

HOUSING REVENUE ACCOUNT ASSET MANAGEMENT STRATEGY

6098

Homes

Jan 26

Strategy on a Page



Data Provides a Trusted Foundation

Data is well controlled and stock condition and energy data kept current.



Housing Need and Investment Understood

Low demand areas and investment needs accurately forecasted.



Compliance & Safety

Statutory and regulatory compliance prioritised to keep residents safe.



Climate Response

Energy efficiency improvements planned.



Future Demographic and Social Needs

Homes adapted for accessibility and diverse needs.



Understanding Customer Aspirations

Long-term customer aspirations better understood.



Effective Decision Framework

Decision-making supported with HRA planning.



Growth Opportunities

Identify potential for additional homes and regeneration.



Asset Appraisal

Financial and non-financial performance assessed and poor performing assets appraised.



Value for Money & Compliant Delivery

Works delivered to agreed standards and cost.

Executive Summary

This Housing Asset Management Strategy sets out Colchester City Council's (CCC) approach to managing all assets funded within the Housing Revenue Account (HRA). The strategy is developed and delivered in partnership with Colchester Borough Homes (CBH).

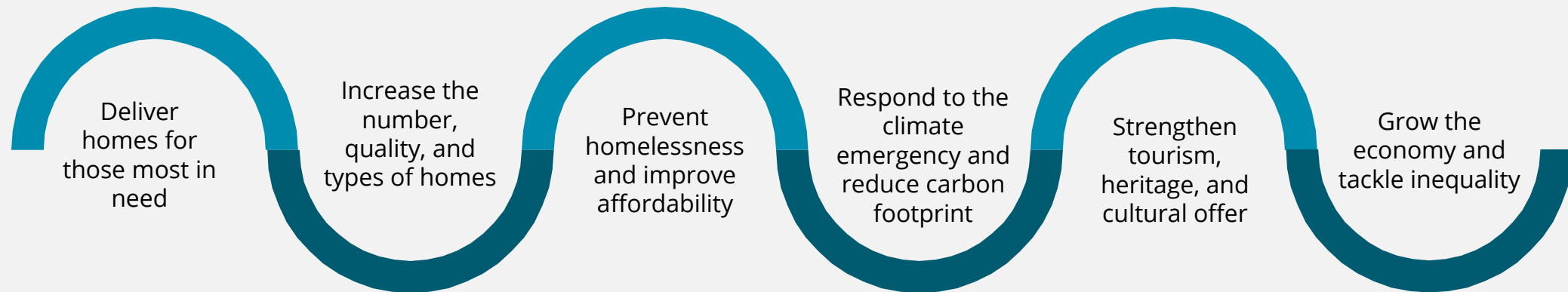
It aims to ensure homes are safe, compliant, and aligned with local housing needs while supporting wider council priorities such as sustainability, delivering homes to those most in need, and economic growth. The strategy responds to key opportunity and risk and provides a framework for decision making.

The table below summarises key themes and success measures:

Strategy Theme	Success Measures
Data Provides a Trusted Foundation for Decision Making	<p>Our information on stock condition is kept up to date through the delivery of our rolling stock condition and energy survey plan.</p> <p>Data governance controls are in place and assessed for effectiveness.</p> <p>We have better alignment of technology, data, process and people.</p>
Housing Need and Investment Understood	<p>Areas of low demand and housing needs understood and considered in line with the Housing Strategy.</p> <p>We maintain an up to date forecast of future investment need</p>
Compliance & Safety	<p>Evidence that investment is prioritised to ensure statutory and regulatory compliance.</p> <p>Monitoring through a clear set of compliance KPIs covering H&S compliance, Decent Homes and Awaab's Law.</p>
Understanding Customer Aspirations	<p>A more detailed understanding of long-term customer aspirations and how homes and estates perform against these.</p> <p>Tenant satisfaction with homes and estates is monitored and understood.</p>
Climate Response	<p>We have a plan for energy efficiency improvements (in the context of available grant/affordability), set targets and monitor progress.</p>
Future Demographic and Social Needs	<p>We complete accessibility audits and continue to deliver adaptation programmes</p>
Effective Decision Framework	<p>The HRA business planning process provides stakeholders with valuable information to aid decision making regarding housing investment.</p>
Growth Opportunities	<p>We identify opportunities to add more homes on existing HRA assets alongside estate improvements</p>
Asset Appraisal	<p>We understand the financial and non-financial performance of the stock.</p> <p>Underperforming assets are appraised and presented for review.</p>
Value for Money & Compliant Delivery	<p>We have clear works specifications and procure contractors to deliver works to the agreed standard.</p> <p>We can demonstrate that we deliver works to the right homes at the agreed specification and cost.</p>

