



COLCHESTER HOUSING ASSET MANAGEMENT STRATEGY JANUARY 2022

Prepared for

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1. EXECUTIVE SUMMARY

This document details Colchester Borough Council's Housing Asset Management Strategy (HAMS).

Colchester Borough Council (CBC) has delegated the delivery of managing homes and homeless services to Colchester Borough Homes (CBH) our Arm's Length Management Organisation (ALMO) since 2003. In November 2020 CBC agreed to extend the CBH Management Agreement until at least 2028, this decision based on the findings of a benchmark review of comparable cost and quality of services which showed CBH offered good value for money.

In 2021 the Council is celebrating one hundred years of council homes in Colchester. This is therefore an ideal opportunity to review its HAMS. Effective asset management and a close working relationship between CBC and CBH is fundamental to the successful delivery of an excellent service that meets organisational objectives, within the context and allowances of the Business Plan.

This document records Colchester's HAMS and sets out a number of key actions that will further improve services and operational delivery. The Action Plan detailed in the appendices defines these and once approved a detailed Action Delivering Plan will be put in place to enable the Asset Management Group to monitor performance. The updated HAMS reflects current best practice, latest Government guidance and recognises the need to keep under review developing legislation and guidance and therefore ensuring that CBH is at all times ensuring compliance with the Regulator of Social Housing Consumer Standard. This standard is set so that tenants are able to hold landlords to account. The four consumer standards are:

- Tenant Involvement and Empowerment
- Home
- Tenancy
- Neighbourhood and Community

Emerging themes such as the Social Housing White Paper will see more detailed requirements to evidence the delivery of the Consumer Standard. The Building Safety Bill currently progressing through Parliament will introduce a new regulatory regime, overseen by the Health and Safety Executive (HSE), to enhance the fire and structural safety of new and existing residential buildings. The Asset Management Strategy Action Plan will track the progress of the White Paper and make the necessary adjustments that may be required to deliver the strategy.

The HAMS also reflects CBC's and CHB's own strategic themes:

The Better Colchester Strategic Plan 2020-2023:

"Our Strategic Vision and Capital Programme set out ambitious plans to make Colchester a better borough – a place where everyone has a chance to succeed, where nobody gets left behind and where everyone can see the investment being made to their town."

Five strategic priority themes are identified these are:

- Tackling the climate challenge and leading sustainability;
- Creating safe, healthy, and active communities;

- Delivering homes for people who need them;
- Growing a fair economy so everyone benefits; and
- Celebrating our heritage and culture.

The CBH Vision:

We aim to be the trusted choice for local housing, property, and community services, by delivering services that are valued by our customers and serving our communities. We set out how we will achieve this in our Strategic Plan and Medium-Term Delivery Plan.

Strategic Asset Management Objectives

Colchester wishes to ensure that the housing stock and related assets that it manages:

1. Are appropriately maintained in accordance with an agreed Colchester Standard on an agreed programme cycle;
2. Meet all regulatory standards (including building safety compliance and adherence to latest legislation) and Landlord Obligations, including the Homes and Communities Agency's (HCA) Homes Standard;
3. Are located in well managed and attractive environments that feel secure and welcoming;
4. Are healthy and safe places to live (free from Category 1 Housing Health and Safety Rating System hazards);
5. Are viable and deliver a positive yield over the business planning period (ideally with an improving Net Present Value (NPV) and high levels of demand);
6. Meet the needs and aspirations of both current and future residents, contributing to high levels of satisfaction (with both the property and the neighbourhood);
7. Deliver an environmental and sustainability strategy which addresses the impacts of climate change, delivers the housing stock to net zero carbon by or before 2050. Using green technology and innovation to deliver these objectives.
8. Continue to improve and modernise available housing for older people;
9. Encourage green technologies and innovative solutions to the climate emergency;
10. Enable Community Development which positively supports the local community

To deliver its HAMS, Colchester must ensure that the requirements of the stock are affordable in the context of its Business Plan, and that this is 'joined up' with competing pressures for Housing Revenue Account (HRA) finance (including the delivery of aspirational improvements within the existing stock, such as energy efficiency projects, and new build provided through the Housing Futures Programme. The Housing Future programme was a joint CBC and CBH Officers' project to consider ways to close the gap within the Business Plan through increased income or reduced expenditure. The recommendation from this project were presented to the Cabinet in March 2017 and set direction for addressing the funding gap.

1.1. Priority reinvestment issues.

Like the majority of Local Authorities, Colchester has faced tough financial conditions in recent years. The impact of the Housing and Planning Act and the Welfare Reform and Work Act 2016, which introduced social rent reduction required Social Housing providers in England to reduce social housing rents by 1% a year for 4 years from a frozen 2015 to 2016 baseline and to comply with maximum rent requirements for new tenancies. For Colchester, the impact was:

- Reduction of £6m over years two to five of capital reinvestment works; and

- Ending of Sheltered Housing Refurbishments (previously £2m per year).

A revised HRA Business plan set of principles were also established to ensure the investment required within the stock maintained lettable properties whilst working to a reduced budget.

The principles were:

- Move to an investment programme where replacement is undertaken wherever possible based upon target age/renewal date and carry out repairs as necessary to maintain the life of existing products until planned replacement is possible;
- Geographic programming where no work is brought forward, based on 10 areas in the borough on a five-year cycle (two areas a financial year);
- All expenditure against the Estates and Boundaries budget prioritised to address matters of public safety and security;
- No work is deferred to future years (unlike historically), preventing spikes of investment on single elements; •
- Assume 50% of work previously declined by tenants will be realised through void replacement based on historical evidence – no separate allocation for this;
- Assume 10% of future planned work will be declined by tenants based on historical evidence;
- Move from a cyclical full rewiring programme to an electrical remedial programme that is based on the electrical installation inspections (EICR);
- Increased contingency within the business plan to reflect the possible higher cost to repairs and inflexibility within the capital programme; and
- Continuous review and providing value for money where possible of our capital investment specifications.

Through these principals the Council has sought to balance the budget via savings whilst attempting to protect the services that are most important to the community. This has come at a time when there has been a significant shift within the housing sector generally towards health and safety, compliance, addressing climate change and better asset management.

The Grenfell Tower fire in June 2017 and thereafter the Fire Safety Act 2021 and the Building Safety Bill, now progressing through Parliament for enactment during 2021, and the Charter for Social Housing Residents: Social Housing White Paper published in November 2020 (updated January 2021) have further highlighted safety issues that remain in the affordable housing sector. Whilst other issues such as the lack of affordable housing, Welfare Reform (Universal Credit), deprivation, homelessness, and demographic changes are all still relevant there is now a clear priority on the safety of residents in their communities and providing them with a forum to raise any concerns.

The International Panel on Climate Change Special Report on Global Warming of 1.5 °C (2019) highlighted that the lack of sufficient action over the past 30 years means that immediate action must be taken to prevent a global temperature increase of 1.5 °C. The UK government amended its Climate Change Act in June 2019 to introduce a legally binding zero carbon target for the UK for 2050. In December 2020 the Energy White Paper: Powering our Net Zero Future, provided guidance on how housing will assist in the delivery of this reduction in emissions, and this was later followed by an update on the target, with the requirements to achieve a 78% reduction in carbon emissions by 2035.

