



LOCAL SPACE
ASSET MANAGEMENT STRATEGY
PRESENTED TO THE BOARD
18th MARCH 2014

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1 INTRODUCTION

1.1 EXECUTIVE SUMMARY

- 1.1.1 This is the first ever Asset Management Strategy for Local Space. Having only been in existence for over 7 years the bulk of maintenance work to date has been done in response to report or referral. A planned programme of works was instigated and carried out in 2012/13 and increased in 2013/14 and a further increase is planned in 2014/15.
- 1.1.2 The strategy has had to take into account the unusual management arrangements which flow from the Master Agreement with LB Newham and therefore a standard format asset management strategy does not suit the needs of Local Space. Different assumptions have to be made for the equity stock gifted to Local Space, the acquired stock leased to the London Borough of Newham and the directly managed properties. The investment assumptions for each of these differ. Local Space properties will all require component replacement which will mean mounting stock investment requirements over the years.
- 1.1.3 Fuel poverty is an increasing problem within the country as a whole and rented housing in particular. A significant commitment to affordable warmth and other energy efficiency measures is an important part of the work of Local Space and the strategy proposes a set of targets to which we must adhere.

1.2 BACKGROUND TO THE ORGANISATION

- 1.2.1 Local Space is a dynamic local housing association, established in 2006, with support from the London Borough of Newham, the Tenant Services Authority (TSA) and the Homes and Communities Agency (HCA).
- 1.2.2 Local Space delivers homes in East London, predominantly in the London Borough of Newham. The Local Space approach to delivering housing is unlike that of most Registered Providers, favouring a purchase and repair approach to provide homes for families in urgent need of accommodation, for use by our partner Local Authorities.
- 1.2.3 Using our unique approach we have:
- Conceived and implemented a business model, which has accumulated assets worth £321m
 - Acquired, improved and leased over 1,000 homes for the homeless to the London Borough of Newham within two years.
 - Acquired, improved and now manage 110 homes for London Borough of Hackney nominees.
 - Merged with Passmore Urban Renewal and took on the ownership and management of 132 key worker homes
 - Acquired, improved and now manage 10 homes for the City of London
 - Acquired, improved and now manage 50 homes for the London Borough of Waltham Forest
 - Built 7 four bedroom eco-friendly (code 4) homes

We are a small organisation of 25 staff incorporating all the usual functions of governance, finance, property services and housing management.

1.3 HISTORY

- 1.3.1 Local Space is a Registered Provider established in 2006; we have acquired more than 1,000 homes across East London, by buying dispersed properties in settled neighbourhoods and improving them. There is a Master Agreement between Local Space and LB Newham that requires the disposal of 255 properties from 2020 to 2024 in order to repay a proportion of the original loan.
- 1.3.2 We became a Registered Provider in 2008 and, because we acquired the majority of our properties in a lettable state, we are commencing planned maintenance programmes for the first time. We are implementing Keystone, an asset management software system to model future investment plans much more accurately.
- 1.3.3 We carried out a comprehensive stock condition survey in 2010 to help us better plan our services. The survey, undertaken by the Building Research Establishment (BRE) stated that *'In almost all aspects of this survey, Local Space has been as good if not better than, the comparative national EHS social sector. In many areas such as kitchen amenities, Decent Homes, energy efficiency and fuel poverty, Local Space are better than the national picture'*

1.4 WHAT BUSINESS ARE WE IN?

1.4.1 Our Core Business

Our core business is to assist London Boroughs to meet acute needs, through the provision of temporary accommodation for people who become homeless.

Local Space is essentially a 'purchase and repair' organisation. Our focus and core area is the London Borough of Newham. The East London sub region defines the broader area of our activity.

1.4.2 Our Portfolios

Our stock is subdivided into portfolios broadly based around the client or client group. The total number of Schemes and Units Owned, Leased and Managed by us are tabulated below. In terms of the scheme types, equity incorporates those units gifted to Local Space by LB Newham, to enable the purchase and repair of the acquired units. The remainder, are directly managed units and are managed for local authorities and keyworker as described in 1.2.3 above.

The 1450 Newham properties are leased to Newham for 15 years under the Master Agreement. The properties will revert to Local Space in 2021-24 and at this time the Business Plan requires that approximately 255 of these 1450 properties are sold to pay off a large proportion of the original debt. The 255 properties proposed to be sold are listed in Appendix 4 and this will be the subject of detailed discussion with LBN.

Our Stock in Numbers

1.4.3

Scheme Type	No. of Units
EQUITY	450
ACQUIRED	1,000
DIRECTLY MANAGED	313
TOTAL	1,763

1.5 OVERVIEW

1.5.1 Future Growth

Although Local Space has developed new properties in the past, the preference is to acquire stock either new or to refurbish properties from the open housing market.

Within our growth aspiration, experience has suggested that there are a number of property attributes that we wish to avoid for future expansion. We have these attributes in a percentage of our current stock and will feature in our appraisal of properties to be rationalised. This list incorporates:

- Single flats situated in blocks not owned by LS
- 4 and 5 bed properties
- Properties with low SAP ratings
- Leasehold with less than twenty years to reversion
- Properties with communal areas not in LS control

We consider it important that the purchase of any new assets will be classified as long term viable in the context of our existing assets.

1.5.2 Annual Housing Income – Based on 2013/14 Budget

Net Rental Income	£24.45M
Including service charges receivable	
Other Income	£98,000
Total Annual Income	£24.54M

1.5.3 Our Current Repairs and Maintenance Liabilities can be summarised as follows:

Property Category	Managed by	Responsive	Cyclical	Planned
Equity	LB NEWHAM	LB NEWHAM	LB NEWHAM But LS for gas, heating & hot water	LB NEWHAM
Acquired	LB NEWHAM	LB NEWHAM	LS	LS
Directly managed	LS	LS	LS	LS

1.5.4 Local Space only manages some 20% of its stock, with the balance of stock managed by the London Borough of Newham, who utilise managing agents to deliver front end services. We do not provide a responsive and planned maintenance service to a significant amount of the stock. Having said this, we have seen a steady rise in work passed on by the Council's managing agents as Landlord duties.

1.5.5 The issue of control of repair and maintenance liabilities is a challenge that Local Space is aware of.

1.6 OUR VISION FOR THE FUTURE

1.6.1 We are currently in the process of reviewing our strategic focus and direction. Our Business Plan review is ongoing and our Board has resolved to re-examine our financial and legal options so that we can use the skills we've developed to deliver additional affordable homes within Newham and adjoining East London housing authorities.

1.6.2 To assist with future investment we have also procured Asset Management software (Keystone) to complement our existing responsive system, SDM, and to facilitate our investment planning which will be a natural consequence of this AMS.

1.6.3 We will then be in a position to contribute significantly to better housing and better places for homeless households and people on limited incomes, whether they are in work or not.

1.7 OUR CHALLENGES

1.7.1 As a relatively new organisation, Local Space recognises the need for consolidation after a phase of rapid growth and for the establishment of firm foundations for the future development of the business, a critical element of which will be the AMS and Asset Investment Plans.

1.7.2 In order to develop an updated and deliverable Asset Management Strategy, we had a number of key issues to address. They were:

- Incomplete data – the stock condition survey which was completed in 2009/2010 by BRE achieved 90% coverage, but data collation is incomplete and importing of this into our current information system (SDM) has not been entirely successful.
- We commenced planned maintenance programmes for the first time with limited systems in place to model future investment plans.
- 60% of our assets are leasehold and 40% are freehold. Leasehold terms vary, with a small number with less than 20 years remaining that were leased from LBN by Passmore.

1.8 THE RESPONSE

- 1.8.1 To respond to these challenges, we developed a commissioning brief and appointed Ark Housing Consultancy LLP (Ark) to assist in the creation of this our first AMS. The commissioning brief provided Ark with a framework to assist us in achieving our aims to deliver property specific plans which identify maintenance, improvement and investment requirements over a timeframe of 30 years, but with specific attention over the next 1-10 years. An additional, but equally important requirement is the development of an agreed strategy for the disposal of 255 properties from 2020/21.
- 1.8.2 We have also procured and implemented Keystone asset management software to enable stock investment planning.

1.9 LOCAL SPACE'S ASSET MANAGEMENT OBJECTIVES

- 1.9.1 To sustain its assets, Local Space has finite resources to expend on asset management which must be managed and directed to derive maximum benefit to ensure that:
- It is fit for purpose and that it meets the needs of our customers, who will always be a diverse client group
 - It also needs to perform better to help people struggling with fuel poverty and the predicted effects of welfare reform.
 - Complies with statutory, regulatory and good practice guidance
 - Is linked to a fundable and deliverable investment plan.

1.10 BENCHMARKING

- 1.10.1 Benchmarking Local Space against other organisations is fraught with difficulty due to the complexity of our management arrangements but Ark have given us some comparators which show the following results
- 1.10.2 For Responsive repairs, Ark have given us a benchmark of £320 for low rise and £380 per unit for high rise giving a mid point for our stock of £350 against this benchmark for responsive repairs of £350 per unit our directly managed comes out at £375 and represents the higher lettable standard of our stock and the facilities within it which include white goods, curtains and carpets. It would be our aim to reduce this cost by 10% and therefore to be at benchmark within 5 years.
- 1.10.3 Our cyclical spend is also higher than the benchmark at £377 per unit as against the benchmark of £300 as provided by Ark and is currently being affected by a degree of catch up in stock condition surveys, asbestos surveys and 5 year electrical certification. In 2015/6 this benchmark figure drops to £331 as some elements of catch up drop out. Once all of these programmes are back on track and being maintained on a cycle the cyclical cost can reduce and we are committed to reducing this to the benchmark within 10 years.
- 1.10.4 Our gas costs have been validated by recent value for money tender and come out at £154 per property. We require our contractor to service and repair all forms of heating under the one contract.

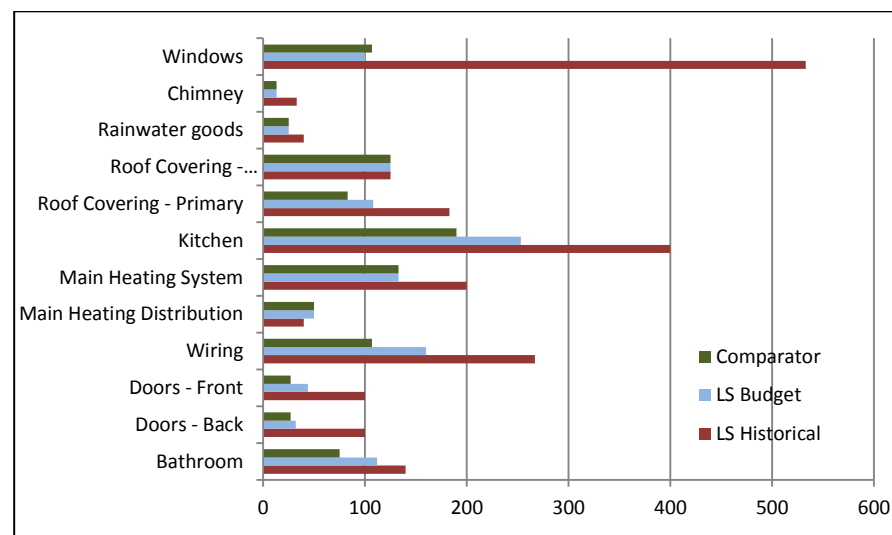
1.10.5 Our planned programme has been realigned through the AMS process to fall more in line with our peers. Previously lifecycles were established to fit with a perception of high turnover of tenants in that we provide temporary accommodation. We have in fact a relatively low turnover and a large number of tenants both in the equity and acquired portfolios who have occupied our properties for a number of years.

1.10.6 This approach of shorter lifecycles and inefficient buying volume led to higher costs as shown in the component replacement table opposite. By achieving better value for money through bulk purchase negotiations and by extending lifecycles we have reduced the figure from £2,162 to £1,025. This has been achieved by recent procurement and represents an advance on the figure of £1155 in the table opposite. This figure represents single replacement of components whereas the table at 1.11.1 shows a figure of £1255 which covers the whole stock averaged over the full 30 years.

