal of these schemes also needs to consider the extent to which funding is available to match the cost of the provision of housing related support to these schemes. This needs to be considered in the context of a review of the overall deficits within the business plan for support costs in sheltered housing.

4.15. Temporary accommodation

The Council currently uses a small number of its properties as temporary housing. In the short term the objectives are to bring all this stock up to the decent homes standard by 2015.

In the medium term the Council wishes to explore options to bring other properties back into use as temporary accommodation. This includes properties on the Three Hills Priority Estate.

The results of initial review are set out in the Asset Performance Evaluation section. In summary the cashflows associated with the majority of temporary accommodation units have negative net present values. This asset management strategy includes an action plan to review these cashflows to understand the performance drivers and to develop a sustainable portfolio of temporary accommodation for the Council's future use.

The target of this strategy will be to develop a portfolio of temporary accommodation that meets future need and fully recovers the cost of both property related factors (e.g. management and maintenance) and any housing support provided to residents. In this way the Council can use its assets to manage the risks of reduction in homelessness grant currently used to fund this service.

This may mean reviewing which properties are used as temporary accommodation and the associated rents and service charges levied to residents.

4.16. Leaseholder and shared ownership dwellings

As at 1 April 2013 the Council is managing 2353 leasehold properties and 16 shared ownership properties.

Where external works are carried out to blocks containing leasehold or shared ownership dwellings, the cost of these works is recharged to leaseholders under the Council's policy.

To achieve best value for residents, all external works to individual blocks will be packaged together in one contract to ensure that the access equipment is fully utilised. Low maintenance materials are used where possible to ensure responsive repairs are kept to a minimum.

For works that cost over £250 per property, it is necessary to tender the work in accordance with the leasehold legislation.

The modern homes programme and procurement strategy has identified major investment requirements for 2015 to 2018. A procurement exercise is due to commence in April 2014 to select contractors to undertake the external programme. The procurement strategy has identified the following format:

- Four (+1) year Framework Arrangement (TPC form of Contract)
- 3 Service providers appointed to the framework with one annual task order to successful contractor
- Leasehold consultation requirement
- Actual works identified and tendered
- £20m total works package

4.17. Garages

An audit of garages was undertaken in 2011 which shows that the Council owns 8,236 garages. This has fallen from over 9,000 due to the demolition of some garages and disposal of some former garage sites for housing. Many of these are in blocks on separate sites within or on the edges of housing estates. Some of these sites are difficult to let due to their location, i.e. near to woodland or lack of lighting in the areas.

Table 4.4 – Garage assets

Asset type	Number
Hard standings	2003
Garages	8,236
Carports	34
Garages tied to house tenancy	77
Total	10,273

A Garage Strategy Improvement Plan was developed in 2009 and a Garage Steering Group set up to identify areas where the lack of demand for garages was poor and where it would be

beneficial to dispose of garage sites rather than continue to manage an asset that was not being used.

Council policy also permits the selling of garages that are in blocks of four or less or where the garage borders a person's property.

In order to maintain and improve the garages and improve the letting potential, The Council intends to

- Continue to identify under utilised garage blocks and consider alternative options including disposal or redevelopment.
- Where garages are well used, and future costs can be supported by future income the following works will be considered
 - Re-roofing
 - Additional security
 - Secure access where unauthorised parking is a problem.
 - Alterations to allow the garaging of larger vehicles.

A full option appraisal and asset evaluation of garages and related assets will be carried out in 2014 and the results will be used to assess the performance of each site. This will be considered, along-side development potential, and a strategy established to deliver improvements, or alternatively demolition of the garage and alternative land usage.

4.18. Energy efficiency/conservation and climate change

The Council is committed to providing realistic solutions for long term carbon reduction in its Housing Stock.

To date the Council have examined both passive and dynamic ways of reducing the carbon footprint of its housing and will continue to seek partners and funding to supplement its own resources to help achieve this. It will consider the carbon reduction target set by the Government and seek to achieve a significant reduction in the carbon footprint of the Council's dwellings, taking into account on-going developments in renewable and energy efficiency technologies. The Council's lowest SAP rated dwellings (standard assessment procedure for energy rating a home) will be targeted in an effort to reduce fuel poverty. The stock condition survey and database includes an energy audit procedure, which will allow for better co-ordination and planning of energy upgrades throughout the housing stock.

There are a significant number of families in Harlow that receive some form of benefit. Many of these families may be in fuel poverty. The Council will be identifying high energy use dwellings with low thermal efficiency specifically to raise them above the fuel poverty threshold of spending more than 10% of their income on fuel to maintain an adequate standard of warmth. The Council will also look at using funding from schemes such as the Green Deal programme to supplement its energy efficiency spending.

The Council has undertaken a significant step in improving its worst insulated properties (Non-Traditional Solid Wall called No Fines) with over 300 properties receiving expensive external wall insulation which will bring the u values of the external walls above current building regulation standards. The Council is actively seeking partners to assist with the continuation of this

programme and a priority will be to insulate hard to treat cavities and provide external wall insulation to its tall blocks of flats.

The boiler and central heating replacement/installation programme will continue, using the most efficient and economical 'A' rated condensing boilers. We will also continue to carry out cavity wall insulation and loft insulation where we are able to obtain considerable funding for the works.

The use of Energy Performance Certificates (EPC's) for social rented properties came into force in October 2008. The Council now has 100% of its stock covered by up to date EPC's. New tenants are issued with an EPC which allows them to see the estimated energy consumption of the homes they are bidding for and allows them to see the potential efficiency of a property if all possible energy measures are undertaken.