A further strategic requirement is the eradication of fuel poverty. The Government Committee on Fuel Poverty (fourth annual report 2020) estimates 2.4 million households are in fuel poverty (10.3%) in England 51% owner occupied, 15% social sector and 34% private rented. Where reasonably practicable the Fuel Poverty strategy is to bring all social housing homes to a minimum of EPC band C by 2030. Ensuring where practicable all homes achieve and EPC C by 2030, five years earlier than required, will address this requirement.

The Corona virus, (COVID-19), although less of a direct impact on the HRA has had implications, ranging from higher levels of rent arrears, delays to non-essential and planned investment works, potentially leading to increased future costs which may impact the future investment resources available for asset management related services which will need to be factored into business plan updates and sensitivity analysis. Certain elements such as health, safety and compliance will still be a priority in the event of reduced resources.

1.2. The Climate Emergency

Colchester recognises the need to address the climate emergency and has already taken significant steps across the borough to reduce our carbon footprint and improve the environment through sustainability objectives. As part of the Housing Asset Management Strategy a Housing Environmental and Sustainability Strategy has been produced. Using a specialist energy efficiency modelling database we have looked at scenarios for delivering all our homes to EPC band C by 2030. There are an estimated 901 homes that currently fall below this band and the cost of retrofitting these properties is estimated to be £2.5 million (excluding preliminaries and fees).

Ensuring Colchester meet the challenge of delivering net zero carbon homes is also a target with a desire to do this by 2050 or earlier if feasible. The speed at which Colchester do this will be dependent on financial resources, the availability of labour and appropriate technical solutions as well as funding. The modelling carried out as part of this strategy document has considered different standards which could be applied to achieve net zero carbon. These indicate the cost is between £84 million and £100 million, this is a significant investment, however, it is recognised that this estimate is based on current knowledge. Future innovation will have a major impact bringing with it different and more affordable measures. Trying to deliver net zero carbon too quickly may result in huge costs and the selection of measures which may quickly become obsolete. It is for this reason the best initial approach which is recommended by the Government in the Energy White Paper is a fabric first approach reducing energy demand of our existing homes. The use of low carbon heating options will be used as part of new build projects and where our existing properties have inefficient heating system e.g. off gas grid properties or where existing heating systems have reached the end of their life. Ideally no replacement system should be more expensive to run.

The sustainability part of the strategy includes for measures to address:

- Waste management;
- Resource efficiency;
- Local air quality;
- Water efficiency;
- Natural environment; and
- Mitigation of the impact of Climate Change.

1.3. Principles for Delivery

To In addition to the principles identified in the Business Plan, there are good practice principles to be followed when delivering good asset management objectives, therefore Colchester will:

1. Support a professional asset management team, responsible for all 'planning' as opposed to 'project management functions;
2. Listen to the views and aspirations of all stakeholders;
3. Consider the impact of all proposals on tenants as well as leaseholders;
4. Work with residents through tenancy audits to ensure that homes are being looked after;
5. Actively manage, maintain, and use its asset data within its Housing and Asset Management Database, (Northgate Public Services supplied by NEC Software Solutions UK Ltd);
6. Improve the quality and currency of the asset data held, through undertaking regular stock condition surveys;
7. Obtain updates on condition records through a range of sources, including works completed data;
8. Actively obtain and then manage data relating to health and safety compliance acting promptly to tackle any issues or matters for concern;
9. Consider the options for continued delivery of works post the Decent Homes backlog programme;
10. Develop programmes of work from the asset data, based upon on need and delivery method objectives (over a programme period of not less than 5 years);
11. Procure works and services for delivery that provide best value for money and good standards of quality and contribute to social value as well as sustainability within their service;
12. Maintain an Asset Management Group (with all key stakeholder groups represented), this group will review and monitor proposals, objectives, and delivery;
13. Use a Viability Model to assess the performance of the existing assets (demand, NPV etc.) prior to inclusion of 'core stock' in the delivery (works) programme;
14. Undertake options appraisals (following an agreed process) of stock that fails to meet the requirements of 'core stock' or where appraisal is otherwise desirable;
15. Undertake as much work as possible in a pre-planned way, thus reducing reactive works to a minimum;
16. Assess the condition, performance and opportunities associated with related assets (including garages);
17. Inform and be informed by the aims and objectives of a Development Strategy;
18. Consider opportunities of 'joined-up' wider area regeneration and for the development of new accommodation that meets the housing needs of the wider community;
19. Model the energy efficiency of the stock, to establish a baseline and prepare plans for achieving the objective of an EPC band C to all stock by 2030; and
20. Develop a model for improving the environmental sustainability of our housing, estates, and related services to support the Councils strategic objectives.

1.4. Measures

The Council will regularly monitor its asset management performance, including the following measures:

1. Compliance with the 'Home Standard';
2. Proportion of stock meeting the Decent Homes Standard;
3. On target achievement of H&S compliance activities;
4. Average SAP rating;
5. Percentage of Stock at EPC band C;
6. Estimated CO² emissions;

7. Demand for homes;
8. Number of long-term voids;
9. Yield (NPV) per property/block/garage (ideally with an increasing NPV over time);
10. Delivery of Social Value objectives e.g. apprenticeships: and
11. Customer satisfaction with:
 - a. the home
 - b. works and services provided
12. Number of disrepair cases.

These measures will be kept under review to take aboard national and local policy changes.

1.5. Audit and Risk

CBC and CBH have a clear programme of audit reviews, both internal and external. As well as focusing on financial aspects, specialised audits are undertaken in areas that have been identified as having potential weaknesses. This represents a risk based approach of prevention rather than cure which mitigates the need for intervention management. Key issues that are carefully monitored include:

1. Performance against agreed key performance indicators;
2. Effectiveness in dealing with performance shortfalls;
3. Resident satisfaction;
4. Rent arrears;
5. Progress towards meeting and maintaining the Decent Homes.
6. Maintenance of effective standards of governance ; and
7. Complaint's handling.

1.6. Action Plan

In reviewing the objectives and good practice principals to be followed a number of actions have been identified to enable Colchester to align with sector best practice in housing asset management. These are included in Appendix 7 and will be developed into a detailed delivery plan to enable the delivery of the strategy to be monitored. The action plan addresses the following themes:

1. Good Governance of Asset Management;
2. Good Stock Knowledge and keeping in Good Condition;
3. Stock Financial Sustainability;
4. Building Safety;
5. Addressing the Climate Emergency;
6. Resident engagement;

2. HOUSING ASSET MANAGEMENT STRATEGY INTRODUCTION

This document records the Council's Housing Asset Management Strategy (HAMS) for housing assets. The key aspects of the HAMS are listed within the Executive Summary.