1.10.7 Ark have provided us with the following Benchmark figures

Repair Type	Detail	Low Rise	High Rise
Responsive	3 Repairs @ £85 each	£255	£255
	One Off communal costs	£65	£125
Responsive Total		£320	£380
Gas Cyclical	3 Star Service	£125	£125
M&E Cyclical	Water, Asbestos, Fire	£75	£120
Cyclical Decs		£57	£120
Cyclical Total		£257	£345

	LS Costs Historical			LS Costs Budget			Comparator Costs		
	Cost	cycle	yearly	Cost	cycle	yearly	cost	cycle	yearly
Bathroom	2800	20	140	2250	20	112	2250	30	75
Doors - Back	1500	15	100	800	25	32	800	30	27
Doors - Front	1500	15	100	1100	25	44	800	30	27
Wiring	4000	15	267	3200	20	160	3200	30	107
Main Heating Distribution	1200	30	40	1500	30	50	1500	30	50
Main Heating System	3000	15	200	2000	15	133	2000	15	133
Kitchen	6000	15	400	3800	15	253	3800	20	190
Roof Covering - Primary	5500	30	183	6500	60	108	5000	60	83
Roof Covering - Secondary	2500	20	125	2500	20	125	2500	20	125
Rainwater goods	800	20	40	500	20	25	500	20	25
Chimney	2000	60	33	800	60	13	800	60	13
Windows	8000	15	533	4000	25	100	3200	30	107
Total			2162			1155			962



1.11 PLANNED PROGRAMME

1.11.1 Current position

- This year is the second year we have undertaken a specific planned repair programme. Historically we have responsively replaced elements on demand. The BRE survey has formed the basis of the first two years of the planned programme, in conjunction with our managing partners' first-hand knowledge of the stock and our own pre and post inspections.
- Our analysis within this AMS is based, in part, on the BRE survey and will in time be replaced by stock condition data specifically designed to import into Keystone and over the next 2-3 years our accuracy in future planning will increase
- Combined with the implementation of Keystone and stock condition survey information, we are moving towards a controlled, managed planned programme based upon accurate forecast data. The basis of the programme is the following table of component lifecycles and costs.
- The investment in the acquired stock for the years 2014-24 has been reduced as detailed in 2.5.7 and under pragmatic decision the replacement of carpets and curtains under the Master Agreement has been reduced, again as explained in 2.5.7.
- The table below gives us the planning figure for future component replacement investment and shows that against the component lifecycles shown it will, on average, cost £1255 per property at current costs to keep in good repair.
- Replacement of components is assessed on a combination of age and condition and extensions to component life will be recorded on Keystone with a new replacement date

Component	Repair Cost excl VAT	Lifecycle Years	No.	Cost inc VAT
Bathrooms	2500	20	1	4500
Doors	2000	25	1(30/25)	2882
Elec System - wiring	3200	20	1.5	5760
Heating Dist.	1500	30	1	1800
Boiler	2000	15	2	4800
Kitchens	3800	15	2	9120
Windows	4000	25	1(30/25)	5760
Flats Total				34620
Roof	6500	60	0.5	3420
Secondary Roof	1900	20	0.2	684
RW Goods	800	20	1.5	1440
Chimney	800	60	1	440
Houses Total				40604
			Adjusted Total *	49435
			Total per unit	1255

1.12 PROCUREMENT

1.12.1 Current position:

- The Property Services team is responsible for the procurement of a range of works and services.
- Local Space has a partnering arrangement for its major contract works ie responsive repairs and voids to directly managed properties with Wates (formerly Linbrook) that runs out in March 2014. We have negotiated a short extension to July 2014 to allow for the procurement which is underway.
- A Contract Notice was published in December and Expressions of Interest have been received and a shortlist is being prepared. We intend to publish the Invitation to Tender in early April 2014.
- A revised contract approach is being pursued with the partner bidding on a price per property and price per void basis and moving our work from ordering and monitoring individual orders to inspection of quality and standards. This should change our approach to one based on assessing the quality and condition of our stock and monitoring that the contractor is maintaining these standards and that our database is kept up to date.

1.12.2 Recent procurement of our Gas and Heating Contract was won by K&T Heating who has brought new levels of customer information access and now provide a one stop shop for all heating and hot water. K&T are part of a larger group, Lakehouse, who are prominent in the energy efficiency market.

1.12.3 Future procurement activity will review and procure new arrangements for Asbestos and for internal finishes like carpets and curtains which are required under the Master Agreement and are also part of our lettable standards for the Keyworker stock. We are intending to review our policy on internal furnishings in the summer of 2014.

2 REVIEW OF CURRENT ASSETS

2.1 THE APPRAISAL

2.1.1 This section explains the process that we have followed in creating the investment cycle. It seeks to highlight the detail of our stock portfolios and identify where the existing stock falls short of current and future requirements and aspirations in terms of:

- Quality
- Type
- Location
- Functionality
- Cost and value for money

2.1.2 A range of viability assessments have been established and applied to the stock, to identify where any surpluses or shortfalls exist, and arrive at the gap analysis which identifies the most efficient properties and also the least performing properties that will be appraised for rationalisation.

2.1.3 The outcomes consider the gap between our vision for the stock and the current situation.

2.1.4 In addition, this stock appraisal provides us with a framework to identify potential properties for sale, highlighting our worst performing stock and larger stock affected by welfare reforms. All outcomes will be subject to further option appraisals.

2.2 STOCK PROFILE

2.2.1 Overall stock in ownership and management is shown in the tables below:

a) Equity Stock

Equity Stock						
	1 bed	2 bed	3 bed	4 bed	5 bed	Total
House	3	3	4	1	0	11
Flat	413	17	2	0	0	432
Maisonette	4	0	2	0	0	6
Bungalow	1	0	0	0	0	1
Total	421	20	8	1	0	450

b) Acquired Stock

Acquired Stock						
	1 bed	2 bed	3 bed	4 bed	5 bed	Total
House	7	317	189	9	0	522
Flat	142	232	37	0	0	411
Maisonette	1	41	25	0	0	67
Bungalow	0	0	0	0	0	0
Total	150	590	251	9	0	1,000

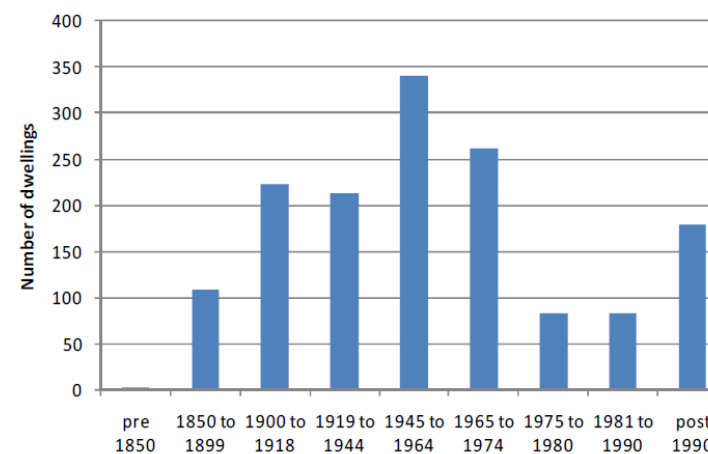
c) Directly Managed Stock

Directly Managed Stock						
	1 bed	2 bed	3 bed	4 bed	5 bed	Total
House	19	36	69	17	2	143
Flat	60	68	19	0	0	147
Maisonette	0	3	20	0	0	23
Bungalow	0	0	0	0	0	0
Total	79	107	108	17	2	313

2.2.2 Overall, just over 56% of stock is flats, 38% is houses and the balance is taken up with maisonettes and one bungalow.

All Stock						
	1 bed	2 bed	3 bed	4 bed	5 bed	Total
House	29	356	262	27	2	676
Flat	615	317	58	0	0	990
Maisonette	5	44	47	0	0	96
Bungalow	1	0	0	0	0	1
Total	650	717	367	27	2	1,763

2.2.3 In terms of the age of the stock, the profile is as follows:



This table shows that approximately a third of the stock is pre-1945. Just over a third of the stock was built between 1945 and 1974, with the balance built from 1975 onwards.

2.3 DEMAND

- 2.3.1 There is massive pent up demand and need for affordable housing and for housing generally in London. Even though house prices in Newham are lower when compared with surrounding areas, housing affordability is still a significant issue for local people on average incomes. Consequently, affordable housing demand is even more intense than housing demand generally.
- 2.3.2 Although we do not consider that we have any neighbourhoods that are difficult to let or undesirable and despite the underlying high demand for housing, some forms of housing are relatively difficult to let, either because of mismatches between the form and quality of accommodation on offer and people's reasonable lifestyle aspirations or as a result of recently introduced changes to the welfare benefit system, where tenants of social housing can have their Housing Benefit reduced for having bedrooms in excess of their strict household needs. The longer term impact of this is hard to judge at present, although we are currently monitoring the impact on demand for our larger houses. Our 4 and 5 bedroom houses, 29 in total, will be subject to further option appraisals and, may be considered for sale on the open market. This will also be part of the consultation with LBN as we have 9 4 bed properties within the Acquired stock.

2.4 STOCK ANALYSIS

- 2.4.1 Based initially upon the existing Stock Condition Survey output data, a detailed review has been undertaken to analyse the investment profile of each property or block. In order to resolve some of the inconsistencies and omissions from the Stock Condition Survey, it was necessary to make a number of assumptions in terms of investment levels.
- 2.4.2 Where data is absent, reasonable assumptions have been made based upon the experience of LS staff and consultants. Wherever possible, assumptions use Local Space or generic industry data. The assumptions are tabled below:
- 2.4.3 Assumptions Made:

Planned repair costs	
1	If total is less than £24,975+VAT(90% of flat standard) use standard planned cost
2	BRE survey data has been used as the basis for planned costs with some limited amendments to quantities where obviously incorrect, but a substantial analysis and verification is being undertaken by Keystone. This has therefore not been replicated.
3	Total capped at £28,450 for yrs 1-5 and 1-10 (every component replaced once) and £46,400 for years 1-30 (every component replaced maximum number of times based on lifecycle)
4	Amended roof cost in model halved to reflect split into 2 elevations in BRE survey
5	BRE surveys not necessarily recorded to correct UPRNs (e.g. L12055 and L12055A appear to be mixed)
6	Maximum of 2 chimneys per property (as many as 32 have been recorded)
7	New build properties' planned costs commence year 10, not year 1

Rents	
8	Equity rents assumed to be the same as Acquired rents by bedroom
9	1,450 LB Newham rents capped at target rents (Savills) from year 8 for scenario 1
10	Target rent uplifted at 2.5% pa
11	Service charges average of four year's data
12	Rents increase at 2.5% for directly managed
13	and for first 7 years LB Newham properties' rent increases at 1% then 2.5% pa
Overheads	
14	Scoring model overheads are allocated weighting allowances for a. Number of beds b. Freehold, leasehold tenure c. Directly managed, acquired, equity d. Type of landlord where leasehold tenure and block not LS owned
Voids	
15	Voids works cost capped at £2k to reduce historical planned spend incorporated within voids
Budget Expenditure and Income	
16	Management agreement assumed to extend to end year 10
17	Transfer of all properties to LS management end year 10, tenanted
18	255 sale properties sold at start of year 11 and pro-rata equity and acquired
19	Sales revenue as Savills' valuation plus 3.5% uplift per annum
20	Directly managed properties – worst sold in year 2 and replaced like for like in year 3 (costs pro rata retained stock)
21	M&E and cyclical costs allocated from OH budgets based upon units covered
22	Where data not available, pro-rata of existing data used: a. M&E and cyclical for equity from year 11

	b. Responsive repairs for equity and acquired from year 11
	c. Void rent loss for equity from year 11
23	Poor directly managed stock replaced like for like with £10k fees/works cost each
24	Where any data is not present for particular stock, appropriate pro-rata data used

2.4.4 The stock has been profiled by the application of a series of key qualitative tests and quantitative investment tests, based upon the values, aspirations and resources of Local Space. Each test was then assessed against a scoring matrix. All tests are weighted to identify their relative significance to the organisation.