Introduction

This strategy provides a clear plan for managing HRA assets effectively. It addresses statutory requirements, emerging regulations, and local housing needs. It also aligns with the Councils Strategic Plan objectives, including tackling inequality, responding to the climate emergency, and improving housing quality as well as:



Operating Environment

The strategy responds to significant external and internal drivers. Key drivers influencing the strategy include:

01

Social Housing Regulation Act and new consumer standards

02

Building Safety Regulator and Awaab's Law

03

Decent Homes 2 and Minimum Efficiency Standards (MEES)

04

External challenges including inflation, rent caps, new affordable housing supply and local government reform

05

Sector risks such as fire and building safety, disrepair, damp and mould, compliance failures, reputational concerns.

Opportunities

This section outlines the key opportunities that could be realised through the successful delivery of the HRA Asset Management Strategy. Understanding these opportunities is essential to focus on key areas such as:

Improved data governance

Establishing robust data controls will create a trusted foundation for strategic decision making. Enables accurate forecasting of investment needs, supports decision making and strengthens risk management.

Clearer strategic decision-making framework

Clear governance and reporting processes improve transparency. Enables evidence-based prioritisation of investment options in the context of competing objectives and financial constraints.

Better understanding resident aspirations

Build trust and improves service quality through responsive engagement. Even if investment is currently unaffordable and cannot be prioritised, we can explain why.

Contributing to climate and sustainability goals

Supporting the transition to net zero and improving energy efficiency. Opportunity to access external funding for green initiatives and reduce running costs for residents.

Appraisal of poorly performing assets

Identify homes that do not positively contribute to the business plan and/or meet standards and consider alternative interventions. Opportunity to rationalise stock, rebalance the stock profile and reinvest in higher-performing assets.

Supporting growth and regeneration

Use Housing Revenue Account land for infill and regeneration projects. Increase affordable housing supply and optimise underperforming assets.

Local government reform (LGR)

Having a clear understanding of housing stock and services will leave us well placed to effectively manage the impacts of LGR.

Risks

This section outlines the major risks that could impact the successful delivery of this Strategy. Understanding the following risks is essential for effective mitigation and governance:

Financial constraints

Rising costs due to inflation and supply chain pressures. Limited funding for major investment programmes, creating prioritisation challenges.

Data gaps and quality issues

Incomplete or inaccurate stock condition data limits the ability to make evidence-based decisions. Integration challenges between multiple IT systems and siloed datasets.

Compliance and regulatory risks

Failure to meet statutory requirements such as Decent Homes 2, Awaab's Law, and MEES could put tenant safety at risk, lead to enforcement action and reputational damage. Increased scrutiny from the Regulator of Social Housing and Housing Ombudsman.

Operational risks

Capacity issues within supply chains and internal teams. Delays in procurement and delivery of planned works.

Reputational risks

Complaints and dissatisfaction from residents if service standards are not met. Negative publicity from compliance failures or poor housing conditions.

Strategic risks

Balancing competing priorities: new homes, climate goals, and maintaining existing stock quality. Uncertainty around future regulatory changes and government policy

Strategic Objectives

UNDERSTANDING OUR HOMES AND HOUSING NEED

This objective continues from our previous strategy but acknowledges the increasing importance of data, such as stock condition data, in managing our homes effectively.

We aim to better align technology/data, process and people.

We also aim to understand feedback from residents and use the information to shape our services.

Robust data governance underpins the strategy, targeting accurate forecasting of future investment need and providing stakeholders with information they need to make evidence-based decisions.