The Council will work with its partners, Kier Harlow Ltd, to reduce energy use and carbon emissions. Amongst the issues to be considered will be the following

- Use of cleaner, alternative fuels for the vehicle fleet such as bio fuel
- Local sourcing of materials
- Using energy efficient products where possible
- Using "green" technologies and materials
- Construction waste minimisation

Climate change is thought to be occurring at a faster rate due particularly as a result of CO2 production. Many of the energy efficiency measures that have been discussed look at reducing CO2 emissions. However climate change is affecting weather patterns now and we are seeing more frequent high winds, gales, heavy rains and floods in Harlow. This has caused significant damage to some of the Council's buildings. Harlow will ensure that its specifications and products used will enable the Council to deal with the effects of climate change ie deep flow guttering, low emissivity glass external insulation etc.

Housing in the East of England is calculated to create 24% of greenhouse gas emissions and the use of energy efficiency measures in the Council's housing stock is an integral part in minimising the effects of Climate Change. This is of concern to tenants and the Council will look at measures that can be taken to reduce the effects of Climate Change to its housing stock

- Securing roof structures
- Alternative roof coverings and fixings
- Rainwater harvesting and disposal
- Larger sections of rain water goods
- Ensuring gullies and drains function effectively
- Ensuring dwellings are energy efficient
- Boundary wall structures designed to withstand high winds
- Identify and use best practice to minimise the effects of climate change to dwellings

The Council has therefore set aside within its business plan a sum of £3,200,000 over the next four years to deliver energy efficient programmes of works to its stock including:

- External Wall Insulation to street properties, low rise blocks and street properties where there are construction defects causing dampness or excessive heat loss.
- Cavity Insulation for hard to treat and traditional cavities
- Loft insulation (both top up and new installations)

- Heating schemes to replace inefficient/redundant/obsolete boilers with either individual controlled systems or high efficient communal boilers.
- New green energy such as solar or wind.
- Combined heat and power appliances.
- Heat meters and controls

4.19. Trees and buildings

Harlow was designed to be a town that incorporated hard and soft landscapes and it has gained an enviable reputation for its tree planting of many specimen trees.

What was not appreciated when Harlow was built was the effect of trees on buildings, especially when the substrate is of shrinkable clay. Much of Harlow is built on highly shrinkable London clay and when wet it swells and when it dries, it shrinks. This process causes cracking to properties that have been built on relatively shallow foundations.

This effect is often exacerbated when trees are in close proximity to dwellings as they dry out the surrounding soil and it is often this differential moisture change that leads to property damage. The Council has experienced a considerable number of properties cracking and as a result lost its insurance cover for subsidence and is now self-insuring for this risk.

To mitigate this risk, it is intended to carry out the following actions in 2014/15

- Carry out a survey of trees in close proximity to properties
- Prepare a tree management plan for the identified trees
- Prepare a policy on the management of trees in close proximity to buildings

4.20. Safety in the home

“We are concerned about safety within our homes, particularly regarding fire safety and asbestos safety”²

The Housing Health and Safety Rating System (HHSRS) that is now included as part of the Decent Homes Standard. This system scores the risks to residents living in a property and looks at twenty-nine risks, ranging from falls from baths to the heat and the cold.

As the HHSRS is part of the Decent Homes Standard, the severe risks are identified from the stock condition survey, ranked in accordance of severity and remedied as part of the Decent Homes Programme. However, the Council is committed to ensuring that its housing stock is as safe as possible and is considering the following options to improve the safety of its Tenants:-

- Installation of mains operated smoke detectors to every rewired property
- Ensure adequate fire stopping between dwellings
- Fixing window restrictors to windows above the ground floor to prevent falls from height
- Ensure adequate handrails and balustrades in properties to prevent falls between levels
- Ensure gas appliances are serviced annually

- Manage asbestos within all dwellings.
- Regular electrical inspections.
- Water testing
- New Secured by Design windows and doors

The Council is also undertaking fire safety works to its tower block following the report on the Lakanal and Shirley House high profile fires.

4.21. Security

Tenants and Residents wish to feel secure when they are out in their local neighbourhoods and in their homes. With the perception of crimes such as burglary, vandalism and mugging being high, many Tenants, especially the elderly, feel at risk. Thus any major refurbishment works that the Council plans to undertake should have a design and layout that takes account of public health, crime prevention and community safety considerations. This will also discharge the Council's duties under section 17 of the Crime and Disorder Act 1998, which requires it to do all it can to reduce opportunities for crime and the fear of crime.

The quality of design and planning are a major part of a sustainable community and the Council supports the Secured By Design scheme principals and will seek to improve the safety and security of homes and neighbourhoods when carrying out planned refurbishment works and will from time to time consult with the Police Architectural Liaison officer for advice and guidance.

The updated Major Works Procedure that all residents are given prior to major works commencing covers security during major refurbishment works.

In addition the Council adopted a strategy to bring forward its windows and doors programmes from a five year programme into a two year programme commencing in 2013/14. This will see over 6,000 homes receive new secured by design front and/or rear back doors. The Repairs panel have influenced the design and locking mechanisms used for the new programme.

4.22. Waste minimisation and recycling

The issue of waste disposal in homes and the "trade" waste generated by building works is an ever increasing problem with fewer landfill sites, high landfill taxes for building waste and hazardous waste (such as asbestos based materials). The disposal of hazardous waste such as asbestos, fluorescent tubes etc. are covered by strict legislation including:-

- Waste Management Licensing Regulations 1994
- Carriage of Dangerous Goods and Use of Transportable Pressure Equipment Regulations 2004
- Hazardous Waste (England and Wales) Regulations 2005
- Waste Electrical and Electronic Equipment Regulations 2006 (In force as at 1 July 2007)

The Council is committed to increasing the recycling of waste products, and is revising its waste collection process to increase recycling wherever possible. Other initiatives are also being adopted, such as the provision of recycling areas within the curtilage of flat blocks. It is anticipated that there will be some problems with disused sheds that are the property of Leaseholders. However, to progress this initiative, the Council has submitted a bid for grant funding for this work.