2.4.5 These were developed into a set of 19 weighted tests and applied to all properties. Simplistically, where a test target is pass/fail and a scheme passes the test, it gains the full score but receives a score of zero if it fails the test. Where a test target is graduated, the scheme gains a proportion of the marks available, subject to how far from the target it falls.

2.4.6 The set of tests used are described below, together with the maximum score weighting applied.

Nr	Test Title	Description of test	Target	Max weight
QUANTITATIVE TESTS				
1	Planned repair costs short term	Planned spend per unit per annum, 5 years <	£1,110	3
2	Planned repair costs medium term	Planned spend per unit per annum, 10 years <	£1,110	3
3	Planned repair costs long term	Planned spend per unit per annum, 30 years <	£1,110	3

Nr	Test Title	Description of test	Target	Max weight
4	Low responsive repair costs	Cost per property per annum <	£350	8
5	Low void costs	Cost of void repair/rent loss as % of rent <	2.0%	6
6	Contribution to planned works and surplus	Excess	£1,000	12
7	Low number of responsive repairs	Number of repairs ≤	3	6
8	Short void length	If average length of void ≤	21	6
QUALITATIVE TESTS				
9	Complaints	Complaints <	10.0%	4
10	Good SAP rating	Band A or B - SAP rating >	69	6
11	Fair SAP rating	Band C - SAP rating >	55	4
12	Borderline SAP rating	Band D - SAP rating >	39	1
13	Asbestos	100%=no asbestos; 50%=suspected asbestos		2
14	Low risk of condensation/mould			6
15	Low risk of damp			10
16	Staff qualitative assessment of archetypes	Score - 50% if flat in block; 0 if other		8
17	Freehold property	Score if property is a freehold property		4

Nr	Test Title	Description of test	Target	Max weight
18	Medium term leasehold or freehold	Freehold or lease is longer than	60 years	4
19	Long term leasehold or freehold	Freehold or lease is longer than	80 years	4
Total				100

2.4.7 Although all tests were applied at a unit calculation level, data was grouped and scored at 'block' level. The assets scored comprised 1,763 units, comprising 1,630 blocks. Some 'blocks' are single dwellings whereas all others are grouped; these groups flat blocks and also groupings of houses.

2.4.8 Once the data analysis was completed, all assets were scheduled highest to lowest to reflect their relative performance:

- The lowest scoring asset scored 22% out of 100%
- The highest scoring asset scored 100% out of 100%

2.4.9 These are defined in more detail in Section 5 of this AMS strategy. The full analysis for those assets perceived to be less well performing is set out at Appendix 1.

2.4.10 In essence a property that costs little to manage and maintain, has short and cheap void periods, is energy efficient, has no risk factors and is easy to let will score well.

2.5 OVERALL INVESTMENT REQUIREMENTS

2.5.1 The emerging data produces a 30 year plan for the investment requirements in the stock. This has been further rationalised by:

- Updating details of all the historic programmes of investment completed up to 2012/13
- Updating to reflect programmes of work to be completed in 2013/14
- Validation of key elemental survey data

2.5.2 The emerging 30 year financial model comprises the basis of this Asset Management Strategy and is drawn from the BRE stock condition survey information and also from our previous asset management budgets. Over time our stock data quality will rise as we populate Keystone with data surveyed by ourselves.

2.5.3 Our current short term investment programme budget is as follows

	2013/14	Proposed 2014/15
Responsive	£255k	£285k
Cyclical	£661k	£665k
Voids	£260k	£200k
Catch Up Repairs (Responsive)	£375k	£192k
Major capital works	£700k	£1,091k
Green Agenda	£35k	£35k
Total	£2,286k	£2,468k

2.5.4 Looking forward, Local Space proposes to spend the following amounts on stock investment. This first table excludes the annual uplift of 3% as per the business plan.

	Proposed 2014/15	Proposed 2014-24	Proposed 2024-34	Proposed 2034-44
Responsive cost	£285k	£2,455k	£4,230k	£4,230k
Cyclical works	£135k	£1,350k	£1,550k	£1,550k
Void works cost	£200k	£2,000k	£900k	£900k
Major capital works	£1,091k	£10,910k	£18,928k	£18,930k
Catch up repairs	£192k	£192k	£5,383k	£0k
Total	£1,903k	£16,907k	£30,991k	£25,610k
Gas 3*	£270k	£2,700k	£2,310k	£2,310k
Electrical certification	£160k	£880k	£680k	£680k
Carpets and curtains	£100k	£1,160k	£0k	£0k
Green agenda	£35k	£935k	£0k	£0k
Overall total	£2,468k	£22,582k	£33,981k	£28,600k

2.5.5 The following table includes the annual business plan uplift of 3% per year

2.5.6 UPLIFTED

	Proposed 2014/15	Proposed 2014-24	Proposed 2024-34	Proposed 2034-44
Responsive cost	£285k	£2,796k	£6,517k	£8,758k
Cyclical works	£135k	£1,548k	£2,388k	£3,209k
Void works cost	£200k	£2,293k	£1,387k	£1,863k
Major capital works	£1,091k	£12,507k	£29,161k	£39,195k
Catch up repairs	£192k	£0k	£7,682k	£0k
Total	£1,903k	£19,144k	£47,135k	£53,026k
Gas 3*	£270k	£3,095k	£3,559k	£4,783k
Electrical certification	£160k	£997k	£1,048k	£1,408k
Carpets and curtains	£100k	£1,315k	£0k	£0k
Green agenda	£35k	£1,081k	£0k	£0k
Overall total	£2,468k	£25,632k	£51,741k	£59,216k

2.5.7 The following assumptions have been made to create the above tables:

- Directly managed properties – a reduction in responsive spend to achieve a value for money target for savings in expenditure on responsive maintenance, which is established at 10% over five years reducing from £285k per year in 14/15 to £228k in 19/20. This reduction is being achieved by a deliberate shift towards planned and cyclical works where budgets are to be increased. The Business Plan 3% inflationary uplift remains in place in the second table but has been removed in the first.
- Acquired properties – a reduction to planned maintenance expenditure of 66% in years 1 to 10. This is to recognise 2 factors. Firstly that the properties are not in our direct management and control and secondly to ensure that components are utilised to full value rather than replaced on a cycle basis.
- An assumption has been made on catch up spend for planned maintenance required in years 11 to 20 and smoothed out, rounded to the nearest £100k and including Business Plan uplifts. The increase in responsive in years 2024 -34 up to £4,230k demonstrates the effect of the acquired coming back into full LS management with full repairing obligations rather than partial.
- Disposal of the 20-40 worst performing properties in year 2 (2015), with re-provision allowed for in the following Year 3.
- Disposal of 255 properties (proposed as 79 equity and 176 acquired) assessed as the worst performing. Disposal is scheduled in Year 11 (2024) in line with the Master Agreement.
- The investment required to deliver the Affordable Warmth Strategy, reflects the 2014/15 budget initially and then the balance of the proposed total spend of £800k (£902k uplifted) spread over the subsequent 9 years. Local Space

to agree expenditure going forward from 2024 onwards. No figure has been included for this in the tables. Details of this are included within the Affordable Warmth programme at Appendix 3

- Bad debts are taken to be 2% of turnover which is slightly higher than the historical figure but is a reasonable assumption over the planned period.
- Some service charges paid for by LS but not passed on to tenants, including some section 20 landlord works, are recorded and projected forward over the 30 year period.
- Housing revenues will reduce to the level of target rent values in year 11 of the thirty year financial forecast.
- All revenues and costs are uplifted annually in line with the current business plan assumptions where noted.
- Although LS do not undertake responsive works to either equity or acquired properties, there are responsive costs and these have been recorded against the relevant units as landlord's costs. These include works that are necessary to improve the performance in areas like ventilation and damp.
- Cyclical, gas servicing and electrical certification costs are based upon 2013/14 budgeted costs and are split equally between the relevant units.

2.5.8 Carpets and curtains are required to be provided under the LBN Master Agreement. The agreement requires replacement every 5 years at a projected cost of over £600k per year assessed on a standard cost of £3,000 per property. However, in practice LS use a higher quality carpet which has a warranty extending to 10 years and have agreed with LBN that pragmatic decisions are made on the longevity of carpets which do, in reality, reduce this cost. An allowance has been made over the 10 years that remain of the Master Agreement that reflects greater spend year on year as carpets get older peaking in 20/21 and then reducing as we

manage the asset to the end of the agreement. This also reflects that our properties are not subject to the churn that might have been envisaged at the outset of the Master Agreement.

2.6 Investment by Element

2.6.1 Stock data inevitably profiles elemental investment requirements based upon standard cycles of component replacement. In turn the annual investment profile goes through a range of peaks and troughs. We have implemented Keystone to assist us in this task and the 2014/15 will be generated, in part, by the programme.

2.6.2 In implementing a delivery programme, it will be important to smooth out the actual volume and value of annual investment, so as to maintain an equal annual impact in both financial and workload terms. If averaged across the 30 year period, the annual investment requirement per annum is £1,255: In years 11-30 ie 2024-44 this would equate to a basic capital programme of £1.89 million per year for 1508 properties (ie 1763-255).

Component	Repair Cost excl VAT	Lifecycle Years	No.	Cost inc VAT
Bathrooms	2500	20	1	4500
Doors	2000	25	1(30/25)	2882
Elec System - wiring	3200	20	1.5	5760
Heating Dist.	1500	30	1	1800
Boiler	2000	15	2	4800
Kitchens	3800	15	2	9120
Windows	4000	25	1(30/25)	5760
Flats Total				34620
Roof	6500	60	0.5	3420
Secondary Roof	1900	20	0.2	684
RW Goods	800	20	1.5	1440
Chimney	800	60	1	440
Houses Total				40604
			Adjusted Total *	49435
			Total per unit	1255

2.6.3 The future action plan for this AMS includes a task to smooth out investment requirements, not only in terms of annual spend but also in respect of elemental programmes to generate maximum procurement efficiencies. We will be using Keystone to achieve this.

2.7 PROPOSED INVESTMENT PROGRAMME

- 2.7.1 The proposed investment programme shows investment of over £85 million over the 30 year plan period at current costs and £137 million uplifted by inflation.
- 2.7.2 The programme has been adjusted in the years 2014-24 to reduce planned expenditure by £5.5 million which is then carried out as catch up repairs in years 2024-29 ie over a 5 year period.
- 2.7.3 We have analysed the historical responsive repair cost by property for the three financial years from 2010/11 to 2011/12 and 2012/13. We have then used the outturn information for these and the current year to project forward our thirty year proposed responsive programme.
- 2.7.4 LS do not undertake responsive works to either equity or acquired properties. However, there are responsive costs recorded against these units as landlord's costs. This is typically where we are advised of defects that are our obligation as landlord and include items like extractor fans.
- 2.7.5 From year 11, when the equity and acquired properties revert to LS management, the responsive costs and void costs become LS responsibility. This will also create the need for a policy review of lettable standard for all properties for the last 20 years of this strategy.
- 2.7.6 Cyclical, gas servicing and electrical certification costs are based upon 2013/14 budgeted costs and are split equally between the relevant units. The costs equate to a total £15.1M over the 30 year period.

- 2.7.7 The investment required to deliver the Affordable Warmth Strategy, reflects the 2014/15 budget initially and then the balance of the proposed total spend of £800k (£902k uplifted) spread over the subsequent 9 years.

B. IMPACT OF SALES – SUMMARY OF CONTRIBUTION

SUMMARY OF CONTRIBUTION*		30 yr TOTAL
1	TOTAL CONTRIBUTION – NO SALES	£528M
2	TOTAL CONTRIBUTION – DIRECTLY MANAGED SALES ONLY	£537M
3	TOTAL CONTRIBUTION – 255 SALES ONLY	£489M
4	TOTAL CONTRIBUTION – DIRECTLY MANAGED AND 255 SALES	£498M

* Contribution is defined as income less asset management costs and demonstrates the surplus generated by LS stock.