ENSURING OUR HOMES MEET STATUTORY AND REGULATORY REQUIREMENTS FOR SAFETY AND QUALITY

This is business as usual, and the safety of our tenants remains our top priority.

UNDERSTANDING OUR AMBITIONS FOR HOMES AND ESTATES AND BEING CLEAR ON HOW WE PRIORITISE INVESTMENT

This objective focuses on working with residents and stakeholders to shape long-term ambitions for our homes and estates. These ambitions may not be affordable immediately, but they will guide how we assess and prioritise investment in both current and future properties. We will be transparent about what work we can and cannot do, including plans for improving energy efficiency, which will depend on available funding and affordability. Any opportunities for development or additional improvements will be considered alongside the wider Housing Strategy.

APPRAISE ASSETS AGAINST THE STANDARD, CONSIDER ASSETS ARE FIT FOR THE FUTURE AND EVALUATE ALTERNATIVE OPTIONS

This will identify assets that may not be aligned with our future objectives.

It will also uncover opportunities to deliver new homes within estates that are aligned to local housing needs and demand.

Again, interventions may not be affordable, but it is important to understand financial and non-performance in the context of our objectives.

The immediate priorities are the appraisal of our non-traditional homes and sheltered housing properties.

MAINTAIN INFORMED INVESTMENT PLANS, MONITOR DELIVERY AND ENSURE VALUE FOR MONEY

This is a continuation from our previous strategy.

We will have clear and agreed works specifications and procure contractors to deliver works to the agreed standard.

We will deliver works to the right homes at the agreed specification and cost. Investment plans should also link to our understanding of the performance of our assets to ensure that investment is sustainable.

For assets without a long-term future, this may involve adopting short or medium-term investment strategies.

How the Strategy is implemented

The Asset Management Strategy will be implemented through a structured framework in line with other CCC strategies, e.g. the Housing Strategy:

Theme based approach

The strategy is organised into ten key themes, each addressing a critical area such as data governance, compliance, housing need alignment, climate response, and value for money. These themes are aligned to the opportunities and risks and provide key points of focus over the life of the strategy. For every theme, defined actions, barriers, and target outcomes are outlined.

Action Plans

Each strategy theme will have an action(s) within an overarching action plan. The action plan will support the target outcomes under each theme and will include focused, timebound tasks with clear owners and any resource requirements identified. It will be clear which Officer(s) own which action(s).

Monitoring and Reporting

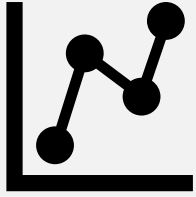
Progress will be tracked through KPIs such as compliance metrics, tenant satisfaction, and delivery against investment priorities. A periodic update covering progress against each plan/theme will ensure accountability.

Integration with Governance

Progress will be tracked through KPIs such as compliance metrics, tenant satisfaction, and delivery against investment priorities. A periodic update covering progress against each plan/theme will ensure accountability.

Themes

The strategy is formed of 10 Asset Management Strategy (AMS) themes. These themes form the foundation for delivering Colchester City Council's housing objectives. Below is a summary of their purpose, key actions, risks, and expected outcomes.



Theme 1: Data Provides a Trusted Foundation for Decision Making

Purpose: Maintain robust data governance controls to ensure the accuracy, consistency, and integrity of our property and resident data, providing data that is a trusted foundation for strategic decision-making

How:

- Comprehensive condition data, including any specialist non-Stock Condition Survey costs, held at a property level and externally validated. This will typically be collected on a 5-year rolling programme, but more frequent inspections may be appropriate in certain circumstances (e.g., very high levels of repairs).
- IT systems and skills and experience of colleagues support effective use of data.
- Data held on customers, including characteristics such as vulnerabilities and household composition.
- Robust data governance and change control policies and procedures.