This document has been prepared jointly by Colchester Borough Council (CBC) and Colchester Borough Homes (CBH). Colchester Borough Homes is an arm's length management organisation (ALMO) wholly owned by Colchester Borough Council (CBC) and is responsible for the management of the Council's housing stock. CBH was established 2003 and following a review in November 2020 it was confirmed that CBH will continue to provide housing management and housing homeless services at least until 2028.

Asset management is about the understanding, long term planning, provision, and sustainability of the Council's housing assets. The Council has embraced the principles of effective asset management, recognises the importance associated with maintaining effective stock condition and attribute information, the assessment of stock viability and future options for poorly performing stock, effective procurement, the value of an established relationship between the maintenance and management functions, and the effective delivery of the works programmes required to keep the stock in good condition.

As an ALMO, CBH's key objective is to help improve the quality and condition of the stock and to maintain the Regulator's Home Standard. This objective requires a carefully planned programme of re-investment, with funding provided within the 30-year Business Plan. This strategy establishes the framework within which asset management operations will be provided. It highlights the component parts of the asset management function and their inter-relationship.

The housing stock represents the Council's highest value asset and its repair and maintenance its largest liability. The property owned is worth many millions of pounds either as capital assets or as revenue generating assets; therefore, planning for its sustainable future is important. As well as ensuring the safe and efficient delivery of services such as the division between responsive and planned works to ensure value for money of limited funding.

This strategy and its component parts will be overseen by CBC's Client Asset Manager. To ensure that the staff member in this post has sufficient time to undertake this role and to plan works effectively, the staffing structure has been reviewed to facilitate a clear division of responsibility for planning and project management. In this way the Council aims to encourage best use of resources, whilst allowing a continued focus on high standards of delivery.

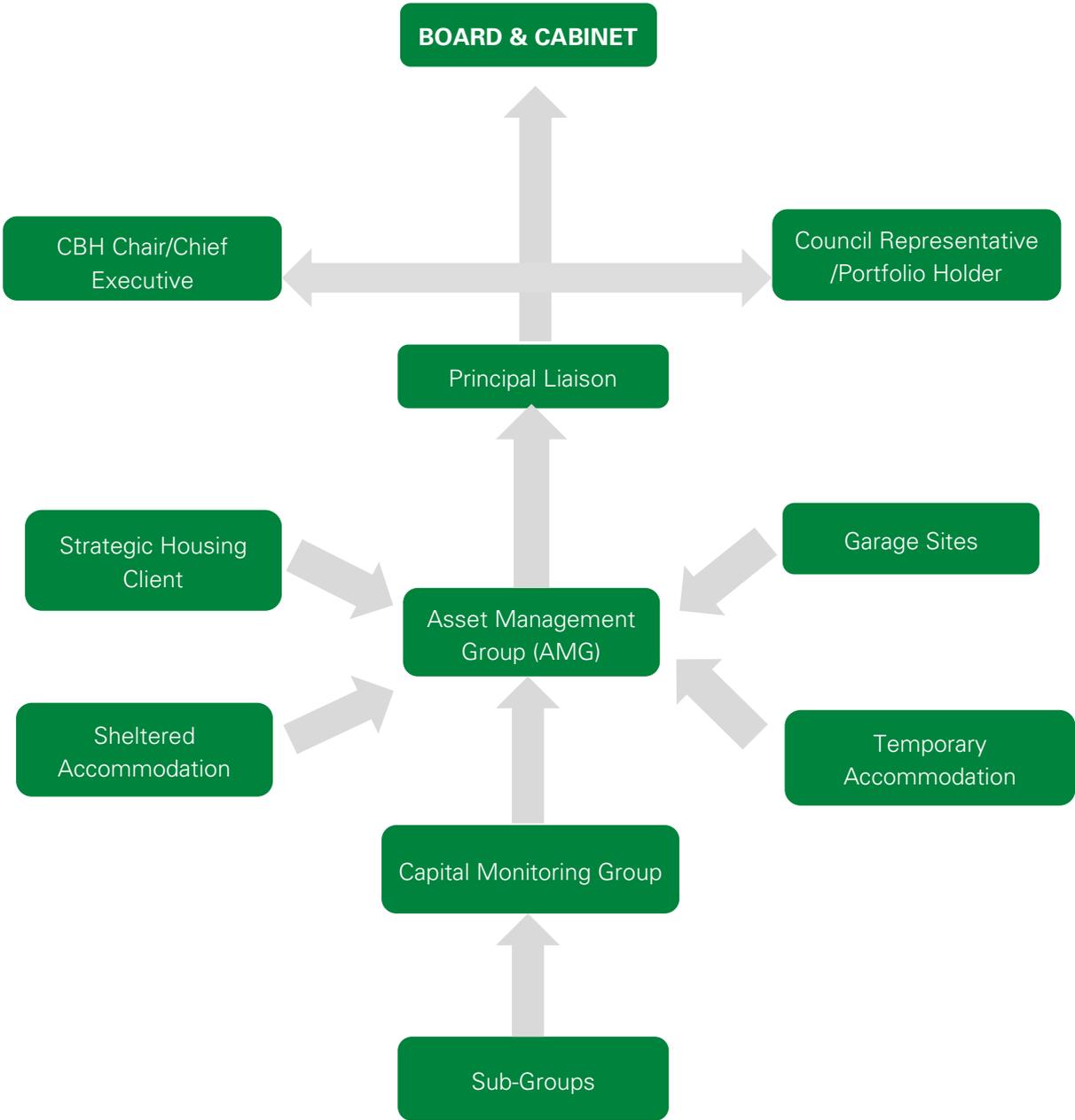
In 2019 the Council committed to increasing by 350 the size of the stock by 2024, and this will be achieved by developing new homes (by the end of 2021 Colchester will have delivered 26 new homes on former garage sites), and by acquisition for example the purchase of ex Right to Buy homes.

Plans are also in progress to knock down an existing block and replace with 35 new purpose-built sheltered flats which will meet Colchester's design criteria for such homes. Colchester has recently appointed a Client for Affordable Housebuilding to manage the development programme. At this time, the Council do not have a Development Strategy and recognise the need to produce one and for it to align with this Asset Management Strategy.

The Asset Management Strategy should be read alongside other key documents including the:

- The Housing Strategy;
- The Housing and Homeless Strategy (and reviews);
- HRA 30-year Business Plan;
- Annual Delivery Plan;
- CBC Regeneration Strategy;
- CBC Environmental and Sustainability Strategy and;
- CBC Climate Emergency Action Plan.

The following diagram illustrates the main inputs and reporting responsibilities for both CBH and CBC:



2.1. Purpose

The purpose of the Asset Management Strategy can be summarised as follows:

- To define the Council’s position with regard to asset management and how this aligns to core business objectives;
- To define needs, future trends and issues influencing these;
- To define the stock, its condition, use, and re-investment required over the next 30 years;
- To identify the risks and issues relating to the assets and how these may be mitigated;
- To define the methodologies and implementation processes for the Asset Management Strategy; and
- To establish frameworks and templates for monitoring, recording, and evaluating performance.