Annual Contribution per unit	Year 1	Year 30
NO SALES	11,551	12,001
DIRECTLY MANAGED SALES ONLY	11,551	12,282
255 SALES ONLY	11,586	12,419
DIRECTLY MANAGED AND 255 SALES	11,586	12,748

- Despite the reduction in current rent to target rent in year 11 of the forecast budget, the properties will continue to make a contribution to overheads.
- Selling the worst performing 20 directly managed units and replacing them with better performing stock improves the financial contribution by around £9 million over 30 years.
- Selling both the worst performing directly managed stock and the 255 sales required by the Master Agreement increases the per unit per annum profitability from £11,586 in year 1 of the plan, to £12,748 in year 30, an increase of just below 10%.
- However, because of the reduction in the number of units, the overall contribution reduces by 5.7%, from a 'no sales' scenario of £528 million over 30 years to a 'sell all proposed' scenario of £498 million over 30 years.

2.7.8 Headline conclusions from the summary of contributions tables are that:

3 ASSET INVESTMENT STRATEGY

3.1 CATEGORISATION OF STOCK PERFORMANCE

3.1.1 For the purpose of this analysis, the stock has been scored by category (equity, acquired and directly managed) and scored in accordance with the tests. The groups of stock are not directly comparable between categories of property and therefore each category has a stand-alone analysis and grouping.

3.1.2 For each category the grouping scores have been adapted to reflect the profile of that category. The outcome scoring is relative and compares properties within the same category.

3.1.3 The list is based upon current information and will change as better information becomes available.

3.1.4 A full set of scores for each block and/or unit is included at Appendix 2.

3.2 SUMMARY OF STOCK CATEGORISATION

3.2.1 The proposed categorisation of stock can therefore be summarised as follows:

Group	Short Description	Full Description	Actions Required
3/4	Sustainable	Stock where capital investment has been/is being made. These are therefore expected to be sustainable for 10 - 15 years before further review is required.	The Keystone 30 year planned costs need to be applied and sense checked to ensure that future spend forecasts are realistic in all respects
2	Requiring intervention and refurbishment	Subject to additional elemental investment beyond the planned investment and a satisfactory financial appraisal, we believe that this stock can and should be retained and, with some refurbishment or other changes, can become sustainable stock.	Stock where an options appraisal needs to be undertaken to determine the exact level of investment required. The outcomes of this option appraisal will inform the level of investment required, over and above on-going elemental work.
1	Option Appraisal/ Disposals	Stock considered appropriate for private sector disposal. This is for the worst performing stock	Devise strategy for decanting residents and private sector disposal.
n/a	Data review	These assets have been highlighted through the asset grouping as having a negative impact and are low scoring, but the scores are based on cloned data and not on SCS data	Property Services Team to review the data appertaining to this stock to determine whether it can be moved to the Sustainable Assets Group or another investment strategy is required.

3.3 INVESTMENT RATIONALE

3.3.1 The Strategies and investment rationale for each of the categories is described above can be summarised in numbers as follows

Category	Equity	Acquired	Directly Managed
Sustainable Stock requiring ongoing Investment	372	802	218
Stock Requiring Intervention & Refurbishment	0	21	42
Stock for Option Appraisal and/or Disposal	78	177	53
Total	450	1,000	313

3.3.2 STOCK FOR DATA REVIEW

As noted in section 4.5 of this report, although the BRE survey achieved 90% coverage, some of the condition data is not fully complete and, in addition, there are either no dates or a lack of specific dates for elemental replacements costs.

Stock type	No BRE Data
Equity	85
Acquired	113
Directly managed	72

In addition, since the survey, some existing stock has received major re-investment, hence the stock condition data is now not fully up to date.

A requirement for a future programme of routine surveying has been identified, in order to check the integrity of existing data and also to update asset management data. This data will populate Keystone.

4 AFFORDABLE WARMTH PROGRAMME

4.1 Current Position

4.1.1 Local Space has developed an Affordable Warmth Strategy which is Appendix 3 to this main strategy and is a sub strategy of this AMS, which sets out what we must do to help achieve Affordable Warmth for our residents. The main thrust of the strategy is to help to improve our residents' well-being, whilst acknowledging that the benefits will be realised by increased stock value and demand and by the reduction in carbon emissions.

4.1.2 The objectives of our affordable warmth programme are to:

- Improve the thermal efficiency of residents' homes
- Reduce energy consumption in the home
- Increase levels of disposable income for our residents by reducing their fuel bills
- Ensure our residents have access to energy advice

4.1.3 Our planned programme will need to target the worst (lowest SAP rating) properties first and will also need to take into account location impact, age and type of property, heating system and boiler.

4.1.4 We intend to assemble representatives from stakeholder and other appropriate groups into a Project Steering Group to improve oversight and governance of the programme. This will be increasingly important as we pursue grant support.

Affordable Warmth Upgrade Requirements				
	SAP below 39	SAP 39-55	SAP above 55	No BRE data
No of properties	17	177	1,299	270
	1.0%	10.0%	73.7%	15.3%
Cavity wall insulation potential	14	84	924	n/k
Upgrade single glazed Windows	5	43	165	n/k
No central heating (install)	2	21	8	n/k
Consider change to gas central heating	5	9	2	n/k
Priority upgrade boiler	1	21	78	24
Upgrade boiler	3	58	459	52
Upgrade heating controls	12	59	129	n/k
Upgrade hot water cylinder insulation	7	24	63	n/k
Priority loft insulation upgrade	3	50	228	n/k
Loft insulation upgrade	2	57	358	n/k

4.1.5 The affordable warmth programme will incorporate the following planned works:

- Cavity wall insulation – a priority for 2014/5
- Single glazed windows replaced with double glazed air filled low E glass
- Install central heating where BRE identifies no central heating installed and change to gas CH where BRE shows there is a gas supply to the property and where the property currently has electric heating
- Priority boiler upgrade – SEDBUK rating E-G

- Upgrade heating controls
- Install Hot water cylinder insulation
- Install Loft insulation

4.1.6 The overall budget requirement for targeted improvements for the least energy efficient stock, is just under £800,000 or an average of just over £4,000 per unit. It is anticipated this is likely, over a ten year period, to bring stock to the minimum SAP of 55, although this will need to be tackled over a 3-5 year period.

4.1.7 Key Actions Required:

- New SAP assessment for targeted properties, in order of priority group, to identify the overall effect of the improvements proposed on SAP rating to ensure that target of 55 is achieved.
- Consider disposal and replacement of properties where SAP of 55 cannot be achieved.
- Undertake upgrades as part of the planned programme.
- Establish Project Steering Group

FINAL DRAFT

APPENDIX 1 – SUMMARY OF WORST PERFORMING ASSET

Directly Managed Schemes	No of Properties	Value	Tenure	Tests	Group	Contribution to planned	
				Total Score		PUPA over 30 years	Total over 30 years
12 Grosvenor Road, East Ham, London, E7 8JA	1	£240k	L	22.0	1	£1,424	£42,725
77A Clova Road, Forest Gate, London, E7 9AG	1	£150k	L	33.0	1	£1,806	£54,194
17 Woodgrange Road, Forest Gate, London, E7 8BA	2	£270k	L	40.0	1	£2,006	£120,367
455 Barking Road, Plaistow, London, E13 8AL	3	£390k	F	40.4	1	£1,461	£131,528
37 Woodgrange Road, Forest Gate, London, E7 8BA	3	£390k	L	42.0	1	£416	£37,474
Ground Floor Flat 22 Hartley Avenue, East Ham, London, E6 1NT	3	£400k	L	43.4	1	£1,626	£146,303
337 Romford Road, Forest Gate, London, E7 9HL	4	£560k	F	44.0	1	£2,672	£320,581
28A Upton Avenue, Forest Gate, London, E7 9PN	2	£300k	L	45.0	1	£2,655	£159,317
17 Sidney Road, Forest Gate, London, E7 0ED	2	£320k	F	45.0	1	£1,842	£110,539
5 Glasier Court, Glenavon Road, Stratford, E15 4EX	1	£240k	F	45.0	1	£2,580	£77,414
Flat 3, 122 Earham Grove, Forest Gate, London, E7 9AS	1	£100k	L	45.0	1	(£933)	(£27,975)
49 Chestnut Avenue, Forest Gate, London, E7 0JQ	1	£200k	F	47.0	1	£2,317	£69,513
1 Hampton Road, Forest Gate, London, E7 0PD	4	£490k	F	48.0	1	£888	£106,582
15A Selwyn Road, Plaistow, London, E13 0PY	1	£120k	L	49.0	1	(£454)	(£13,631)
112-120 Tower Hamlets Road, Forest Gate, London, E7 9DB	10	£1,330k	F	49.6	1	£2,243	£673,013
75 Woodford Road, Forest Gate, London, E7 0DL	3	£410k	F	49.7	1	£2,084	£187,553
26B Green Street, Forest Gate, London, E7 8BZ	1	£130k	L	52.0	1	(£725)	(£21,761)
39 Suffolk Street, Forest Gate, London, E7 0HF	2	£250k	F	56.0	1	(£1,243)	(£74,575)
4 Cuckoo Hall Lane, London, N9 8DJ	1	£224k	F	59.0	1	(£1,091)	(£32,733)
25 Broadoak Avenue, Enfield, EN3 6TS	1	£231k	F	60.0	1	(£572)	(£17,171)
Flat C 34 Kenilworth Road, Hasting, TN38 0JL	5	£742k	F	67.0	1	(£2,809)	(£421,298)
169 Stoneleigh Avenue, Enfield, EN1 4HG	1	£231k	F	72.0	1	(£268)	(£8,038)

Acquired Schemes	No of Properties	Value	Tenure	Tests	Group	Contribution to planned	
				Total Score		PUPA over 30 years	Total over 30 years
101 Jack Clow Road, West Ham, London, E15 3AR	1	£159k	L	43.0	1	£2,535	£76,051
273 Express Drive, Goodmayes, Ilford, IG3 9RD	1	£151k	L	46.0	1	£3,595	£107,849
62 Downings, Winsor Park, Beckton, E6 6WP	1	£302k	L	46.0	1	£2,259	£67,776
16 Grimsby Grove, East Ham, London, E16 2RJ	1	£164k	L	49.0	1	£3,029	£90,881
Flat 6, 492 Lea Bridge Road, Leyton, London, E10 7DU	1	£171k	L	50.0	1	£542	£16,250
43 Lindley Road, London, E10 6QT	1	£372k	L	54.0	1	£6,984	£209,528
208 Ley Street, Ilford, Essex, IG1 4BW	1	£143k	L	54.0	1	£3,738	£112,127

Equity Schemes	No of Properties	Value	Tenure	Tests	Group	Contribution to planned	
				Total Score		PUPA over 30 years	Total over 30 years
26 Newport Avenue, London, E13 8NS	1	£175k	L	61.0	1	£6,763	£202,892
12 Kent Street, London, E13 8RL	1	£128k	L	64.0	1	£7,336	£220,066
11 Holloway Road, London, E6 3PE	1	£125k	L	65.0	1	£7,352	£220,570
47 Holborn Road, London, E13 8PB	1	£175k	L	68.0	1	£6,798	£203,951
2 Edward Court, London, E16 4DN	1	£122k	L	68.0	1	£7,352	£220,570
8E First Avenue, London, E13 8AR	1	£128k	L	69.0	1	£7,352	£220,570
34 Eastbourne Road, London, E15 3LJ	1	£134k	L	69.0	1	£7,242	£217,258
275 Corporation Street, London, E15 3DJ	1	£149k	L	69.0	1	£7,352	£220,570
34 Bridge Road, London, E15 3LN	1	£139k	L	69.0	1	£7,352	£220,570
145 Barking Road, Canning Town, London, E6 1PN	1	£125k	L	69.0	1	£7,352	£220,570