Disused shed and drying areas will be looked at in partnership with tenants and leaseholders and Housing Managers to assess their viability for reuse as recycling areas.

In partnership with Kier Harlow Ltd, and its other service providers in the modern homes programme the Council will be looking at ways to reduce the construction waste that is sent to landfill sites and has considered alternative methods of disposing of and reducing construction waste. Some of these include the following:

- Paint waste – Agreement with suppliers to remove unused paint and empty tins
- Timber waste – Recycled and remove approximately 90%
- Metal waste – All recycled
- Electrical and electronic equipment waste, including lamps – Recycled – awaiting statistics
- PVCu Windows and doors – Recycling 98%

5. Asset Performance Evaluation

5.1. Framework for investment decisions

The Council's housing stock has generally performed well against other Councils with approximately 82% of the housing stock achieving the Decent Homes Standard (as at April 2012), However, there are a number of estates and housing types that were more experimental in design, material usage and construction when they were built which are proving difficult to maintain. A key strategic aim of this asset management strategy is to enhance the overall building stock and overcome any weaknesses in typography.

As a first step the Council has identified a number of estates that will require disproportionately high levels of investment to bring them up to the Decent Homes Standard. The Harlow Area Investment and Renewal Framework (AIRF) recommends that further investigation and consultation be carried out to determine the potential for re-provision and redevelopment, rather than repair of these estates and this is an ongoing process that has already commenced. Actions in respect of these properties are set out in section 7.

As part of the development of the asset management strategy the Council has commissioned Savills to model the financial performance of all its stock, alongside other measures of broader neighbourhood sustainability including measures of deprivation relating to crime, income levels, health, employment etc. The modelling is intended to inform an investment strategy based on an active asset management approach where the council seeks to make investment decisions based on the financial performance of the stock, in a way that strengthens the Business Plan and contributes to meeting the organisation's policy objectives.

The results of this modelling is set out in Appendix Two and is summarised below.

The analysis focuses on 9,601 tenanted units (general needs, temporary and sheltered). Stock already earmarked for demolition as part of the AIRF has been excluded from the analysis. For the purposes of analysis the stock is broken down into 143 asset groups, containing properties with similar characteristics. Cashflows are generated for each individual property, and analysed at asset group level.

The asset management model produces the following key results:

- The 30-year net present value (NPV) of the income and expenditure associated with a tenanted housing stock of 9,601 units stands at £132m or £13,753 per unit. This reflects a range of NPV levels across the stock.
- 1.78% of the stock (171 units) has an NPV which is below £0 per unit.
- 5.54% of the stock (532 units) has a marginal NPV of between £0 and +£5,000 per unit

The results from this asset and sustainability analysis will be used in the development of this asset management strategy including

- Establishing a 5 year investment strategy for the stock, based on a transparent investment standard which prioritises investment decisions based on the performance of the assets and business plan affordability

- The production of a 30 year investment profile that manages critical points in the business plan cashflow
- Identification of candidate asset groups for more detailed options appraisal.
- The establishment of links between the performance of the assets, regeneration potential in order to identify opportunities that could be explored in the Council's plans to maximise opportunities from changes in national housing finance.

Improvement in business plan capacity could be delivered through a range of strategies including

- Alternative investment strategies to adjust the investment standard in consultation with residents
- Exploring alternative options for poorly performing stock such as regeneration or redevelopment
- Management initiatives – for example, efficiencies in management costs or reductions in underlying maintenance or repair expenditure, reduction of voids, increases in income subject to the Councils policies on rents and service charges.
- Options to improve the underlying use of capital, linked to the local housing market such as market rent and disposals, to generate subsidy to fund investment in assets where value for money can be demonstrated
- Additional subsidy to support investment (e.g. decent homes backlog funding) where the value of that investment can be demonstrated through a strengthening of future cashflows.

The asset analysis work can be used to increase business plan capacity in future in order to:

- Address the short term affordability issues in the Council's HRA business plan by setting long term plans for the improvement and repair of high quality, affordable homes by demonstrating an approach to asset management that represents value for money
- Improve communication between the Council and tenants and leaseholders about investment strategies by demonstrating the reasons for investment decisions.
- Deliver a good return on social housing assets, where investment delivers an increase in value over time
- Address regeneration needs to improve the sustainability of neighbourhoods.

5.2. Framework for options appraisals

The review process will be carried out by the Housing Asset Management Group. The group will consist of the following individuals:

- Property Services Manager
- Technical Manager
- Housing Manager
- Housing and Capital Accountant
- Specialist Consultants
- Housing Strategy & Partnership Manager

Following the review process, the recommendations of the Housing Asset Management Group will be reported to the Housing Committee and the Policy and Resources Committee for a final decision on the strategy to be considered for the properties under review.

In reviewing groups of properties with poor or marginal financial viability a range of different factors need to be taken into account. As well as poor NPVs or sustainability, a range of other

triggers may be used to identify candidates for more detailed options appraisal, including long void periods, multiple refusals at reletting, recurring types of repair and obsolescence in major repairs, adjacent to redundant garage sites, redevelopment potential. Actions will vary depending on whether assets show poor financial performance, poor sustainability or both. Examples of scenarios that will be faced during the options appraisal stage, and the organisation’s response are set out below.