The Asset Management Strategy fundamentally needs to balance assets and needs, as illustrated below:



Frequently asked questions relating to the Asset Management Strategy are summarised and addressed at Appendix 1. The process adopted in formulating this Asset Management Strategy is illustrated at Appendix 2.

In the context of social housing, the Council cannot charge open market rents, and in recent years seen income from rents reduced further by requirement reduce rents levels as part of the Housing and Planning Act and the Welfare Reform and Work Act 2016 and must therefore operate with a Business Plan that delivers good quality housing and services in a cost-effective way; although care is needed to confirm that a balance of these factors is maintained to ensure viability and sustainability.

The Council has determined the current position of the housing stock and through business planning processes has derived its long-term objectives, core business drivers and a vision for the future of the stock. These directional components have resulted in several initiatives and administrative processes, aimed at achieving the vision:

2.2. Vision and Purposes

The Council describes its strategic vision in The Better Colchester Strategic Plan 2020-2023:

“Our Strategic Vision and Capital Programme set out ambitious plans to make Colchester a better borough – a place where everyone has a chance to succeed, where nobody gets left behind and where everyone can see the investment being made to their town.”

The Housing Strategy and 30-year Colchester HRA Business Plan are supported by CBH's Medium Term Delivery Plan 2018-22. The Housing Strategy sets out CBC's aims and priorities for housing:

1. Maximise the supply of housing to meet local needs;
2. Work with partners and residents to create mixed and sustainable communities;
3. Prevent homelessness and rough sleeping;
4. Improve the 'life chances' of Colchester's residents;
5. Work with customers to enable them to make informed housing choices;
6. Make the best use of homes in Colchester;
7. Provide healthy, safe and energy efficient homes
8. Ensure that housing and related services meet a range of specialist needs;
9. Make the most of resources and opportunities.

Colchester Borough Homes Mission, Vision, Values and Corporate Responsibility are as follows:

3.2.1 Vision and Purposes

Our mission is to deliver great value services that make a difference.

3.2.2 Our Vision

We aim to be the trusted choice for local housing, property, and community services, by delivering services that are valued by our customers and serving our communities. We set out how we will achieve this in Strategic plan and Medium Term Delivery Plan.

3.2.3 Our Values

We are committed to our key company values ("The CBH Way") and focus on these in the planning and delivery of our services:

- **Building Trust** We will work with customers to build trust in our service.
- **Delivering Customer Led Services** We will work with customers to improve what we do and promote fair and equal services for all.
- **Commitment to Our Communities** We will offer customers services they can rely on, which respect the needs of the community and individuals.
- **Delivering Professional Services** Our staff are highly trained to enable customers to receive a knowledgeable response.
- **Providing Value for Money** in everything we do.

3.2.4 Corporate Social Responsibility

We combine private sector efficiency and professionalism with a community ethos and all our profits are reinvested for the benefit of our customers and communities. We are committed to social responsibility, equality and diversity and environmental sustainability.

Colchester aims to ensure that the housing stock and related assets that it manages:

- Provide a high standard of affordable housing to an agreed Colchester Standard;
- Provide customer focused, high-quality services to residents;
- Operate with a sustainable Business Plan;
- Meet all regulatory standards and Landlord Obligations, including the Department for Levelling Up, Housing and Communities (DLUHC) Home Standard;
- Follow HSG65 Health & Safety and compliance guidelines;
- Are located in well managed and attractive environments that feel secure and welcoming;
- Are healthy and safe places to live (free from Category 1 Housing Health and Safety Rating System hazards);
- Are viable and deliver a positive yield over the business planning period (ideally with an improving Net Present Value [NPV] and high levels of demand);
- Meet the needs and aspirations of both current and future residents, contributing to high levels of resident satisfaction (with both the property and the neighbourhood);
- Are not maintained simply because they are part of the portfolio, but are actively challenged against a range of assessments that consider their viability and contribution; and
- Respond to the climate emergency by achieving net zero carbon by 2050, while remaining comfortable homes that residents are proud to live in;
- Encourage green technologies and innovative solutions to the climate emergency;
- Continue to improve and modernise available housing for older people;
- Enable Community Development;
- Ensure all targets and local standards agreed with the residents are achieved;
- Ensure effective communication and consultation with all stakeholders using straightforward language and appropriate translations where required;
- Make services available and easily accessible to all the community, including 'hard to reach' groups;
- Treat all people equally and fairly, being mindful of diversity and the requirements of residents;
- Work with and involve residents to provide excellence in service delivery;
- Maximise choice for residents in the context of achieving value for money;
- Empower and encourage residents to participate in and shape the services they receive;
- Consult on and publish clear and measurable standards for all service areas;
- Recognise the central role of staff in delivering services, and provide them with attractive terms and conditions;
- Provide innovative, flexible, and responsive housing management and maintenance services;
- Work with all partners to provide value for money, quality solutions and continuous improvement across all services;
- Support and contribute to the relevant strategic objectives of partner organisations;
- Enable a motivated and focused staff through empowerment, team building, training, and effective appraisal;
- Be an outward looking, learning organisation at the forefront of innovation and development in the housing sector; and
- Use complaints and customer feedback positively, to learn, and improve services that deliver a high degree of customer satisfaction.
- Ensure environment and sustainability embedded in all housing services.

The aim of this Asset Management Strategy is to outline the strategic principles and methods to be adopted in the delivery of these aims and objectives.

3.2.5 Our Finances

The actions in this plan will inform the annual budget setting agreed by full council, ensuring that available resources (both financial and staffing) are used to deliver the council's strategic purposes and priorities. Progress reports on finance and performance will be provided quarterly to the Executive.

3.2.6 Our Challenges

- The financial challenge, a significant one being funding the cost of delivering net zero carbon target;
- Potential further reduction in government funding;
- Responding to national issues, such as the implications of Universal Credit or Brexit;
- An ageing and vulnerable Tenant demographic;
- Continuing to safeguard those who are most vulnerable, and manage the increasing costs;
- Managing risks;
- Addressing the supply of affordable housing to meet demand;
- Ensuring adequate resources and resident engagement to deliver the Climate Emergency agenda; and
- The need for enhanced digital and physical connectivity.

2.3. Context

All of the current housing stock is located within the borough of Colchester, Essex. Most housing stock is located within an urban environment, although there are some outlying rural properties that have some differing needs. Colchester is generally relatively prosperous; much of CBC's strategic ambitions focus on reducing inequalities and improving the life chances of Colchester's residents.

Colchester is ranked 185 in the Government's Indices of Deprivation 2019 (317 being the least deprived), meaning that compared to some other English boroughs, there are moderate levels of deprivation in Colchester. There are a number of small areas in the borough in the 10% most deprived in the country, and these are concentrated in areas where there is a high density of social housing.

The borough is a popular area having excellent road and rail links, with London within easy commuting distance. The demand for homes in the region is high. While high property values have seen a decrease in the number of right to buy sales in recent years, the limited supply of new homes and the high private rent levels, often set above benefit restrictions, have resulted in demand continuing to rise disproportionately to supply.