APPENDIX 2 – LIST OF 255 PROPERTIES FOR DISPOSAL

Acquired Properties - Scheme	No of Properties	Cumulative Sales
101 Jack Clow Road, West Ham, London, E15 3AR	1	1
273 Express Drive, Goodmayes, Ilford, IG3 9RD	1	2
62 Downings, Winsor Park, Beckton, E6 6WP	1	3
16 Grimsby Grove, East Ham, London, E16 2RJ	1	4
Flat 6, 492 Lea Bridge Road, Leyton, London, E10 7DU	1	5
43 Lindley Road, London, E10 6QT	1	6
208 Ley Street, Ilford, Essex, IG1 4BW	1	7
110 Limbourne Avenue, Dagenham, RM8 1HX	1	8
5 Hallingbury Court, Forest Road, Walthamstow, E17 3EE	1	9
Flat 283-287, A Barking Road, Plaistow, London, E13 8EQ	7	16
7 Sandon Court, Goodmayes Lane, Ilford, IG3 9PU	1	17
102 New Barn Street, Plaistow, London, E13 8JW	1	18
6 Hallingbury Court, Forest Road, Walthamstow, E17 3EE	1	19
97 Adamson Road, London, E16 3QB	1	20
10 Howard Mansions, Forest Road, Walthamstow, E17 4NA	1	21
235 New Road, Dagenham, RM10 9ND	1	22
24 Darwin Court, Balaam Street, Plaistow, E13 8RB	1	23
Flat 3, 220 Third Avenue, London, RM10 9BB	1	24
454 Lonsdale Avenue, East Ham, London, E6 3PL	1	25
2A Guildford Road, Walthamstow, London, E17 4DZ	1	26
26 Castle House, Castle Road, Dagenham, RM9 4XS	1	27
3 Adine Road, Plaistow, E13 8LL	1	28
1A Victoria Road, Walthamstow, London, E17 4JT	1	29
43 Vansittart Road, Forest Gate, E7 0AT	1	30
5 Tudor Court, Off Verulam Avenue, Walthamstow, E17 8ET	1	31
29 Saint Drive, Forest Gate, E7 0RF	1	32
109 Elizabeth Road, East Ham, London, E6 1BW	1	33
23 Butterfly Court, 1 Elderberry Way, London, E6 6JE	1	34
18 Plumtree Close, Dagenham, Essex, RM10 8UA	1	35
40 Chargeable Lane, Plaistow, E13 8DL	1	36
156 Beam Avenue, Dagenham, Essex, RM10 9BL	1	37
1 Wellstead Road, London, E6 4DE	1	38
92 Valance Avenue, Dagenham, Essex, RM8 1TL	1	39
5 Forsyth Court St Marks Place, Reede Road, London, RM10 8GS	1	40
10 Rose Court, Bluebell Way, London, IG1 2LN	1	41
890 Rainham Road South, Dagenham, Essex, RM10 8AF	1	42
184 Green Lane, Ilford, Essex, IG1 1YQ	1	43
1 Chantress Close, Dagenham, Essex, RM10 9YW	1	44
13 Hallywell Crescent, Beckton, London, E6 5XP	1	45
58 Falcon Street, Plaistow, E13 8DE	1	46
24 Egham Road, Plaistow, E13 8PD	1	47
77 Dagnam Park Drive, Harold Hill, Essex, RM3 9XL	1	48

Acquired Properties - Scheme	No of Properties	Cumulative Sales
15 Cecil House, Chingford Road, Walthamstow, E17 5AQ	1	49
57 Brock Road, London, E13 8NA	1	50
31 Bridgeford Lodge, Frank Street, London, E13 8JQ	1	51
59 Andromeda Court, Myrtle Road, Harold Hill, RM3 8BL	1	52
65 Russell Road, Chingford, E4 8HA	1	53
21E Dore Avenue, London, E12 6JT	1	54
59 Desford Road, Canning Town, London, E16 4NJ	1	55
19 Darwin Court, Balaam Street, Plaistow, E13 8RB	1	56
2 Cranbourne Road, Barking, IG11 7XE	1	57
52 Cowper Road, Rainham, Essex, RM13 9TT	1	58
5 Borrowdale Close, Ilford, IG4 5LS	1	59
97 Blyth Road, Walthamstow, London, E17 8HS	1	60
5 Ashley Road, Chingford, E4 8NA	1	61
93 Roosevelt Way, Dagenham, RM10 8DA	1	62
76 Pittman Gardens, Ilford, IG1 2QD	1	63
2 Patrick Road, Plaistow, London, E13 9QA	1	64
83 Market Street, London, E6 2RD	1	65
192 Highfield Road, Romford, Essex, RM5 3AQ	1	66
16 Fields Park Crescent, Chadwell Heath, Essex, RM6 5AP	1	67
17 Elmbridge Road, Hainault, IG6 3SW	1	68
2 Elm Close, Romford, RM7 8HP	1	69
21 Desford Road, Canning Town, London, E16 4NJ	1	70
30D Connaught Avenue, Chingford, London, E4 7AA	1	71
52 Chadville Gardens, Chadwell Heath, RM6 5UA	1	72
30 Bradfield Drive, Barking, Essex, IG11 9AR	1	73
47 Belgrave Road, London, E13 8RT	1	74
73 Telham Road, London, E6 6BW	1	75
49 Stirling House, Lancaster Square, Piper Way Ilford, IG1 4DA	1	76
66 High Street, London, E13 0AJ	1	77
13 Hertford Court, Vicarage Lane, London, E6 6BE	1	78
108 Hallywell Crescent, Beckton, London, E6 5XR	1	79
1 Fulmar Road, Hornchurch, Essex, RM12 5LL	1	80
40 Eagle Avenue, Chadwell Heath, Essex, RM6 6NJ	1	81
12 Church Road, Manor Park, London, E12 6AQ	1	82
42 Bromley Road, Walthamstow, E17 4PS	1	83
48E Beresford Road, Walthamstow, E17 4LW	1	84
23 Armstrong Close, Dagenham, RM8 1TF	1	85
98 Seventh Avenue, Manor Park, London, E12 5JH	1	86
128 Rose Lane, Chadwell Heath, RM6 5LP	1	87
84 Mortlake Road, London, E16 3NX	1	88
15 Melford Road, London, E6 3QY	1	89
5 Macdonald Road, Forest Gate, London, E7 0HE	1	90
77 Honey Close, Dagenham, RM10 8TF	1	91
10 Drummond Castle Crt, Odessa Road, E7 9BS	1	92
42 Chantress Close, Dagenham, Essex, RM10 9YW	1	93

Acquired Properties - Scheme	No of Properties	Cumulative Sales
48 Boundary Road, London, E13 9PR	1	94
170 Beam Avenue, Dagenham, Essex, RM10 9BL	1	95
78 St Egberts Way, Chingford, London, E4 6QH	1	96
80 Pretoria Road, Canning Town, London, E16 4NP	1	97
18 Navarre Road, London, E6 3AQ	1	98
80 Friars Road, East Ham, E6 1LL	1	99
117 Forest View Road, London, E12 5HX	1	100
67 Chittys Lane, Dagenham, RM8 1UP	1	101
69 Western Road, Plaistow, E13 9JE	1	102
4 Watsons Lodge, Lewis Way, Dagenham, RM10 8UN	1	103
160 Trinity Garden, Canning Town, E16 4QB	1	104
6 Stonehill Court, Markfield Garden, Chingford, E4 7NS	1	105
25 Selby Road, Plaistow, London, E13 8NB	1	106
112 Roman Road, London, E6 3SR	1	107
100 Roman Road, London, E6 3SR	1	108
3 Roman Road, London, E6 3RX	1	109
1 Manor Farm Court, Holloway Road, London, E6 3PF	1	110
2 Lockwood Place, Chingford, E4 9AD	1	111
7 Kilmarnock Gardens, Dagenham, Essex, RM8 2RE	1	112
Flat GF, 202 High Street South, London, E6 3RR	2	114
1 Edwin Avenue, London, E6 6DA	1	115
Flat19, 13 Cricket Court, Elderberry Way, East Ham, E6 6JJ	1	116
10 Chaucer Road, Walthamstow, E17 4BE	1	117
Plot 8 Madison Ct 163 Reede Road, Dagenham, RM10 8EA	1	118
28A Vicarage Lane, Stratford, London, E6 6DG	2	120
58 Vicarage Lane, Stratford, London, E6 6DG	1	121
29 Thorne Close, Victoria Docks, Canning Town, E16 1LP	1	122
41 Tha Copse, Chingford, E4 6BA	1	123
226 Prince Regent Lane, London, E13 8SE	1	124
120 Parsloes Avenue, Dagenham, RM9 5PX	1	125
4 Mistral Court, Chingford Avenue, London, E4 6RQ	1	126
5 Maybury Road, Plaistow, London, E13 8RZ	1	127
304 Markhouse Road, London, E17 8EF	1	128
222 London Road, Plaistow, London, RM7 9ER	1	129
94 London Road, Plaistow, London, E13 0DD	1	130
14 Lawrence Street, Canning Town, E16 1HG	1	131
7 Hibbert Road, Walthamstow, E17 8HB	1	132
4 Dunnock Road, Beckton, E6 5SX	1	133
13 Darwin Court, Balaam Street, Plaistow, E13 8RB	1	134
112 Cowbridge Lane, Barking, Essex, IG11 8LJ	1	135
129 Colman Road, Custom House, London, E16 3JZ	1	136
13 Benson Avenue, East Ham, E6 3EE	1	137
5 Ashford Close, Walthamstow, London, E17 8DL	1	138
17 The Ridings, Chigwell Row, Essex, IG7 4QY	1	139
7 Swallow Street, Beckton, London, E6 5JX	1	140

Acquired Properties - Scheme	No of Properties	Cumulative Sales
7 Stonehill Court, Markfield Garden, Chingford, E4 7NS	1	141
17 Sedgefield Close, Romford, RM3 9RP	1	142
858 Rainham Road South, Dagenham, Essex, RM10 8AE	1	143
14 Powell Court, Prospect Hill, Walthamstow, E17 3EN	1	144
83 Melbourne Road, East Ham, E6 2RU	1	145
14 Kingsland Road, Plaistow, E13 9PA	1	146
42 Grant Street, London, E13 0ET	1	147
185 Fencepiece Road, Ilford, Essex, IG6 2TG	1	148
169 Farm View Court, Bawdsey Avenue, Newbury, IG2 7TL	1	149
45 Chargeable Lane, Plaistow, E13 8DL	1	150
130 Burns Avenue, Chadwell Heath, Essex, RM6 4DG	1	151
105 Bonham Road, Dagenham, Essex, RM8 3BB	1	152
80 Albert Whicher House, Church Hill Road, Walthamstow, E17 9RX	1	153
81 Withy Mead, London, E4 6JW	1	154
67 Whitwell Road, London, E13 8DA	1	155
6 Warrior Square, London, E12 5RP	1	156
78 Vansittart Road, Forest Gate, E7 0AA	1	157
116 Vandome Close, Custom House, London, E16 3SE	1	158
1 Upper Road, London, E13 0DJ	1	159
155 Tollgate Road, London, E6 5JY	1	160
82 Sussex Road, East Ham, E6 2PS	1	161
27 Shakespeare Square, Hainault, Ilford, IG6 2RU	1	162
2B Russell House, Gillett Avenue, London, E6 3AS	1	163
19 Rawstone Walk, Newham, E13 0HZ	1	164
18 Mills Court, Harrow Green, Leytonstone, E11 3PR	1	165
70 Marlow Road, East Ham, London, E6 3QQ	1	166
555 Katherine Road, London, E7 8EB	1	167
4 Holland Road, East Ham, London, E6 2EW	1	168
38 Eastbourne Road, London, E6 6AT	1	169
23 Cricket Court, Elderberry, London, E6 6JJ	1	170
181 Charlemont Road, East Ham, E6 6AG	1	171
11 Budoch Court, Braemore Road, Seven Kings, IG3 9NY	1	172
17 Boyce Way, Plaistow, London, E13 8DP	1	173
35 Avenue Court, Claybury Broadway, Essex, IG5 0LJ	1	174
87 Alnwick Road, London, E16 3HN	1	175
First Floor Flat 2 55 Ley Street, Ilford, Essex, IG1 4BG	2	177