Table 5.1 – Options appraisal factors to be considered

Reason	Factor to be Monitored
<p>A property/property type may need a considerable amount of work to bring up to the Decent Homes Standard or other relevant standard.</p>	<p>The future cashflows of the asset needs to be reviewed to ensure the Council is investing in housing with a long-term future.</p> <p>Homes can suffer considerable damage from structural damage due to settlement or poor historic maintenance, in these circumstances; it may be uneconomical to repair it.</p>
<p>The property may be defined as a “Defective Dwelling” as designated by the 1985 Housing Act due to the nature of its construction.</p>	<p>The cost of bringing the property up to the decent homes standard, or just making it structurally sound may mean the net present value of future cash flows is negative or marginal</p> <p>The time taken to re-let these properties.</p> <p>The number of people leaving or wanting to leave this property archetype or area.</p> <p>Regeneration potential.</p>
<p>An estate or property type or other scheme may, over time, cease to meet the needs for which it was originally constructed. For example, a property type such as bedsits, or a sheltered housing scheme, may suffer from a lack of demand.</p>	<p>Housing Needs survey and in the future Housing Market Assessments indicate what existing and future requirements are.</p> <p>The number of people leaving an estate, property type or sheltered housing scheme.</p> <p>The time taken to re-let empty homes.</p> <p>The incidence of Anti Social Behaviour on an estate.</p> <p>Net Present Value of cashflows reflecting a standard of investment or remodelling required in order to secure future demand</p>
<p>Despite properties being reasonably well maintained, it may be that estates within a relatively large area per dwelling may be considered for redevelopment with a higher density.</p>	<p>The age and condition of the properties.</p> <p>The life expectancy of the properties.</p> <p>The proposed percentage increase in property numbers and the future value of any redevelopment compared with the value of existing cashflows.</p> <p>The demand to live in the neighbourhood.</p>

Reason	Factor to be Monitored
	The time taken to re-let empty properties in the neighbourhood and the extent to which redevelopment may improve this.
A scheme may become uneconomic to run as a result of difficulty in levying an economic charge to the residents.	In addition to property related cashflows, the Council may not be able to record the full cost of services provided. Where this impacts on long term financial viability (e.g. an inability to recover costs over a three year period) actions to remedy this position will be considered as part of the options appraisal.
Properties or areas may be difficult to let or suffer from a poor reputation or image.	<p>The extent to which perception/demand can be improved by additional investment in communities and hard/soft environmental improvements</p> <p>Upping housing management visibility and action on estates or individual streets/properties</p> <p>Sensitivities on future cashflows looking at a range of demand scenarios</p>

Candidates for options appraisal will be identified using the asset modelling and a sustainability matrix of all stock will be developed along the following lines set out at Appendix Four.

5.3. Resident involvement

We will continue our policy of active resident engagement where active asset management is planned to stock.

The Major works suite of indicators has identified and agreed with the Repairs Panel a number of key performance measures for service providers to complete. These are shown in the table below:

KPI	Acceptable Target	Stretch Target	Collectively
Residents Satisfaction – Service	85%	90%	TBA
Residents Satisfaction – Product	85%	95%	TBA
Complaint Rate	95%	97%	TBA
Construction Time Management	90%	95%	TBA
Quality at Handover - Zero Defects	95%	100%	TBA

6. Investment plan for assets to be retained

6.1. Future costs

The projected costs identified for the next 30 years are shown in Appendix 5. These costs include all the anticipated works required to ensure that properties achieve the Decent Homes standard by 2015 and include response and void repairs, estate works, optional improvements and disabled adaptations. Leasehold costs for remedial works are also included, but these costs should be recovered. The costs also include current and potential Decent Home failures but exclude the Three Hills investment costs.

Appendix 6 shows the methodology and assumptions when arriving at these costs.

6.2. Financing the works

The resources available to finance these works within the HRA business plan include

- The net income from rents and other income, after deduction of costs including debt servicing
- Backlog decent homes funding

Rents in the current HRA business plan assume the existing rent policy is continued unchanged for the life of the 30 year plan. Whilst this is the agreed position to 2015, post 2015 there is an understanding that flexibility could be explored within the constraints of affordability, to explore changes to rent policy. This could include, for example, a review of values used for target rents to ensure they reflect the value of improvement works carried out in the property.

The full cost of works required is in excess of business plan resources. The programme set out above has been adapted to meet business plan affordability. In making reductions in costs and re-profiling expenditure the following investment principles have been used.

- Internal package of works to be completed over the first 5 years of the investment programme. Properties which fail the Decent Homes Standard to be prioritised and completed by 2015. Works will include replacement:
 - Kitchens - 4,600
 - Bathrooms - 3,800
 - Rewiring – 3,600
 - Heating - 4,400
- Windows (1,000) and doors (4,800) programme to be completed within the first 2 years to meet the Decent Homes Standard by 2015.
- Special project to be set up to resolve the issue of dampness by 2015.

- External (roofs, rainwater goods and walls etc.), communal and environmental (fences, paths boundary walls etc.) elements to be replaced at the end of their expected life. The programme to commence in the third year of the investment programme as agreed in the procurement strategy. The exception to this is where a roof has already gone beyond the expected life and is in need of urgent replacement.
- Barley Croft and Lower Meadow to be bought up to the decent Homes Standard by 2015

Initial investment programmes have been set on the basis of affordability limits set out above. There will be a process of annual review of the HRA business plan to enable the Council to prioritise the use of HRA resources between

- Day to day investment in homes and services
- Future major repair
- Debt repayment
- New supply

Where additional corporate capital resources are required (e.g. Right to Buy receipts) these will be made following the capital scheme appraisal process in place across the Council.