According to Colchester's Strategic Housing Market Assessment (2015) the highest demand within the Council's portfolio is for one- and two-bedroom accommodation, although three- and four-bedroom general needs rented units are in increasingly high demand due to more limited supply. The least demand is for sheltered bedsit accommodation.

Colchester has an increasing ageing population, and provision has been made within CBC's housing stock for sheltered housing and an extra care housing scheme. Supported is provided and financed through a local service charge to tenants. The last review of Sheltered Accommodation carried out in 2017 and to address the impact of reduced rental income over a 4-year period, a decision was taken to extend the life cycles of components, with a greater emphasis given to condition over age. It is recognised that this approach will have

some impact on the delivery of the Decent Homes Standard. Moving forward Colchester will reduce life cycles in line with Government requirements.

The prevention of homelessness, supporting homeless people and meeting wider housing and support needs is a priority for Colchester. The Homelessness Reduction Act introduced in 2018 places a duty on local authorities to help prevent the homelessness of all families and single people, regardless of priority need, who are eligible for assistance and threatened with homelessness. In many Local Authorities, including Colchester, the COVID-19 crisis has put further pressure on addressing housing needs and preventing homelessness. Colchester work with a wide range of partners from statutory, voluntary and charities to enhance the delivery of our housing solution services. A wide range of temporary accommodation is provided, including private lets by CBC through local housing providers.

Colchester operates a choice-based lettings system. A full description of the demographic evidence, and information on housing need and demand can be found in the evidence base for CBC's Housing and Homelessness Strategies.

The resources available to manage and maintain the stock are dictated by rental income, grant, and outgoings all as defined within the Business Plan. Colchester endeavours to continually improve efficiency whilst maintaining a high standard of service.

Colchester is obliged to meet the (DLUHC) Home Standard which includes the Decent Homes Standard and increasingly demanding compliancy standards and will do this in a logical manner. Ensuring homes remain compliant and safe is one of several issues that need to be considered in a holistic view of housing asset management, albeit within the constraints of Colchester's wider priorities and funding basis. The Social Housing White Paper 2020 has also indicated that a revised Decent Homes Standard will be published soon, with further requirement on health & safety and energy efficiency.

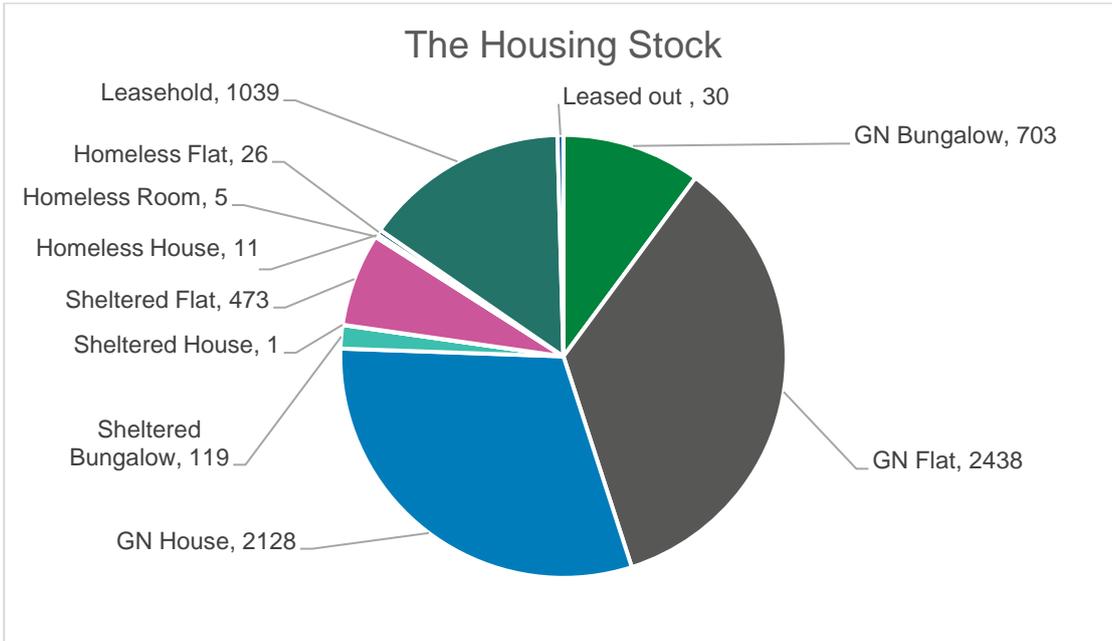
The aspirations of tenants and leaseholders (collectively referred to as residents) have been considered in this strategy, within the constraints of the finances available. The Social Housing White Paper 2020 recommends greater engagement with residents, and this will be a key factor in the preparation of future plans to meet objectives laid out in this strategy, balancing choice, the delivery of health & safety and addressing the enormous challenges of the climate emergency. At the same time recognising residents expect a good service, choice, and value for money to be provided in return for their rents and service charges.

Colchester has considered the risks in adopting a HAMS. It will be important to continue to identify and mitigate risks where appropriate, combined with delivering the aims of the organisation to ensure long-term sustainability.

3. STOCK CHARACTERISTICS

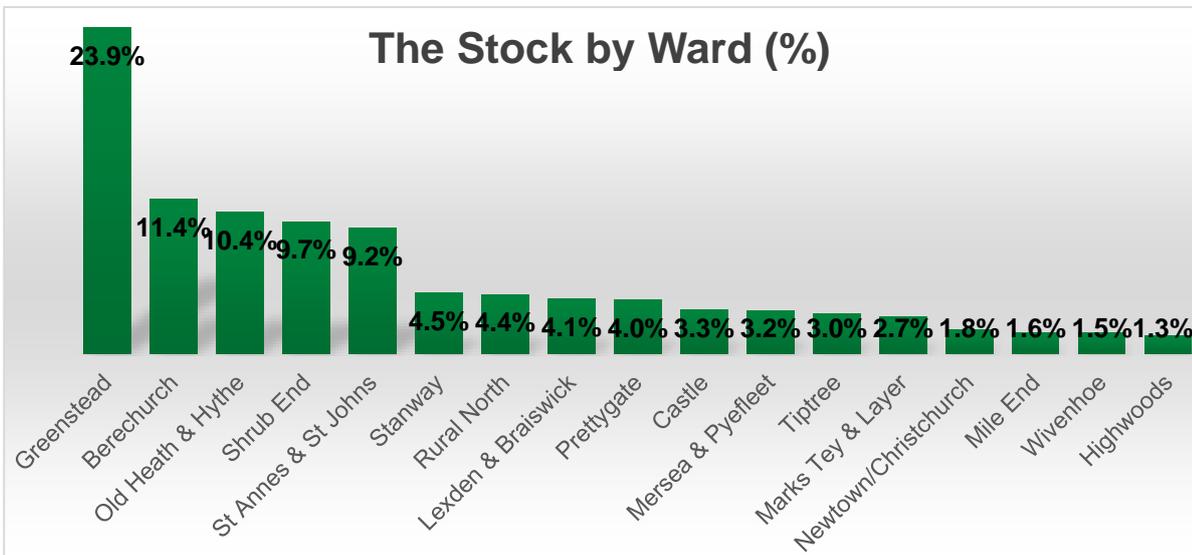
3.1. The Housing Stock

The following tables and charts provide details of the housing stock as of January 2021.