Barriers and risks:

- Integration of various IT systems used across the organisation.
- Collaboration between teams responsible for different datasets
- Changes to evaluation methods i.e. implementation of SAP10

Target outcomes:

- Clear understanding of data storage and sharing practices across relevant teams within the organisation, ensuring transparency and consistency in data handling.
- Identification of accountable data owners for each system and dataset, with defined responsibilities for maintaining data integrity and governance
- Recognition of data quality gaps and improvement areas, supported by a structured action plan to address gaps and enhance overall data reliability.
- Improving the balance of people, process, technology and data
- Excellent accessibility of accurate data to allow for informed decisions to be made



Theme 2: Housing Need and Investment Understood

Purpose: Understanding how our existing stock aligns to housing need and the investment required to maintain it

How:

- Detailed forecast of future investment need and associated options
- Reviewing housing need, including the current Housing Register
- Understanding of drivers of dissatisfaction with homes and/or neighbourhoods
- Analysis of low demand and high turnover

Barriers and risks:

- Emerging requirements for Decent Homes 2 (DH2) and Minimum Energy Efficiency Standard (MEES)
- Income loss through vacant properties driven by low demand.

Target outcomes:

- Good data provides clear and accurate understanding of investment need.
- Our information on stock condition is kept up to date through the delivery of our rolling stock condition and energy survey plan.
- Areas and drivers of lowest satisfaction of home and neighbourhood understood.
- Stock archetypes/tenures grouped with limited demand assets identified.
- Decent Homes 2 and Minimum Energy Efficiency Standard impact understood.



Theme 3: Compliance and Safety

Purpose: Getting the basics right and keeping tenants and leaseholders safe by meeting statutory and regulatory requirements

How:

- Existing policies for repairs and disrepair
- Compliance/building safety policies and management plans in place
- List of priorities identified – minimum line.
- Awaab's Law implementation

Barriers and risks:

- Tenant safety
- Disrepair and associated administration
- Housing Ombudsman – reputational risk
- Tenant priorities

Target outcomes:

- Using data to proactively manage condition risks (including Awaab's Law implementation)
- Stakeholder visibility of our prioritisation and clear contract with tenants to manage expectations and ensure accountability.



Theme 4: Understanding Customer Aspirations

Purpose: Understanding customer aspirations for the standards of homes and estates, and evaluating performance against these

How:

- Feedback from Tenant Satisfaction Measures surveys
- Resident voice
- Strengthened linkage to Neighbourhood and Community Strategy

Barriers and risks:

- Lack of understanding at estate level
- Aspirations not achievable at all locations – expectation management
- Funding for improvements
- Implications for and consent of leaseholders

Target outcomes:

- Consolidation into a set of aspirational standards for homes and estates
- Understanding of how our neighbourhoods perform against them
- Prioritisation and resident involvement in decision making
- Specific set of standards where appropriate – e.g. sheltered/older persons



Theme 5: Climate Responsibility

Purpose: Contribute to the transition to net zero and climate resilience

How:

- Detailed understanding of energy performance including SAP rating, running cost and carbon emissions.
- Target fabric improvements first subject to assessment of value for money.
- Understand opportunities for decarbonisation of heat and installation of renewable technology.

Barriers and risks:

- Properties where viability makes it difficult to reach EPC C.
- Funding / grant and prohibitive cost of delivery under grant funded programmes.
- Running costs for tenants associated with decarbonisation of heat.
- Changes to evaluation methods i.e. implementation of SAP10

Target outcomes:

- Established principles of energy related investment.
- Homes meet the required Standard(s) of energy efficiency
- Energy investment plan produced and aligned to capital investment programme.
- Explore opportunities for heat networks.
- Understand the effectiveness of 'Internet of Things' measures.



Theme 6: Future Demographic and Social Needs

Purpose: Homes, estates, and services that meet future demographic and social needs, and the needs of diverse communities

How:

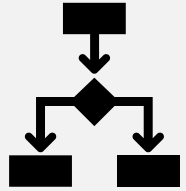
- Gateway assessments for accessibility.
- Aids and Adaptations policy.
- Continue review of support/incentives for residents downsizing.
- Working in partnership across the council and with external agencies.
- Homes that are affordable for tenants

Barriers and risks:

- Poor information on accessibility of existing homes

Target outcomes:

- Enhanced data held on accessibility of homes.
- Linkage to investment standards for certain property types.
- Assess viability of altering/extending properties based on housing need.
- Understanding of additional specialist facilities required by residents within blocks and estates e.g. scooter stores.