6.3. Value for money – return on assets

The Council will use the asset modelling work set out in section 5 to determine how limited resources are targeted to deliver maximum return for investment. This may mean reviewing the overall investment standard to be delivered, the timing of that investment and whether there is a case for that level of investment across the whole stock.

6.4. Value for money in delivery

The Joint Venture Company (JVCo) with Kier Harlow Ltd is seen as a way of creating efficiencies within the repairs and maintenance service. KPI's have been put in place to ensure that efficiencies and savings are made year on year and there are regular review meetings to monitor performance. This has also led to a drop in management on-costs within the Council. Savings made will be able to be made available for reinvestment and maintenance.

The JVCo agreement is based on the principle that it incorporates Best Value in its operations and complies with the Council's Best Value Improvement Plan.

The Procurement strategy being planned for the major investment programme will ensure that Value for Money is its key driver. Correct identification of the works through the stock survey and pre works scoping will ensure the contractors receive sufficient quality information to build a programme based on correct volumes of replacements thus minimising abortive work/visits and unplanned additional costs.

6.5. Value for money in procurement

The Council Housing Section has undertaken a significant procurement exercise and has appointed 3 external contractors to undertake internal decent homes works and windows and doors between 2013 and 2018.

The procurement strategy recognises that the Council's priority is to deliver decency to its stock by 1st April 2015 and thereafter maintaining its homes at a decency level.

The Council's aspiration is to achieve decent homes plus to its housing stock, which following the above major procurement exercise has allowed the Council accelerate its windows and doors programme and undertake a substantial number of bathroom replacements that were originally excluded from the programme.

The next phase of procurement is for the Council to identify a list of small and medium sized local enterprises to undertake works up to the value of £1,000,000 annually. This will be completed by 2014/

Additionally the external works programme identified by the Stock Survey will include works to leasehold and tenanted properties. This project has been identified in the procurement forward plan to commence in February 2014.

Appropriate procurement of supplies is one of the most important aspects of value for money and cost control and good procurement can increase profitability enormously. Savings of just a few percent in purchase cost, can benefit an organisation by far more than the few percent saved on purchasing.

The Council has adopted the Egan principles of partnering and following a lengthy tendering process, entered into a partnership arrangement with Kier Harlow Ltd to deliver responsive and cyclical repairs and surveying services to Harlow's tenanted properties for 7 years, with the ability to extend the arrangement for a further 3 years. The partnership will be managed through a suite of Key Performance Indicators that will require economies to be made and targets to be attained annually.

Given the above context, the Council will continue to monitor its procurement arrangements to ensure that it obtains the maximum value for money from its suppliers.

In February 2007, the Council entered into a partnership agreement with Kier Harlow Ltd to provide responsive maintenance works, planned and cyclical works and surveying services to manage all the works. However, in the other two areas it will be seeking efficiency gains by:

- On capital works, as described elsewhere in the document, we will be looking at achieving efficiencies through procuring works through a framework contract.
- Packaging works together.
- Using "draw down" contracts.
- Considering alternative materials that give a better lifetime performance.
- Exploring with Kier Harlow Ltd the joining of a purchasing "club".
- Explore the benefits of setting up a not for profit energy company for the benefit of our tenants.
- Business process re-engineering. Listening to staff who carry out the works.
- Use of the Essex Market Place consortium.

The Investment and Procurement strategy complements the above approach and is linked with this asset management strategy.

6.6. Insurance and risk management

The Council's housing assets are insured with a reputable insurer that has considerable experience in Local Authority insurance. The Council is committed to adopting best practices in the identification, evaluation and cost control of all risks to ensure that they are eliminated or reduced to an acceptable level. To this end, a corporate Risk Management Strategy has been developed.

Subsidence material damage to properties is not covered by our insurers and the Council are self insured and handle subsidence related housing stock repairs from the HRA. There is also an excess that the Council has to pay for each insured risk.

As a result of the insurance exclusion for subsidence, the Council aims to mitigate the risk through the correct management of trees close to dwellings and an audit of trees in close proximity to dwellings is to be undertaken.

By installing smoke detectors, regular testing and servicing of electrical and gas installations and other safety measures, the Council will endeavour to reduce the cost of its insurance policies.

7. Renewal, regeneration and new build

7.1. Effective use of capital assets

This strategy distinguishes between:

- **Stock Investment**
those activities that will maintain the stock to a standard to meet customer needs and regulatory requirements. This is principally the stock investment programme designed to keep all properties to the agreed investment standard for the full period of the Business Plan;
- **Active Asset Management**
those activities to improve or replace properties that have a poor social and economic performance, because of low demand or high costs, with properties that are fit for purpose.

The Council recognises that in order to deliver its housing objectives it needs to challenge the notion that all assets in ownership today will still be owned in 30 years' time. In order to ensure a good return on investment it has established a framework of evaluating the performance of assets to identify poorly performing assets and a process of appraising the options for these assets as set out in section 5.

7.2. Asset disposals

In May 2012 the Communities for Local Government (CLG) published a paper on General Housing Consents which builds on the provisions of the Housing Act 1985 in respect of general consents under which the Council can dispose of dwellings and other redundant HRA assets (such as land, garages, hard standings etc).

Historically the Council has sold a small number of properties annually (apart from those sold under the Right to Buy legislation) to help fund the housing capital programme and achieve the Decent Homes Standard.