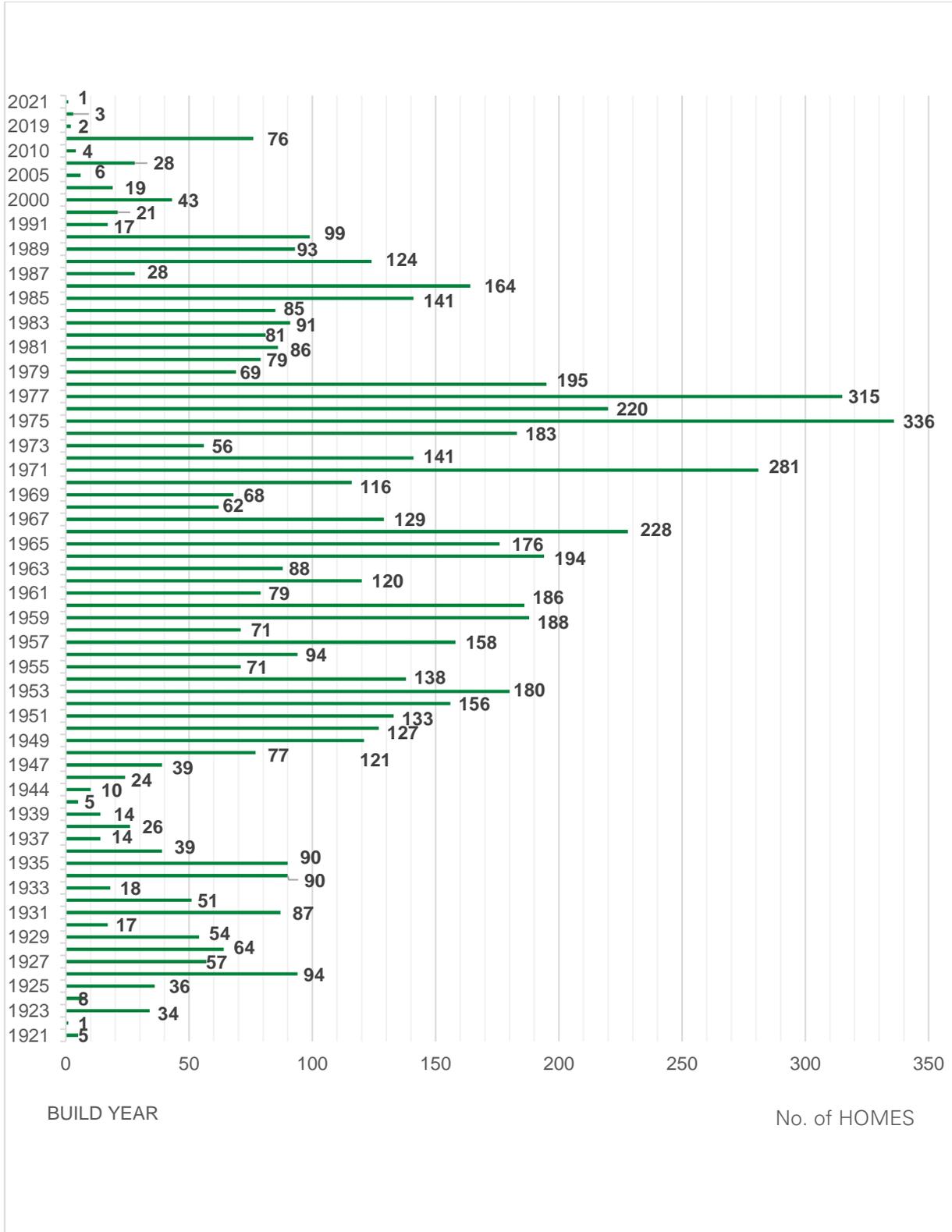
Graph 5: Housing Stock Numbers

The total housing stock is figures includes 1052 leaseholders providing a total stock size of 6,973 In addition, the CBH manages 2210 garages although only 1393 are currently let to tenants. All the stock is located within Colchester Borough. The stock is located within the following ward areas, with 19% of the stock being in wards which are classed as rural:



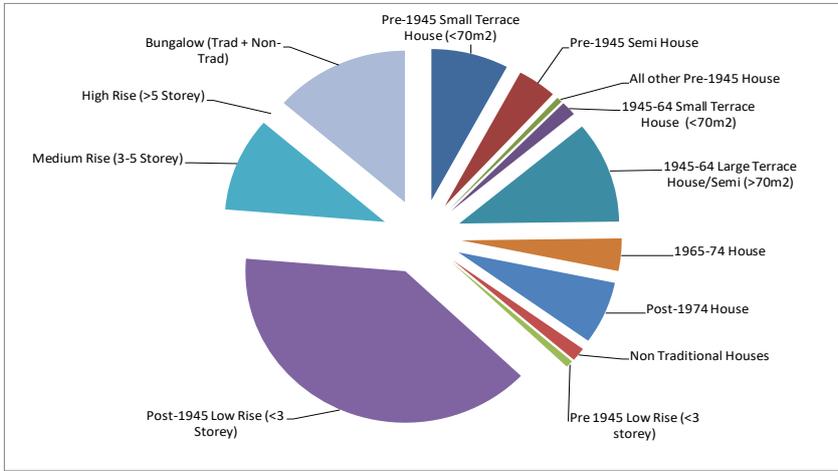
Graph 6: Housing Stock Numbers by Ward

The age profile of the stock is:

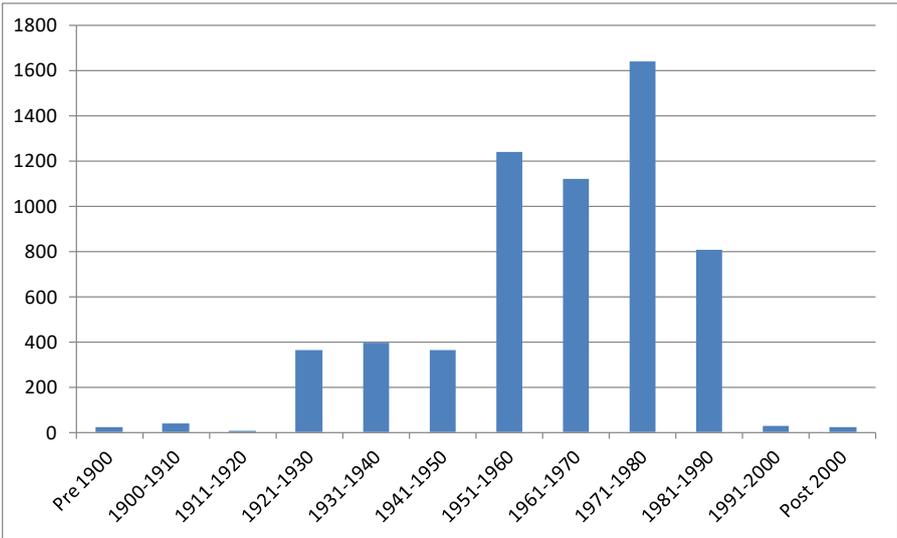


Graph 7: Housing Stock by Age

The profile of stock by accommodation type (archetype) is:



Graph 8: Stock by Archetype



Age Band	Total
Pre 1900	24
1900-1910	39
1911-1920	5
1921-1930	362
1931-1940	395
1941-1950	364
1951-1960	1241
1961-1970	1122
1971-1980	1641
1981-1990	805
1991-2000	29
Post 2000	20
Total	6,047

Graph 9: Stock by Age Band (Jan 2021)

High Rise and Non-Traditional Stock

The Council own no high-rise blocks (defined by DLUHC as properties over 18 metres)

There are some non-traditionally constructed units.