Theme 7: Effective Decision Framework

Purpose: Provide stakeholders with good information relating to the options for investment into new and existing homes to support effective decision making

How:

- Using the information from themes 1-6 alongside the new homes strategy to inform the Housing Revenue Account business planning process.
- Good stakeholder visibility.
- Application of clear investment standards and priorities.
- Regular updates on the Action Plan progress for the Portfolio Holder for Housing and Governance & Audit Committee

Barriers and risks:

- Uncertainty over Decent Homes 2 (DH2) and Minimum Energy Efficiency Standard (MEES) standards and the associated implementation timeframe.
- Meeting ambitions for new homes and net zero alongside quality of existing stock.
- Resources – including funding / grant.

Target outcomes:

- Good data provides clear and accurate understanding of investment need.
- Good governance relating to decision making on the balance of investment in new and existing homes.
- Stakeholders clear on what is/is not being delivered and associated risk



Theme 8: Growth Opportunities

Purpose: Support the Council's ambitions to increase the number of affordable homes on existing Housing Revenue Account land and assess the opportunities relating to associated assets

How:

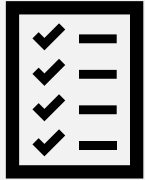
- Understanding the potential for net additional homes within existing estates and associated assets.
- Additional homes delivery supports regeneration opportunities for poorer performing estates.

Barriers and risks:

- Fragmented land ownership and cost of buy-back of freehold properties.
- Limited grant funding.
- Impact on residents.
- Decanting and short-term impact on housing register and loss of rental income.

Target outcomes:

- Improved understanding of growth opportunities
- Consideration of net additional units against complexity of alternative options
- Review of associated assets to contribute to meeting housing need
- Prioritised list of potential infill / redevelopment / regeneration opportunities
- Supports delivery of additional homes to meet the current housing need, in line with the Housing Strategy



Theme 9: Asset Appraisal

Purpose: Homes and estates unable to meet our standards, where there is a need to rebalance the stock profile, where the level of investment needed does not represent value for money or where there is opportunity for growth are appraised and alternative interventions considered.

How:

- Property level understanding of future investment need.
- A comprehensive understanding of housing need.
- Inclusion of future costs and income in net present value modelling.
- Clear understanding of repairs costs at a property level.
- Considers contribution of non-housing assets in Housing Revenue Account
- Comprehensive assessment of growth opportunities across all estates.

Barriers and risks:

- Cost of alternative interventions (for example, regeneration) and associated funding.
- Loss of housing through disposals.
- Ensuring ethical disposals of poorly performing stock.
- Limited opportunities for sale of high value properties to cross-subsidise

Target outcomes:

- A disposal and reinvestment strategy that will support steps to deliver a fit for purpose stock (condition and profile) that meets current and anticipated needs.
- Refinement of assumptions and inputs used in net present value performance modelling.
- Inclusion of energy related costs in net present value modelling.
- Developing social indicators to ensure alignment to corporate priorities and aspirational estate standards.
- Creating an options appraisal (OA) framework to provide a structured approach to evaluation and deciding the best course of action. The approach will ensure that we: define objectives; gather data; identify options; appraise options; evaluate; and make recommendations.
- Framework will consider: financial performance; demand analysis; property condition; estate standards; energy performance; social impact.
- The evaluation criteria will consider impact on: cost; energy efficiency/sustainability; tenants/community; housing need; regulatory compliance.
- Stakeholder clearly understand alternative options for poorly performing stock.
- Immediate priority for appraisal will be sheltered/older persons housing.



Theme 10: Value for Money and Delivery

Purpose: Ensuring Value for money and compliant delivery

How:

- Comprehensive investment plan linked to investment priorities.
- Procurement strategy including social value aims which include supporting local skills, training and employment opportunities and having due regard to the principles of the Armed Forces Covenant and Living Wage
- Resident involvement in procurement exercises
- Comprehensive delivery procedures and controls
- Alignment of outturn costs and business plan assumptions

Barriers and risks:

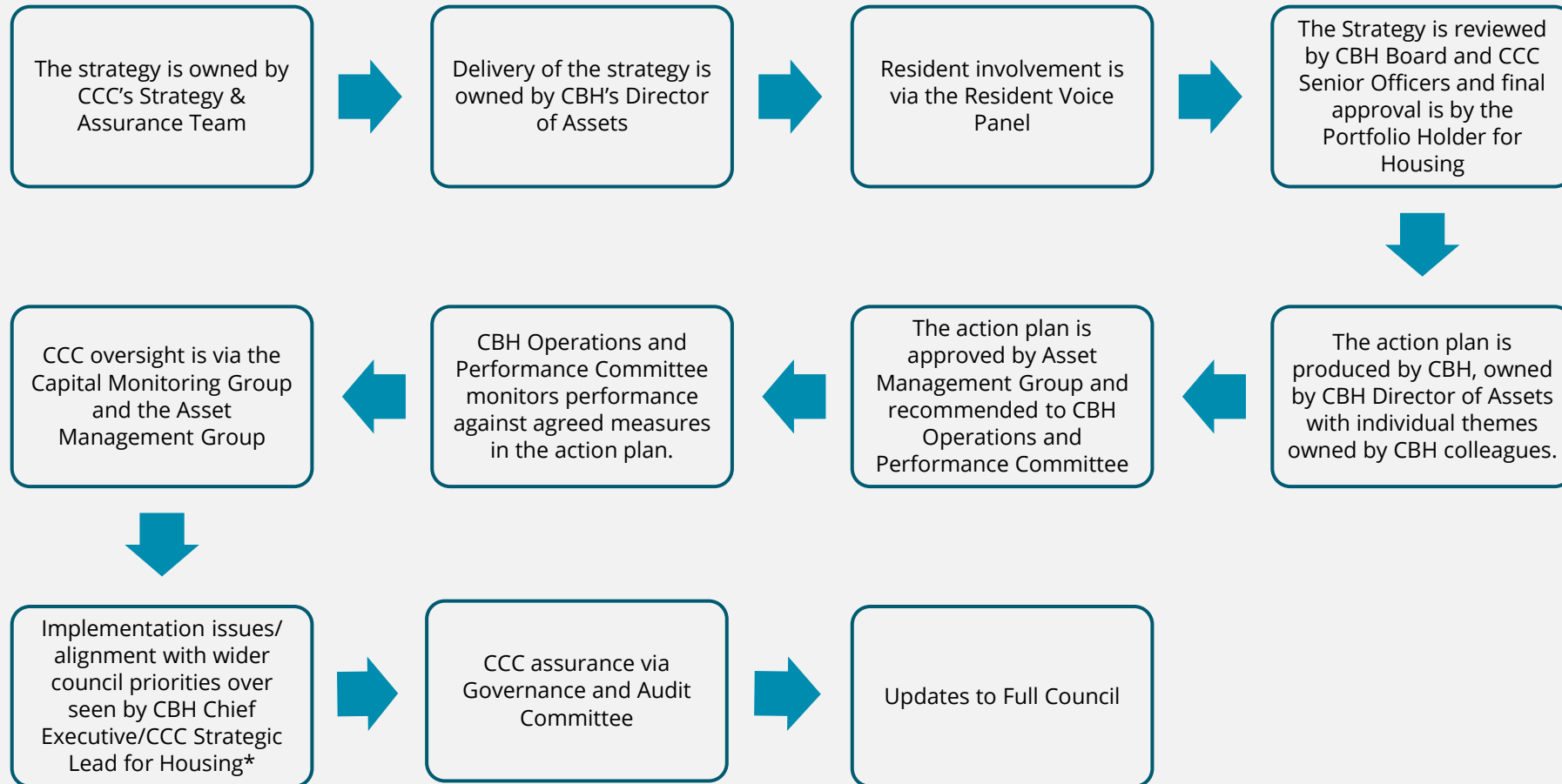
- Supply chain capacity.
- Misalignment of outturn costs and business plan assumptions or investment need
- Compliance with regulations e.g. Construction Design & Management

Target outcomes:

- Alignment of standards, specifications and costs
- Updated investment plan.
- Updated procurement strategy.
- Review delivery procedures, monitoring and assurance.

Governance Framework

The strategy will be subject to the following governance arrangements:



**escalating to Housing Board, Senior Leadership Board or Alliance Place Executive Board as needed.*