Equity Properties - Scheme	No of Properties	Cumulative Sales
26 Newport Avenue, London, E13 8NS	1	178
12 Kent Street, London, E13 8RL	1	179
11 Holloway Road, London, E6 3PE	1	180
47 Holborn Road, London, E13 8PB	1	181
2 Edward Court, London, E16 4DN	1	182
8E First Avenue, London, E13 8AR	1	183
34 Eastbourne Road, London, E15 3LJ	1	184
275 Corporation Street, London, E15 3DJ	1	185
34 Bridge Road, London, E15 3LN	1	186
145 Barking Road, Canning Town, London, E6 1PN	1	187
48 Wise Road, London, E15 2TQ	1	188
55 Willett House, Queens Road, London, E13 0RX	1	189
52 Stubbs Point, New Barn Street, London, E13 8JL	1	190
31 Gentry Gardens, London, E13 8BS	1	191
3 Clegg Street, London, E13 0HY	1	192
40 Winifred Street, London, E16 2HX	1	193
41 Stubbs Point, New Barn Street, London, E13 8JL	1	194
40 Grant Street, London, E13 0ET	1	195
7 Given Wilson Walk, London, E13 0EB	1	196
100 Mortlake Road, London, E16 3NX	1	197
78 Maryland Square, London, E15 1HE	1	198
31 King Street, London, E13 8DB	1	199
3 Henniker Road, London, E15 1JY	1	200
200 Heigham Road, London, E6 2JH	1	201
5 Frank Bailey Walk, London, E12 6JF	1	202
32 Drew Road, London, E16 2DF	1	203
29A Barking Road, Canning Town, London, E6 1PW	1	204
204 Burges Road, London, E6 2BS	1	205
1 Libra Road, London, E13 0JE	1	206
116 Mortlake Road, London, E16 3NX	1	207
16 Barnes Close, London, E12 5AU	1	208
2 Ada Gardens, London, E15 3EW	1	209
7 The Labumams, Roman Road, London, E6 3SN	1	210
61 Stephens Road, London, E15 3JJ	1	211
44 Roeboume Way, London, E16 2JH	1	212
70 Plashet Grove, London, E6 1AE	1	213
10 Navarre Road, London, E6 3AQ	1	214
154 Hathaway Crescent, London, E12 6LU	1	215
25 Given Wilson Walk, London, E13 0EB	1	216
93A Devonshire Road, London, E16 3NL	1	217
3 David Lee Point, Leather Grad, London, E15 3LE	1	218
1 Clegg Street, London, E13 0HY	1	219
99 A Osborne Road, London, E7 0PW	1	220
32 Manor Park Road, London, E12 5AT	1	221
170 Henniker Road, London, E15 1JS	1	222

Equity Properties - Scheme	No of Properties	Cumulative Sales
8 Given Wilson Walk, London, E13 0EB	1	223
38 Fernhill Street, London, E16 2HZ	1	224
24 Edwin Avenue, London, E6 6DA	1	225
19A Durban Road, London, E15 3BW	1	226
71 Dunedin House, Manwood Street, London, E16 2LB	1	227
82 Drew Road, London, E16 2DF	1	228
19A Dore Avenue, London, E12 6JT	1	229
11 Barnes Close, London, E12 5AU	1	230
16 Woodman Street, London, E16 2NF	1	231
60 Wise Road, London, E15 2TQ	1	232
88 Winifred Street, London, E16 2HX	1	233
39 Willett House, Queens Road, London, E13 0RX	1	234
26 Willett House, Queens Road, London, E13 0RX	1	235
1A Whitta Road, London, E12 5BX	1	236
1 Westland House, London, E16 2LE	1	237
45 Wellstead Road, London, E6 6DE	1	238
123 Warrior Square, London, E12 5RR	1	239
25B Wakelin Road, London, E15 3BH	1	240
40 Wakefield Street, London, E6 1NQ	1	241
7 Victoria Point, Victoria Road, London, E13 0AH	1	242
27 Upper Road, London, E13 0DJ	1	243
3 The Willows, Wall End Road, London, E6 2EY	1	244
51 Stubbs Point, New Barn Street, London, E13 8JL	1	245
30 Stewart Rainbird Hou, Parkhurst Road, London, E12 5QX	1	246
10 Stewart Rainbird Hou, Parkhurst Road, London, E12 5QX	1	247
9 Stewart Rainbird Hou, Parkhurst Road, London, E12 5QX	1	248
5 Station Road, Manor Park, London, E12 5BP	1	249
16 St Mary Court, London, E6 3QZ	1	250
14 Selborne Avenue, London, E12 5NW	1	251
6 Selborne Avenue, London, E12 5NW	1	252
27 Sandal Street, London, E15 3NP	1	253
5 Rowland Court, Beaconsfield, London, E16 4HY	1	254
73 Renfrew Close, London, E6 5PQ	1	255



APPENDIX 3 – AFFORDABLE WARMTH STRATEGY

LOCAL SPACE AFFORDABLE WARMTH STRATEGY

March 2014

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Appendix 1 – Low Sap Properties

1. POLICY STATEMENT AND AIMS

Local Space is committed to improving the energy efficiency of its housing stock. We need firstly to ensure that we keep our stock in good condition, and secondly we need to be proactive in providing our tenants with homes that they can afford to keep warm. In order to achieve this, we have the following aims.

1.2 LOCAL SPACE AFFORDABLE WARMTH PLAN AIMS:

- 1.2.1 To improve the energy efficiency of our housing stock and, in turn, reducing fuel bills and CO₂ emissions
- 1.2.2 To improve the awareness and ability of tenants minimise their fuel bills and maximise their comfort levels
- 1.2.3 To provide all tenants with homes that are affordable to heat and therefore reduce fuel poverty and increase their disposable income
- 1.2.4 To take advantage of opportunities to incorporate energy efficiency improvements in conjunction with all maintenance and improvement programmes
- 1.2.5 To ensure that tenants are aware of and claiming benefits and other forms of assistance to which they are entitled.
- 1.2.6 To increase governance of the programme by setting up a steering group to incorporate residents, National Energy Action and the Energy Saving Trust together with Lakehouse our partner contractor
- 1.2.7 To work with partner authorities particularly Newham and Hackney who have procured ECO tenders recently.

2. INTRODUCTION

2.1 Affordable Warmth is the ability to heat a home to an adequate level for household comfort and health, without developing a debt as a result. The lack of affordable warmth results in fuel poverty. While Local Space cannot influence fuel costs directly we can support reduced consumption and increasing income opportunities. This Affordable Warmth Plan is a sub-strategy of the Asset Management Strategy 2014.

2.2 This Strategy sets out what we must do to help achieve Affordable Warmth for our residents and aims to reinforce our corporate and social responsibility. The main thrust of the strategy is to help to improve our residents' well-being. Additional benefits will be realised by increased stock value and demand and by the reduction in carbon emissions.

2.3 Affordable warmth has an acute significance for specific households with older people, children, disabled persons or those with a limiting long term illness. LS recognises that the negative impact of living in fuel poverty extends further and impacts on these household members' abilities to achieve their full potential, their health and general wellbeing.

2.4 Asset value is predominantly influenced by demand and affordability. As our current and future resident aspirations for modern amenities within the home increase, a property's desirability and lettability will increase where its standards and running costs are optimised. Homes that can be kept affordably warm will assist in sustaining tenancies, compared to those which are more difficult and more expensive to heat.

2.5 The objectives of this strategy are:

- Objective 1 - Improve the thermal efficiency of resident's homes
- Objective 2 - Reduce energy consumption in the home
- Objective 3 - Increase levels of disposable income for our residents by reducing fuel bills
- Objective 4 - Ensure our residents have access to energy advice

3. Impact Assessment

- 3.1 We are aware that our customers are having increasing difficulties in achieving affordable warmth. In our 2012 Resident Satisfaction Survey Residents were asked to select up to three services that would be of interest to them, ranging from after school homework clubs to household budgeting advice to help with mental health issues. The most commonly cited services were *free CV, work skills and employment advice* and also **an energy advisory service**.

In 2011, the BRE stock condition survey exposed a number of Local Space properties which were significantly underperforming in terms of energy efficiency (SAP rating).

From our BRE survey, we have collected SAP ratings for most of our stock. In terms of our least energy efficient stock, we have 19 properties with a SAP of less than 39; overall, a further 177 properties have a SAP of between 39 and 55. All properties with a SAP of less than 55 are listed in Appendix 1.

Many of these properties house tenants on low incomes and in some cases a low SAP rating is causing fuel poverty. The causes of fuel poverty amongst our customers are often a combination of several factors - the property, household profile and behaviours, income levels and budgeting skills, access to and information on the most competitive energy tariffs and awareness of energy efficiency. We know that many customers are struggling to keep their properties warm and are under-heating (often exacerbating condensation problems) to the detriment of the quality of life.

We are already carrying out a pilot project, in this financial year 2013/14, in which we are implementing a range of planned works in order to improve energy efficiency in our least efficient stock.

This pilot project, in partnership with Lakehouse, aims to increase the SAP rating to 55 of a maximum of 30 of our least energy efficient properties.

The Status Survey highlighted that achieving affordable warmth is a particular issue for all of our customers and this has been reiterated by the direct customer feedback to our Property Services and Housing teams.

Nationally, fuel poverty is highly unlikely to be alleviated through a reduction in energy costs. uSwitch predict that, if prices continue to rise, by 2015 one in three households will find energy costs unaffordable. Lack of access to the most competitive tariffs can compound fuel poverty and in some cases can force households into fuel poverty. Households on prepayment meters are often not eligible for 'discounts' offered for direct debit payment and, if in arrears, are not always able to switch to a better tariff offered by a different supplier.

The impact of the Welfare Reforms on our customers in terms of fuel poverty is as yet unknown. However, it is likely that the combination of low income and unemployment means that many residents at risk of being fuel poor are likely to be exposed to the changes associated with the introduction of Universal Credit. A reduction in household income and budget management issues may put pressure on finances and a cut back on heating may be the result.

3.2 The Benefits of Achieving Affordable Warmth

- 3.2.1 Increased income

Household Income can be increased on a number of levels.

-
- Creating and supporting employment opportunities by developing and supporting the development of social enterprises and social firms
 - Maximising benefit income by providing benefit checks, assistance with claims completion and assistance with appeals to ensure that residents income is fully maximised
 - Providing money and debt advice
 - Produce significant savings for all householders and the impact can be greater where householders are experiencing fuel poverty
 - Reduce carbon emissions
 - Improve sustainability and desirability of stock

3.9.2 Improved health

Achieving affordable warmth has a direct impact on improving health. Healthy householders have a better chance to live longer, more comfortable lives and reach their potential without medical interventions. Improved health is therefore of benefit to the householder and the health care system.

4. Aim and Strategy Objectives of our Affordable Warmth Plan

4.1 The aim of the plan is to make affordable warmth more achievable for our customers through:

- Households who are accessing fairer fuel costs
- Households who are more informed and are actively energy efficient

4.2 Strategy Objectives

4.2.1 Objective 1: Improve the thermal efficiency of residents homes

Ultimately, future-proofing our housing stock to the highest practicable energy standards is the most sustainable measure in reducing fuel poverty. We will:

- Undertake a programme of dedicated energy efficiency measures, focusing on the poorest performing properties
- Maximising our income to pay for the investment needed is a key part of our Plan and we will seek access to available funding streams such as RHPP, ECO and RHI. Our own funding shortfalls will be supplemented by working in strategic partnerships with our partner boroughs to achieve greater value for money by economies of scale.

4.2.2 Objective 2: Reduce energy consumption in the home

Although we cannot directly influence fuel prices there are a number of measures we can undertake to ensure expenditure on fuel is reduced, especially in fuel poor households. We will:

- Ensure the design and specification of the our retro-fit programme supports low energy consumption
- Integrate renewable energy technologies into our retro-fit improvements

4.2.3 Objective 3: Provide a range of support opportunities to increase household income for our residents

Identifying opportunities to raise income is a critical aspect of achieving affordable warmth. We will:

- Offer dedicated welfare rights and money advice to ensure that residents' income is fully maximised
- Provide specialist advice to residents aged 60 years and over
- Support residents on money advice matters and debt resolution
- Support a range of employment and training creation measures, particularly the development of measures to create jobs and vocational opportunities from our procurement activities

4.2.4 Objective 4: Ensure our residents have access to energy advice

Our 2012 Resident Satisfaction Survey has highlighted residents concerns relating to affordable warmth and the importance of the need for an energy advisory service, providing both proactive and reactive advice

It is also important that staff are able to signpost householders to appropriate assistance and guidance. Partnership activities are essential as are building relationships and referral networks.