The principle of disposals of uneconomic assets to fund future capital investment will continue under this asset management strategy. The properties would be those properties identified from the asset performance evaluation and subsequent options appraisal where disposal is the most viable future option. In this circumstance, the Council will actively market properties to maximise future capital receipts and further re-investment in affordable housing to meet local needs. In all property disposals the Council has an obligation to obtain best value.

7.3. Regeneration and defective dwellings

The Council has an Area Investment Renewal Framework (AIRF) which grew out of four studies that were conducted in 2005. This document is intended to be a targeted and action orientated guide, focusing on the delivery of specific projects that address Harlow's most pressing needs. These will address current needs and set the scene for Harlow to benefit from regional growth, whether at its immediate edges or in the wider London, Stansted, Cambridge corridor.

The AIRF considers issues facing the town today and the longer term strategic context within which change will occur.

As part of this strategy, the Council is not only looking to create Decent Homes, but Decent Communities. Research conducted across Harlow has identified key housing estates where physical, social and investment issues facing the new town housing stock are concentrated. A number of the estates face the following issues:

- Disproportionably high costs to meet Decent Homes or other standards.
- Non-traditional construction with difficult to maintain components.
- Defective dwellings requiring considerable repeated investment to remain Decent.
- Additional cost burdens on owner occupiers, landlords and the Council.
- A high proportion of properties occupied by vulnerable private sector households.
- Higher levels of socio-economic deprivation compared to the rest of Harlow.
- Quality of the built form of housing units and flat/maisonette blocks
- Quality of the public areas in and around these estates.

These estates include:

- Northbrooks.
- The Briars.
- Copshall Close.
- Ayletts Field.

On-going maintenance and investment into Decent Homes and other standards will not address fundamental issues such as:

- Quality of built form of housing units and blocks.
- Quality of public realm.
- Quality of connections.
- Integration with other neighbourhoods.
- The cost of maintenance versus the benefits of re-provision and redevelopment.

The Council recognises that the issues that have been identified for the properties in these estates are common to all tenures of housing and that to tackle them is a major task.

Through a programme of further investigation and consultation the Council has already made decisions to demolish properties on the following estates

- Ayletts Field
- Copshall Close
- The Briars

Decisions have also been taken to target investment at Barley Croft and Lower Meadow with a programme of £1.0m of investment over the next 2 years to target disrepair and provide the estate with a long term viable future.

The Council will continue the process of investigation and consultation to determine the potential for re-provision and redevelopment of Northbrooks, and other assets identified as poorly performing through the process of asset performance evaluation. In view of the sensitivities around this process, the Council recognises that any schemes that may be devised will be medium to long term projects and that consultation is crucial to the success of any potential scheme.

All options for the poorly performing assets will be considered including

- Major property repairs.
- Partial demolition and redevelopment of estates by the Council and/or partnership with RPs.
- Whole demolition and redevelopment of estates by the Council and/or partnership with RPs.
- Transfer properties to an RSL.
- Mixture of above

The Council own a number of pre-cast concrete dwellings that are designated as defective houses, as defined by part 16 of the Housing Act 1985. These property types are Airey, Cornish type 2, Woolaway and Wates houses.

Where decisions have not already been taken on the future of these assets, the Council will consider options for the future of these properties, using the process set out in section 5.

This will include a programme of stock rationalisation and new build. In the medium term the Council hopes to enhance the local property market conditions by meeting the demands of existing and new residents through a co-ordinated programme of investment and redevelopment. The Council has therefore set aside £1.6m from its business plan to purchase existing satisfactory properties funded from the sale of existing properties and has commenced this programme with identifying 6 properties in 2013 for purchase.

In addition a pathfinder site has been identified and an option appraisal programmed to provide the Council's first new build scheme at a garage site. This scheme if successful will be replicated across the District and the garage strategy will need to be revised as a matter of urgency if this approach is adopted.

The Council will need to undertake a full garage survey including demand and condition of the blocks and surrounding areas. This is programmed to commence in April 2013.

Appendix 1 – Action Plan

Task	Timescale	Resources	Outcome
Update Garage Strategy and related assets	2014	Housing Management Asset Management	Detailed options appraisals of existing garage sites and associated related assets/land. Assessment of existing use, cost benefit and potential for redevelopment/infill sites.
Develop a 5 year plan for sheltered housing	2015	Asset Management Sheltered Housing	Detailed options appraisals of all existing blocks Business plan review of support cost deficits and associated service strategy to address unfunded support services.
Develop a sustainable portfolio of temporary accommodation	2016	Housing Management Asset Management	Detailed options appraisals of existing temporary accommodation Assessment of future need to identify units to be used as temporary accommodation in future and strategy of full cost recovery to be developed

Appendix 2 – Asset performance evaluation

Appendix 3 – Schedule of Tower Blocks

Block name	Postal no's	Unit no's	Storeys	Date of Construction	Construction type
Brenthall Towers	1 - 28	28	8	1974	No Fines
Brenthall Towers	29 - 56	28	8	1974	No Fines
Edmunds Tower	1 - 44	44	12	1960	Presumed concrete frame and No Fines infill
Hughs Tower	188 - 232	44	12	1957	Presumed concrete frame and No Fines infill
Joyners Field Towers	61 - 88	28	6	1966	No Fines
Joyners Field Towers	95 - 122	28	6	1966	No Fines
Moor Tower	66 - 119	58	15	1968	Presumed concrete frame and cavity brick infill
Netteswell Tower	1 - 45	45	12	1986	Presumed concrete frame and cavity brick infill
Nicholls Tower	179 - 236	58	15	1967	Presumed concrete frame and cavity brick infill
Pennymead Tower	205 - 247	43	11	1961	Presumed concrete frame and cavity brick infill
Spring Hills Tower	1 - 45	45	9	1965	Presumed concrete frame and cavity brick infill
Stort Tower	77 - 106	30	10	1964	Presumed concrete frame and cavity brick infill
The Lawns Tower	1 - 36	36	9	1951	Presumed concrete frame and cavity brick infill
Willowfield Tower	290 - 347	58	15	1968	Presumed concrete frame and cavity brick infill