Type	Total
Airey	42
Hawthorn Leslie	24
Homeville	7
Swedish Timber	8
Unity	60
Total	141

It is proposed that a review be carried out and any non-traditional construction be intrusively inspected by a specialist structural engineer, so that any structural repairs can be identified as 'Exceptional Extensive Works' (EEW) within the forecast expenditure plans.

Several of the non-traditional units are 'designated defective' in terms of the Housing Defects Act 1985. These properties would require upgrading to a recognised standard such as a PRC Homes Ltd Licensed scheme, to make them fully mortgageable.

3.2. Housing Needs

There is a clear local need for affordable housing, CBC Housing and Homelessness Summary Mid-year 2020-21 Report, reveals a substantial shortfall of affordable homes in the borough. In September 2020, the number of households registered for Council or Registered Provider homes was 2,867, however, this is greater than available supply for example between April 2019 and March 2020 there were only 658 affordable home lets via Gateway to Homechoice, (with 336 of these let by CBC).

The biggest demand of those households considered at highest need is 1-bedroom properties (44%) followed by 3 bedroom (26%) and then 2 bedroom (24%) with a small number (6 %) requiring a 4 + bedroom homes. Due to limited supply and high demand, waiting times are long especially general needs family accommodation. There are however some pockets of lower demand stock, for example, bed-sit properties, where average letting times are the shortest, suggesting these units have high turnover. Bedsits tend not to be popular, and these units are being reviewed and proactively managed as part of options appraisals.

CBH will, through internal policies, support CBC to address housing needs requirements by, for example, incentivizing tenants in under occupied homes to move to smaller properties. Colchester has also embarked on programme of purchasing homes, many of which are ex Right to Buy properties, which is being delivered through CBH.

3.3. Sheltered and Supported Housing

The Council manages 18 sheltered housing schemes and 1 extra care housing scheme which provide a total of 600 homes. The schemes include dispersed sheltered schemes which are a range of bungalows and flats. The dispersed schemes are at Ivor Brown Court, Oatfield Close, Cherry Trees scheme, Stuart Pawsey Court, Plum Hall/ Nancy Smith Close, and Fairfield Gardens. Other schemes have bungalows attached at Heathfields House, John Lampon Court (linked), The Cannons and Britannia Court.

The national and local environment has changed considerably since the financial impact of the 1% annual rent reduction and withdrawal of Housing Related Support funding. These changes have, or will have, a severe and substantial impact on CBC's plans.

Over the last decade there have been two reviews undertaken with the resulting investment in sheltered homes delivering on the aims of the reviews:

- Delivering high standard 'fit for the future' sheltered housing schemes which are popular with older people;
- Lower voids and increased demand; and
- Encouraging tenant under occupying homes moving to more appropriate accommodation to free up much needed family sized homes.

During the last 10 years while the level of investment increased following the rent reduction the level of revenue spend was reduced. Despite this our sheltered housing tenant satisfaction survey reveal that accommodation and services provide good value for money and are extremely satisfied with the services they receive from staff and the facilities at the schemes. However, it is clear from the bids made on empty sheltered homes that those with shared facilities are still not popular with applicants; the number of bids on vacancies is lower on these homes. This aligns with the national picture which suggests that sheltered housing without self-contained facilities is becoming less popular, as older people are living longer, more active, healthier lives than ever before and want to live in their own home for as long as possible. Much traditional sheltered housing was designed as small bedsits with shared facilities, which do not meet modern standards or expectations adding to the problem of sheltered housing being less popular. As a result, many local authorities and housing associations have experienced reducing occupancy rates and so there has been a trend of decommissioning sheltered housing schemes and redeveloping sites or using the property for other need groups.

The view of Extra Care is that the current facility takes a while to let, due to the need to meet the criteria and adjustments in staffing for the onsite care provider. It is a good housing option for those that fall between sheltered and residential care and will therefore continue to be a model that can be used to address housing need for the elderly

CBH continue to be guided by the Colchester Sheltered Housing Standard and keep it under review. Schemes that are to be refurbished aspire to fully meet the Sheltered Housing Standard and furthermore shall have the following themes and aims:

Themes:

- **Independent Living**
Attractive accommodation for ages 55+.
Independent living facilities with the option and ease of providing care.
- **'Hotel feel' accommodation**
To dismiss perception of sheltered accommodation standard.
- **Energy Efficient**
Lower energy bills.
Add to the stock's 'carbon saving'.
Incentives and tariffs providing a revenue income for 20 years.
- **Colchester Standard**

A definitive difference from current accommodation.
An exemplar scheme Colchester can be proud of.

- **Future Proofing**
Lifetime Homes Standard
Meeting future aspirations
Making best use of the stock

Aims of Refurbishment:

- **Highly desirable accommodation**
Best in local area.
Unique.
- **Value For Money**
Addresses the needs of those living on fixed incomes.
Low maintenance costs.
Tackles fuel poverty.
- **Under occupation**
Significant number of under-occupied family sized homes.
Attractive accommodation will free these.
- **Future Tenants**
Enabling tenants to live independently for longer.
A scheme to be proud of.

There is still a demand for sheltered accommodation Colchester currently has four sheltered housing schemes (Heathfields House, Harrison Court, Britannia Court and Plum Hall) which do not meet the essential criteria of the Colchester Sheltered Housing Standard, these blocks have bedsit units which are harder to let. There are also other sites which have low level baths and showers. Although previous reviews proposed reinvestment the reduction in rental income led to reduced re-investment in sheltered accommodation. Several schemes need upgrade and refurbishment to meet modern standards.

All sites which fail to meet the standard will have a new option appraisal to consider their long-term future. As part of a strategic review of the sheltered housing stock, 5 blocks were identified as needing option appraisals before agreeing on future investment.