We will:

- Provide energy advice when undertaking energy improvements in residents homes
 - Provide energy tips in tenant information packs and newsletters
 - Engage with the London Fuel Poverty Hub, the Big London Energy Switch and our partners to create signposted routes for advice
 - Ensure residents have access to the most economically beneficial fuel tariff and develop signposting to fuel pricing comparators for their information
 - Train staff in energy awareness and fuel poverty symptoms
 - Offer an energy switch assistance service for our residents, initially targeting our more vulnerable residents.
- To increase our budget coverage we will through Lakehouse gain ECO quotes from energy companies particularly aimed funding our cavity wall insulation which we have highlighted as a priority in 2014/15 giving the greatest cost benefit.

5. Affordable Warmth Programme and Budget

5.1 Our planned programme will need to target the worst (lowest SAP rating) properties first and will also need to take into account location impact, age and type of property, heating system and boiler.

Affordable Warmth Upgrade Requirements				
	SAP below 39	SAP 39-55	SAP above 55	No BRE data
No of properties	17	177	1,299	270
	1.0%	10.0%	73.7%	15.3%
Cavity wall insulation potential	14	84	924	n/k
Upgrade single glazed Windows	5	43	165	n/k
No central heating (install)	2	21	8	n/k
Consider change to gas central heating	5	9	2	n/k
Priority upgrade boiler	1	21	78	24
Upgrade boiler	3	58	459	52
Upgrade heating controls	12	59	129	n/k
Upgrade hot water cylinder insulation	7	24	63	n/k
Priority loft insulation upgrade	3	50	228	n/k
Loft insulation upgrade	2	57	358	n/k

5.2 The overall target of the programme is to achieve the maximum energy efficiency of the 194 worst performing properties with SAP levels below 55, to improve energy efficiency to the maximum that the building will allow but to a minimum SAP level of 55.

5.3 We acknowledge that some properties may not be able to achieve the SAP rating of 55 and additional works (such as upgrading the thermal envelope) may be required. Where these works are considered to be economically unviable, a specific strategy will be developed, with consideration given to disposal and acquisition of a more appropriate asset.

5.4 The affordable warmth programme will incorporate the following planned works:

Assessment basis

- Cavity wall – BRE survey - some cavity wall element and no evidence cavity wall insulation – as the best cost benefit measure as confirmed by Lakehouse we will be prioritising this area in 2014/15.
- Single glazed windows – self-explanatory – double glazed air filled low E glass (low specification) mean a minimum of 50% reduction in heat loss through windows and nearly 2/3 reduction in metal framed windows. We will continue to utilise our window replacement programme to replace single glazed.
- No central heating – BRE identifies no central heating installed
- Change to gas CH – BRE shows gas to property and currently electric heating
- Priority boiler upgrade – SEDBUK rating E-G
- Boiler upgrade – SEDBUK rating C or D
- Upgrade heating controls – BRE suggest one or more missing from time control to TRVs/room thermostat etc
- Hot water cylinder insulation – HWC insulation is foam and less than 25mm or a jacket (potentially simply ensuring additional jacket or new better quality jacket)

- Loft insulation – priority if less than 150mm depth and to be done with less urgency if less than 250mm or unknown depth

5.5 Budget requirements to deliver the Affordable Warmth plan are as follows:

Affordable Warmth Upgrade Budgetary Costs				
	Budget Cost	SAP below 39	SAP 39-55	Total
No of properties		17	177	194
Cavity wall insulation potential	£750	£10,500	£63,000	£73,500
Upgrade single glazed Windows	£5,000	£25,000	£215,000	£240,000
No central heating (install)	£5,000	£10,000	£105,000	£115,000
Consider change to gas central heating	£5,500	£27,500	£49,500	£77,000
Priority upgrade boiler	£2,000	£2,000	£42,000	£44,000
Upgrade boiler	£2,000	£6,000	£116,000	£122,000
Upgrade heating controls	£375	£4,500	£22,125	£26,625
Upgrade hot water cylinder insulation	£150	£1,050	£3,600	£4,650
Priority loft insulation upgrade	£1,100	£3,300	£55,000	£58,300
Loft insulation upgrade	£600	£1,200	£34,200	£35,400
Total cost		£91,050	£705,425	£796,475
Cost per unit		£5,356	£3,985	£4,106

5.6 The overall budget requirement to improve our least energy efficient stock and increase SAP ratings on all dwellings to a minimum of 55, will require overall expenditure of just under

£800,000 or an average of just over £4,000 per unit. There is considerable scope to use the most cost efficient measures such as cavity wall insulation in the first year.

5.7 We will work with partner RPs to maximise procurement efficiencies in the delivery of our affordable warmth programme. We will also aim to maximise our income to pay for the investment needed and we will seek access to available funding streams such as RHPP, ECO and RHI.

5.8 We will through Lakehouse be working with the National Energy Action charity who we will approach to review this strategy. They have current DECC funding to do this.

5.9 We are also exploring changing the heating and cooling system to 58 Romford Road and this although at its early stages could incorporate Glasier Court behind into a combined heat source possibly utilising ground source heat pump technology.

6. Monitoring and Evaluation

- 6.1 The success of this strategy will be dependent on meeting the range of objectives, in a manner where their interdependence on each other is recognised. Monitoring the plan and reviewing progress will be essential and the outcomes will be reported to LS Board bi-annually.
- 6.2 The plan will be co-ordinated and monitored by and delivered by the Head of Property Services and supported by the Property Services and Housing Teams.
- 6.3 To increase governance of the programme by setting up a steering group to incorporate residents, the charity National Energy Action and the Energy Saving Trust together with Lakehouse our partner contractor . We will also seek to include Newham in this group.
- 6.4 The following section sets out actions for the achievement of the specific objectives of the Affordable Warmth Plan.

7. Affordable Warmth Action Plan

7.1 Overall Objectives

7.1.1 Objective 1 - Improve the thermal efficiency of resident's homes

- Increase the average energy rating of the stock starting with those properties with the lowest SAP rating.
- Attract alternative sources of finance and maximise the use of existing resources including working with partner authorities to improve VfM through greater economies of scale.
- Ensure that data held in the Keynote system is current and accurate

7.1.2 Objective 2 - Reduce energy consumption in the home

- Programmes and specifications to be reviewed annually with a view to maximise energy saving features
- Properties to be selected for improvement focusing on the poorest performing properties

7.1.3 Objective 3 - Increase levels of disposable income for our residents by reducing their fuel bills

- Install controllable heating systems which combine the lowest running costs with adequate comfort levels
- Ensure that residents know how to use their heating systems to maximum benefit
- Provide residents with information about switching their fuel supplier to minimise their costs

7.1.4 Objective 4 - Ensure our residents have access to energy advice

- Provide residents with quality energy advice

- Provide all residents who receive a new heating system with energy advice and written information specific to their heating system
- Obtain feedback from residents who are planned to be included in heating and insulation improvements
- Provide regular information for residents on energy related matters

7.2 Action Plan

Objective 1 - Improve the thermal efficiency of resident's homes

Objective Action	Supporting Requirements	Measure of Success	Target Date
Undertake a programme of dedicated energy efficiency measures to worst performing properties	Annual budget to be approved and confirm properties to include in programme.	Improved SAP rating and reduced fuel consumption	
Mainstream energy improvements via the planned maintenance programme.	Develop SAP Survey, cavity wall programme, loft insulation programme, heating & boiler upgrade programme. Identify solutions for hard to treat properties	Programme identified and works completed Reduced energy Consumption	
Maximise grant funding streams while creating a dedicated affordable warmth budget	Explore availability of funding streams such as RHPP, ECO and RHI.	Matching LS budget established	

Objective 2 - Reduce energy consumption in the home

Objective Action	Supporting Requirements	Measure of Success	Target Date
Ensure the design and specification of the energy improvement programme supports low energy consumption	Design specification for energy improvement programme	Reduced fuel consumption	
Integrate renewable energy technologies in new and retro-fit improvements	Assess impact of inclusion within current programmes	Reduced fuel consumption	
Ensure residents have access to the most economically beneficial fuel tariff and develop signposting to fuel pricing comparison information	Work with Energy Advice Centres Review default supplier arrangement	Reduced consumption and increased tenant/consumer awareness	

Objective 3 - Increase levels of disposable income for our residents

Objective Action	Supporting Requirements	Measure of Success	Target Date
Offer energy advice to ensure that residents income is fully maximised. Provide specialist energy advice to vulnerable and older residents	Provide energy advice training for those staff who come in to regular contact with Residents	Increased tenant household income Increased older tenant household income	
Support a range of employment and training creation measures	Explore potential to establish links to existing employment and training opportunities	Number of created opportunities for employment and training	

Objective 4 - Ensure our residents have access to energy advice

Objective Action	Supporting Requirements	Measure of Success	Target Date
Provide energy advice when undertaking energy improvements in residents homes	Integrate with improvements as a deliverable package Collaborate with & provide update on contractors arrangements	Reduced energy consumption	
Provide energy tips and advice in resident information packs and newsletters	Develop guidance for staff and a guide for residents to use (handbook) Include Newsletter item	Increased awareness and reduced fuel consumption	
Engage with the London Fuel Poverty Hub, the Big London Energy Switch and our partners to develop signposted routes for impartial advice	Provide website links to updated supplier cost Develop Tenant handbook Include Newsletter item	Increased awareness to benefits of switching tariffs	
Train frontline staff in energy awareness and fuel poverty symptoms	Include in annual training Programme. Undertake staff skills assessment.	Enhanced knowledge base for staff Greater confidence in meeting resident expectations	