Appendix 4 - Sustainability Matrix Definitions

Classification	Sustainable Category	Capital Investment Approach	Repairs and Planned Programmes Approach	Housing Management Approach
Category 1	30 Year Sustainable Life - Stock that has a 30 year life and meets the client/customer requirements and in the future	Full investment as outlined within the SCS and Business Plan	Full repairs service and cyclical/planned works to property. Maximise quality of service and customer satisfaction levels	Moderate level of void property investment. Moderate level of estate management cost for general need and sheltered stock. Moderate to high level of estate management cost for leasehold, low rise and high rise accommodation.
Category 2	10-15 Year Sustainable Life - Stock that meets current client/customer requirements but not future needs due to condition, location, house type or specific client group needs	Maximum of 60% investment based on value of works identified within the SCS. Works will be prioritised to reflect client/customer priorities and meeting the terms of tenancy. The cash flow model will be applied to ensure overall affordability and % figure adjusted to ensure future deficits are minimised	Full repairs service and potential increase in cyclical and planned works. Programme of cyclical and planned works to be developed and cost applied for remaining life of property.	High level of void property investment. High level of estate management cost for general need, sheltered, leasehold, low rise and high rise accommodation.
Category 3	This is applied where a property is performing below average or where it's performing reasonably well today but has raised concerns regarding the future. An option appraisal will be carried within 9	No investment unless breaches tenancy agreement until appraisal process discloses future sustainable life	Full repairs service applied. Future cyclical and planned works reduced to a minimum until future sustainable life is known. Maximum period 9 months	High level of void property investment. High level of estate management cost for general need, sheltered, leasehold, low rise and high rise accommodation.

Classification	Sustainable Category	Capital Investment Approach	Repairs and Planned Programmes Approach	Housing Management Approach
	months to determine future sustainability based on market position, management approach, investment commitment and if a robust client service and income stream can be maintained.			
Category 4	This is applied where stock is deemed to have outlived the customer needs or where it's beyond economic recovery. Option appraisal will be carried out within 1 year to determine the most financially advantageous method of disposal to WPH	Option appraisal to be carried out to maximise future value to the Council, either through disposal or redevelopment. Where disposal identified, determine disposal date and cash flow required to achieve receipt.	Full repairs service applied and health and safety issues identified during closure process. Investment and cyclical/planned works require Asset Manager approval	Low level of void property investment. Intensive level of estate management cost for general need, sheltered, leasehold, low rise and high rise accommodation.
Category 5	Identify land opportunity, capacity and confirm client group and demand, Land should be driven by Category 4 and development site opportunities	Generate priority by development opportunity and carry out budget and funding assessment. Create draft programme covering next 5 years with other opportunities listed post 5 years	Asses impact on business	Limited level of void property investment for new build properties. Limited level of estate management cost for general need, sheltered, leasehold and low rise accommodation.

Appendix 5 – 30 Year Business Plan

Element	Year 1	Year 2	Year 3	Year 4	Year 5	Years 6 to 10	Years 11 to 15	Years 16 to 20	Years 21 to 25	Years 26 to 30	Total
Internals	£14,570,524	£14,570,524	£9,713,683	£9,713,683	£9,713,683	£16,374,400	£25,313,000	£24,512,850	£38,704,700	£19,959,150	£183,146,195
Windows and Doors	£3,229,325	£4,229,325	£0	£0	£0	£3,365,804	£6,810,431	£5,673,311	£4,885,071	£2,966,500	£31,159,767
Dampness / Structural	£533,000	£250,000	£100,000	£100,000	£100,000	£0	£0	£0	£0	£0	£1,083,000
External Major Works Package	£250,000	£200,000	£4,372,180	£4,372,180	£4,372,180	£43,196,712	£22,258,778	£19,541,747	£11,629,237	£8,229,246	£118,422,260
Contingent Major Repairs	£557,485	£700,000	£650,000	£422,576	£422,576	£1,880,407	£1,666,040	£1,526,411	£1,656,570	£934,647	£10,416,713
Leaseholders costs	£0	£0	£569,969	£569,969	£569,969	£10,221,465	£6,713,996	£1,857,166	£1,545,287	£364,231	£22,412,052
Related Assets	£289,593	£389,594	£289,593	£289,593	£289,593	£5,385,442	£5,401,103	£7,023,297	£1,020,330	£607,606	£20,985,746
Barley Croft & Lower Meadow	£483,675	£350,000	£0	£0	£0	£0	£0	£0	£0	£0	£833,675
Lift Programme	£0	£70,000	£70,000	£0	£0	£0	£0	£0	£0	£0	£140,000
Environmental Works	£20,000	£30,000	£30,000	£30,000	£30,000	£100,000	£100,000	£100,000	£100,000	£100,000	£640,000
Disabled Aids and Adaptations	£630,000	£750,000	£750,000	£750,000	£750,000	£3,150,000	£3,150,000	£3,150,000	£3,150,000	£3,150,000	£19,380,000
ECO Funding	£0	£800,000	£800,000	£800,000	£800,000	£0	£0	£0	£0	£0	£3,200,000
Electrical Upgrade and Fire Safety	£0	£450,000	£150,000	£100,000	£100,000	£0	£0	£0	£0	£0	£800,000
Grand Total	£20,563,603	£22,789,443	£17,495,425	£17,148,001	£17,148,001	£83,674,230	£71,413,348	£63,384,782	£62,691,195	£36,311,380	£412,619,408
Total Per Annum						£16,734,846	£14,282,670	£12,676,956	£12,538,239	£7,262,276	£13,753,980

Appendix 6 – Business Plan Assumptions

Description	Approach	Value/outcome
Cat 1	30 year life assumed	Applied to 9786 (inclusive of Lower Meadow and Barley Croft)
Cat 2	Lower Meadow/Barley Croft (Potentially included in Priority Estates) - Backlog funded works	Full Investment and rental income assume properties to move into Category 1 at the end of 2015/16
Cat 3	Stock appraisal to be applied	Garage sites and land adjacent.
Cat 4	Life expired no investment: Essential Repairs and H and S works only	Priority Estates - Aylets Field, Copshall Close and The Briars, assume small rental stream for 5 years (203 units)
Cat 5	Receipt/development opportunity	As and when occur: 1 identified for demolition (29 Pytt Field)
VAT	Net cost applied to all reports	No VAT to be applied
Inflation	No inflation applied	Excludes inflation to be applied by Finance
SCS Investment Profile	30 year plan with initial 5 year programme. Year 2 (14/15) reflects SCS with spend profile applied	Spend profile follows Procurement and Investment Strategy agreed 2012/13
Special projects	Costs associated with energy environmental and high rise blocks	Value applied to achieve Harlow standard over and above SCS £3.5m spread over 4 years for ECO works (potential grant funding)
Staff Cost	Figures reflect current cost	Tender currently being procured for delivery programme, full costs known Jan/Feb 2014 allow £1.4m per annum

Asbestos Management	Budget based on historical spend trends	Budget increased to £700k in 2014/15, reducing to £650k 2015/16 and thereafter £420k: External works programme due 2015/16
DFG Investment	Full cost assumed	Increased costs to £800k for 2014/15, 2015/16, 2016/17, 2017/18 reducing to £630k for remainder of plan
Street Property Program	Acquisition of existing satisfactory properties	To be determined based on Business Plan appraisal and affordability allocation £1.3m Estimated 6-8 Units
Garages	Investment assumption applied to manage and maintain current stock and demolition program	Garage survey and investment appraisal to be undertaken in 2014/15 allow £300k
District Heating	Heat metres and new boilers to outdated stock	To be applied per unit based on data Cat 1,2 and 3 linked to ECO programme. Costs contained within Energy costs/Special projects
Fire Alarms	Based on site specific cost	Applied to categories 1,2, 3, 4 and 5 based on life span Cat 1 - 30 years cat 2 - 15 years cat 3 - 30 years cat 4 - 3 years cat 5 - 3 years
Fire Equipment	Based on prorated cost applied on property basis	Applied to categories 1,2, 3, 4 and 5 based on life span Cat 1 - 30 years cat 2 - 15 years cat 3 - 30 years cat 4 - 3 years cat 5 - 3 years
Lift Maintenance	Based on site specific cost	Lift program for replacement of 1 carriage per annum for 5 years
Door Entry	Based on prorated cost applied on per property basis (actual cost)	Applied to category 1 only
Communal TV Aerials	Cost allocation of £80k per annum (not contained in cost profile)	Cost per property £0.99 and applied to cat 1,2,3,4,5

Lighting Conductors	Based on site specific costs program	Program to commence 2019
EPC Voids only	Covers void properties only	£97 per unit applied
Vulnerable Tenant Works	Based on prorated cost applied on property basis	New Vulnerable Policy introduced 2013/14 costs to be calculated and inserted
Insurance/structural works	Based on prorated cost applied on property basis	Assume £100k per annum
Parking	Program commences 2015/16	£3.9m over 30 years
Scape Rates above Business Plan	Allow additional 10% unit rates	Additional costs offset by reduction in external service provider costs
Mini Tender Rate	Annual tender and award	Out to tender November rates known January 2014, no adjustments made to plan 2014/15
External Tender 2014/15	Procurement commences 2014/15 and works commence 2015/16	Rates to be applied to Business Plan
Identify Scape Costs £5.8m	Determine value for money remaining from modern homes and capital program	Scape costs showing direction of travel towards affordability and Business Plan rates
R & M review	Modern Homes program reduces R & M costs	New contract to be in place by January 2017
Environmental £50k	Tenant Improvements	Annual program £50k reduces to £20k from 2018/19
Garage Strategy Planned Program, Door Locks	Best Value review in 2014/15	Allow £300k as one off to set strategy and affordability analysis
Dampness	Proactive targeted approach by a hot spot analysis	Year 2014/15 £483k reducing to £120k for remaining 3 years, no allocation after April 2018

Windows & Doors	Single glazed windows brought forward into short term priority	£1.5m Single glazed windows removed from years 6-10 and £1m single glazed windows included in year 2014/15
Health & Safety	HHSRS	Allocation within revenue budget
Fire Safety	Fire Risk assessments undertaken in 2012/13	Programmes and timetable include fire safety works to high rise blocks £200k for 4 years
Sheltered Review	5 Year Plan - needs review in 2014/15	Affordability analysis and investment linked to 30 year Business Plan, costs not included
Electrical Upgrade Works	2 Year Program	£400k allowed in 2014/15 to conclude project
Leasehold Costs	Element of Leasehold works	Recoverable costs contained in external works program allow £22m over 30 years