Appendix 3A – LOW SAP PROPERTIES

Low SAP Properties - Prioritisation	SAP	Low SAP Properties - Prioritisation (2)	SAP	
C39070A	70A Chadwin Road, Plaistow, London, E13 8NF	L14222	222 London Road, Plaistow, London, RM7 9ER	50.84
P10070	70 Plasnet Grove, London, E6 1AE	B29052	52 Burford Road, London, E6 3NQ	50.87
E23090	90 Essex Road, Manor Park, London, E12 6QS	S49039	39 Stevenage Road, London, E6 2AU	50.89
A01002	2 Ada Gardens, London, E15 3EW	L41014	14 Limehouse Lodge, Harry Zeital Way, Clapton, E5 9RN	51.05
K03012	12 Kent Street, London, E13 8RL	S17268	268 Sheringham Avenue, Manor Park, London, E12 6HH	51.12
H09003	3 Henniker Road, London, E15 1JY	W03014	14 Warrior Square, London, E12 5RP	51.12
B02016	16 Barnes Close, London, E12 5AU	L41016	16 Limehouse Lodge, Harry Zeital Way, Clapton, E5 9RN	51.17
W04001	1 Wellstead Road, London, E6 4DE	B48017	17 Boyce Way, Plaistow, London, E13 8DP	51.32
W29069	69 Western Road, Plaistow, E13 9UE	G12008	8 Grosvenor Road, East Ham, London, E7 8JA	51.4
E27017	17 Esk Road, London, E13 8LJ	H17053	53 Holgate Road, Dagenham, Essex, RM10 8NA	51.42
N02010	10 Navarre Road, London, E6 3AQ	R39055	55 Raynton Road, Enfield Wash, EN3 6BS	51.45
K16028	28 Kent Street, Plaistow, E13 8RL	H13011	11 Holloway Road, London, E6 3PE	51.52
C83004	4 Cuckoo Hall Lane, London, N9 8DJ	B33105	105 Bonham Road, Dagenham, Essex, RM8 3BB	51.62
M16116	116 Mortlake Road, London, E16 3NX	F30008	8 Fenland House, Harry Zeital Way, London, E5 9RP	51.66
B28122	122 Braithwaite Avenue, London, RM7 0DS	P17002	2 Patrick Road, Plaistow, London, E13 9QA	51.66
T01073	73 Telham Road, London, E6 6BW	P33019	19 Pullyens Avenue, East Ham, London, E6 3NA	51.77
D15019	19 Darwin Court, Balaam Street, Plaistow, E13 8RB	M34013C	13C Margery Park Road, Forest Gate, London, E7 9JY	51.78
A36014	14 Ashwell Close, Beckton, E6 5RS	A23059	59 Andromeda Court, Myrtle Road, Harold Hill, RM3 8BL	51.79
E09273	273 Express Drive, Goodmayes, Ilford, IG3 9RD	B93187	187 Brimsdown Avenue, Enfield, EN3 5ES	51.85
S50022	22 Stracey Road, London, E7 0HG	B31455A	455A Barking Road, Plaistow, London, E13 8AL	51.87
L41019	19 Limehouse Lodge, Harry Zeital Way, Clapton, E5 9RN	N03026	26 New City Road, London, E13 9LL	51.9
A21001	1 Augurs Lane, Plaistow, London, E13 9JX	M24151	151 Masterman Road, East Ham, E6 3NW	52
O02099	99 A Osborne Road, London, E7 0PW	A46003	3 Adine Road, Plaistow, E13 8LL	52.04
W27090	90 Wellington Road, Forest Gate, London, E6 2RG	G13050	50 Gainsborough Avenue, Manor Park, London, E12 6JL	52.05
L41004	4 Limehouse Lodge, Harry Zeital Way, Clapton, E5 9RN	L19030	30 Leader Avenue, Manor Park, E12 6JP	52.16
R11128	128 The Rolls Court, Inks Green, Chingford, E4 9EJ	A21004	4 Augurs Lane, Plaistow, London, E13 9JX	52.3
L41006	6 Limehouse Lodge, Harry Zeital Way, Clapton, E5 9RN	B55042	42 Bromley Road, Walthamstow, E17 4PS	52.36
N07066	66 Newland Street, London, E16 2HN	C50033	33 Cranmer Road, Forest Gate, London, E7 0JW	52.38
L07111	111 Langhorne Road, Dagenham, Essex, RM10 9RB	L41015	15 Limehouse Lodge, Harry Zeital Way, Clapton, E5 9RN	52.45
P28226	226 Prince Regent Lane, London, E13 8SE	G12010	10 Grosvenor Road, East Ham, London, E7 8JA	52.47
L16041	41 Lindley Road, London, E10 6QT	S44060	60 Sinclair Road, Chingford, E4 8PW	52.49
R04044	44 Roeboume Way, London, E16 2JH	F17080	80 Friars Road, East Ham, E6 1LL	52.54
L41005	5 Limehouse Lodge, Harry Zeital Way, Clapton, E5 9RN	B44023	23 Butterfly Court, 1 Elderberry Way, London, E6 6JE	52.6
D26013	13 Drakes Walk, East Ham, E6 2RN	F21185	185 Fencepiece Road, Ilford, Essex, IG6 2TG	52.75
C24035	35 Colman Road, Custom House, London, E16 3JY	A19070	70 Avenue Road, Chadwell Heath, Essex, RM6 4JF	52.76
C49077	77A Clova Road, Forest Gate, London, E7 9AG	B02011	11 Barnes Close, London, E12 5AU	52.76
G32049	49 Garfield Road, London, E13 8EN	V07078	78 Vansittart Road, Forest Gate, E7 0AA	52.91
B72013	13 Bignold Road, Newham, E7 0EX	G28137	137 Grove Way, Dagenham, RM8 3XL	53.04
L41003	3 Limehouse Lodge, Harry Zeital Way, Clapton, E5 9RN	A30023	23 Armstrong Close, Dagenham, RM8 1TF	53.05
S55028	28 Strobe Road, Forest Gate, London, E7 0DU	I03131	131 Ichester Road, Dagenham, Essex, RM8 2YX	53.15
C37002	2 Cranbourne Road, Barking, IG11 7XE	H38300B	300B High Road, Romford, RM6 6AJ	53.17
O09025	25 Oval Road North, North Dagenham, RM10 9EX	A39022	22 Ayres Close, Plaistow, E13 8BN	53.23
F30031	31 Fenland House, Harry Zeital Way, London, E5 9RP	R33073	73 Roycroft Avenue, Barking, IG11 0NR	53.25
W47033	33 Walnut Close, Walthamstow, E17 3JL	R09100	100 Roman Road, London, E6 3SR	53.4
E15024	24 Egham Road, Plaistow, E13 8PD	W57002	2 Westminster Road, Edmonton, N9 8RB	53.4
F01038	38 Fernhill Street, London, E16 2HZ	P27114	114B Portway, Stratford, London, E15 3QJ	53.41
F18037	37 Fisher Street, Custom House, E16 4DS	S24002	2 St. John's Road, Barking, London, IG11 7XL	53.43
C24131	131 Colman Road, Custom House, London, E16 3JZ	M38031	31 Manor Close, Dagenham, Essex, RM10 8BH	53.44
L34043	43 Long Green, Chingwell, Essex, IG7 4JB	L41018	18 Limehouse Lodge, Harry Zeital Way, Clapton, E5 9RN	53.49
S39007	7 Sandon Court, Goodmayes Lane, Ilford, IG3 9PU	W40075C	75C Woodford Road, Forest Gate, London, E7 0DL	53.55
N06003	3 Neatscourt Road, Beckton, London, E6 5ST	C50072	72 Cranmer Road, Forest Gate, London, E7 0JL	53.56
M04032	32 Manor Park Road, London, E12 5AT	P01054	54 Park Avenue, London, E6 2SP	53.58
M30107	107 Mildmay Road, Romford, Essex, RM7 7BT	D0393A	93A Devonshire Road, London, E16 3NL	53.6
W17003	3 Wedderburn Road, Ilford, Essex, IG11 7XF	R06343A	343A Romford Road, Forest Gate, London, E7 8AA	53.61
T11065	65 Talbot Road, London, E6 2RY	M29084	84 Melbourne Road, East Ham, E6 2RX	53.63
C18009	9 Connington Crescent, London, E4 6LE	C32037	37 Cannington Road, Dagenham, Essex, RM9 4BE	53.66
L41001	1 Limehouse Lodge, Harry Zeital Way, Clapton, E5 9RN	C2930D	30D Connaught Avenue, Chingford, London, E4 7AA	53.72
B34017	17 Belgrave Road, London, E13 8RT	T28004	4 Terrace Walk, Dagenham, RM9 5PU	53.75
D06082	82 Drew Road, London, E16 2DF	E14013	Flat 19, 13 Cricket Court, Elderberry Way, East Ham, E6 6JJ	53.77
B92025	25 Broadoak Avenue, Enfield, EN3 6TS	G12012	12 Grosvenor Road, East Ham, London, E7 8JA	53.78
E09021	21 Express Drive, Goodmayes, Ilford, IG3 9QD	L41026	26 Limehouse Lodge, Harry Zeital Way, Clapton, E5 9RN	53.86
P26143	143 Plaistow Road, Stratford, London, E15 3ET	F11011	11 Firmans Court, 265 Wood Street, London, E17 3NR	54
W04089	89 Wellstead Road, London, E6 6DE	A41026	26 Abbots Road, East Ham, E6 1LF	54.13
M03001	1 Manor Farm Court, Holloway Road, London, E6 3PF	B67025	25 Blenheim Road, East Ham, E6 3EG	54.18
D22044	44 Dames Road, Forest Gate, London, E7 0DR	W38044	44 Winstead Gardens, Dagenham, RM10 7TL	54.21
O04061	61 Oxlow Lane, Dagenham, Essex, RM9 5XJ	L12055	First Floor Flat 2 55 Ley Street, Ilford, Essex, IG1 4BG	54.25
N02018	18 Navarre Road, London, E6 3AQ	W18062	62 Wigston Road, Plaistow, London, E13 8QW	54.25
W07043	43 Vansittart Road, Forest Gate, E7 0AT	C24031	31 Colman Road, Custom House, London, E16 3JY	54.26
B38011	11A Bath Road, Forest Gate, London, E7 8QQ	S37011	11 St Mary's Road, Ilford, Essex, IG1 1QU	54.26
F30015	15 Fenland House, Harry Zeital Way, London, E5 9RP	W18052	52 Wigston Road, Plaistow, London, E13 8QW	54.29
N14009	9 Norwich Road, Forest Gate, London, E7 9JY	P13061	61 Pittman Gardens, Ilford, IG1 2QD	54.34
B34047	47 Belgrave Road, London, E13 8RT	B69054	54 Botha Road, West Ham, London, E13 8PQ	54.35
C44144	144 Capworth Street, Leyton, E10 7HE	T07155	155 Tollgate Road, London, E6 5JY	54.35
H44022G	Ground Floor Flat 22 Hartley Avenue, East Ham, London, E6 1NT	I08012	12 Ickburgh Estate, Upper Clapton Road, Hackney, E5 8AE	54.36
D11043	43 Dorothy Gardens, Dagenham, Essex, RM8 2HR	N05015	15 Neville Road, London, RM8 3QS	54.42
F19073	73 Field Road, Forest Gate, London, E7 9DN	B66103A	103A Burrow Road, London, IG7 4NH	54.43
N13235	235 New Road, Dagenham, RM10 9ND	W32039	39 Worcester Road, Manor Park, London, E12 5JX	54.43
B31283D	Flat 283-287, D Barking Road, Plaistow, London, E13 8EQ	N14024B	24B Norwich Road, Forest Gate, London, E7 9JH	54.44
S62017	17 Sedgefield Close, Romford, RM3 9RP	P38019	19 Pentyre Avenue, Edmonton, N18 1BL	54.48
E10109	109 Elizabeth Road, East Ham, London, E6 1BW	M06083	83 Market Street, London, E6 2RD	54.51
T22069	69 Tower Hamlets Road, Forest Gate, London, E7 9DA	J04101	101 Jack Clow Road, West Ham, London, E15 3AR	54.52
W27069	69 Wellington Road, Forest Gate, London, E7 9BY	H20011	11 Hallywell Crescent, Beckton, London, E6 5XP	54.53
S35089	89 Stanley Road, Ilford, Essex, IG1 1RJ	C35004	4 Crayford Close, Beckton, London, E6 5SS	54.56
T03007	7 The Laburnams, Roman Road, London, E6 3SN	O05249	249 Odessa Road, Forest Gate, London, E7 9DX	54.58
D0919A	19A Durban Road, London, E15 3BW	B37014	14 Bluehouse Road, Chingford, London, E4 6HT	54.59
K06018	18 King Street, London, E13 8DQ	V01058	58 Vicarage Lane, Stratford, London, E6 6DG	54.61
D08071	71 Dunedin House, Manor Wood Street, London, E16 2LB	N14016A	Flat A 16-18 Norwich Road, Forest Gate, London, E7 9JH	54.64
P01027	27 Park Avenue, London, E6 2PZ	H29059B	59B Hockley Avenue, East Ham, London, E6 3AN	54.7
I01001	1 Imperial Mews, St Martin's Avenue, LONDON, E6 3DD	G06120	120 Grange Road, London, RM3 7EA	54.74
S54017B	17B Sidney Road, Forest Gate, London, E7 0ED	L22008	8 Langton Avenue, East Ham, E6 6AL	54.77
L16043	43 Lindley Road, London, E10 6QT	S21211	211 Sherrard Road, Manor Park, London, E12 6UG	54.82
A52059	59 Armstead Walk, Dagenham, RM10 9PB	R09234	234 Roman Road, London, E6 3SL	54.85
B23172	172 Beam Avenue, Dagenham, Essex, RM10 9BL	C34042	42 Chantress Close, Dagenham, Essex, RM10 9YW	54.87
H56106	106 Henniker Garden, East Ham, E6 3HS	V0401A	1A Victoria Road, Walthamstow, London, E17 4JT	54.88
I03079	79 Ichester Road, Dagenham, Essex, RM8 2YT	F30046	46 Fenland House, Harry Zeital Way, London, E5 9RP	54.92
W12048	48 Wise Road, London, E15 2TQ	P30120	120 Parsloes Avenue, Dagenham, RM9 5PX	54.94
B01422	422 Barking Road, Canning Town, London, E13 8JY	R09097	97 Roman Road, London, E6 3RY	54.97