3.4. Leasehold

We currently manage 1,039 leasehold properties spread across the borough. This number is continually increasing via the Right to Buy scheme, although Colchester are also buying back some properties to address housing demand. Having leases on flats allows us to do the following:

- Comply with the law and, in particular, with leasehold covenant and lease obligations in delivering professional services;
- Communicate effectively with leaseholders on matters that affect their properties and the communal services provided, including the provision of information and advice within agreed timescales so as to build and maintain trust;
- Consult and work with individual leaseholders and leaseholder groups to consider management and maintenance issues, policies, and practices and to monitor, review and improve the services provided;

- Ensure that leaseholders comply with the covenants of their individual leases including the recovery of service and other charges;
- Deliver value for money services and improvements. Under the terms of a lease there are legal obligations placed on CBC as freeholder and the leaseholder via the terms of the lease. These are covered in the broad areas below;
- Day-to-day repairs - Arrangements will be in place to deliver a cost-effective and quality repairs service to maintain the landlord's repairing obligations. Leaseholders can report relevant communal repairs through the Customer Service Centre and CBC's out of hour's helpline 365 days a year. The costs of communal repairs are recovered on a pro rata basis according to the number of flats in a block;
- Improvements - Colchester consult on planned/cyclical maintenance and improvement programmes and ensure that these programmes are in place to effectively manage the fabric of the buildings and communal areas.
- Gas servicing - All leaseholders with a gas supply must provide an annual gas safety certificate from a 'Gas Safe' approved contractor in accordance with the terms of their lease. Leaseholders who choose to sublet their properties must submit a copy of their landlord's gas safety certificate (LGSR - formerly known as a CP12); and
- Consultation - Colchester will actively promote involvement opportunities to allow leaseholders access to training programmes and other involvement activities on the same basis as tenants.

3.5. Related Assets

In addition to dwellings, CBH is also responsible for the management of a number of assets related to dwellings, for example garage blocks and forecourts, unadopted roads, street lighting and paths.

In June 2021 there were 2,210 garages. Over the years the Asset Management Group commissioned a survey of all garage sites and reviewed of rent strategy and established priorities for:

- Redevelopment;
- Re-provision; or
- Upgrade.

It is now recognised that a further review is required to determine the viability of garages including the need for future proofing to support the move to electric vehicles which will lead to the need for charging points.

This Asset Management Strategy does not consider any corporate or commercial stock, such as offices, depots etc.

Related assets, including undeveloped spaces, will continue to be assessed with respect to their sustainability, utility, and contribution to their environment. In some instances redevelopment or change of use will be considered to provide an appropriately balanced environment, which enhances estate appearance and provides appropriate facilities.

Where not essential to the operational delivery of housing or to the provision of future development opportunities, related assets such as roads and paths will continue to be assessed and, where possible, transferred to the appropriate Council Department. This awareness of the environment will assist CBH to help deliver 'decent neighbourhoods' as well as 'Decent Homes'.

Prior to COVID-19 Colchester's Housing Management and Property Services staff pro-actively undertook 'Make a Difference days' jointly with residents and other stakeholders, to assess and address condition and community welfare issues. Colchester have now restarted these 'Make a Difference' days.

3.6. Leased Properties

CBC leases out a number of housing assets and areas of land through long term leases to other organisations and registered providers. Most of the leases are for peppercorn rental charges but provide CBC and CBH with nomination rights to the homes and services that the organisations provide. Currently 25 dwelling assets and 10 plots of land are under lease.

Where the repairing responsibility lies varies between leases, but significant work has been undertaken in recent years to establish current condition and forecasted investment where the repairing responsibility is with CBC.

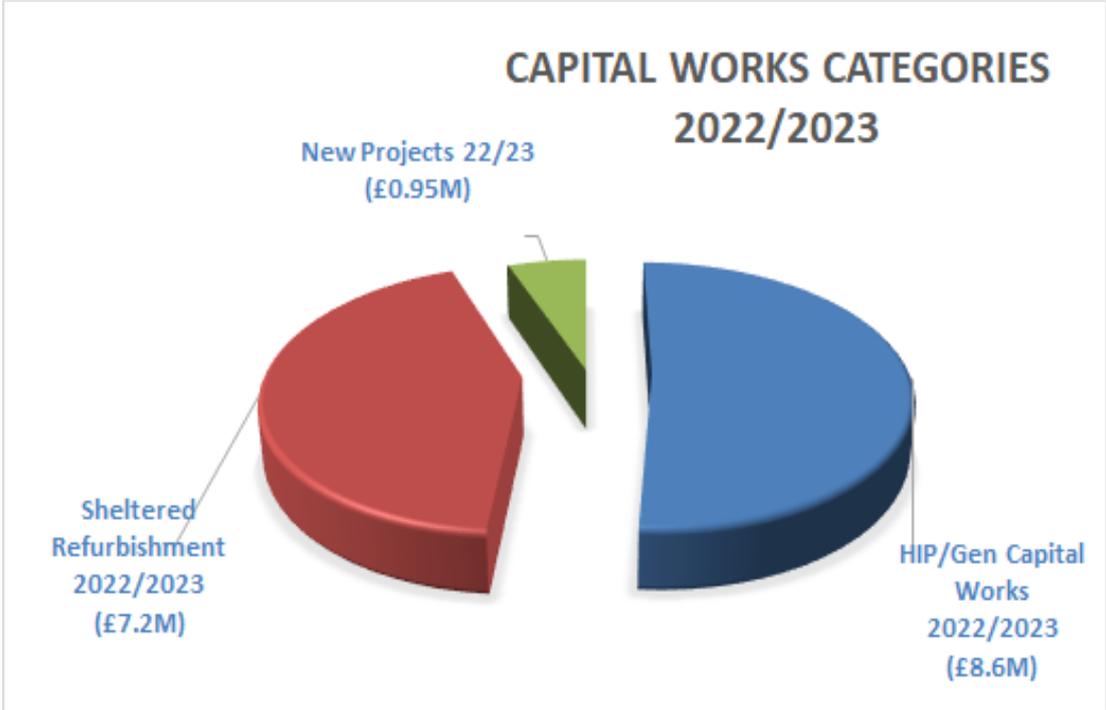
4. STOCK CONDITION

4.1. 30 Year Requirements

Continued re-investment is required to maintain the stock in good condition. The re-investment requirements have been identified by the stock condition survey, as represented within the new Asset Management Database (Northgate Public Services by NEC). Revenue (income), as well as expenditure expectations are illustrated within the Business Plan.

Colchester undertakes a rolling stock survey to assess the condition of the housing stock. The results of these surveys have been combined with desk-top budgetary information (such as responsive repairs) to formulate the cost reporting tables, these are yet to be finalised and this will be done as part of the development of the Business Plan.

The 30-year expenditure requirements have been reviewed and the proposed 5- and 30-year cost tables can be found in Appendix 9. The current estimate in the tables indicate a total 30-year re-investment requirement of £370 million, of which £66 million is required within the first 5 years of the plan to maintain the decent homes standard. The proposed 2022/23 Capital programme will be £16.7 million broken down as shown in graph 10.



Graph 10: Capital Works Categories 2022/2023

The Asset Management Group is responsible for assessing all re-investment needs and priorities and for proposing a programme to deliver a logical package of works that meet stock requirements; although it is noted that at present the re-investment needs exceed the available resources and thus must be balanced carefully alongside the delivery of the locally agreed Colchester Standard.

5. STOCK SURVEY AND DATA MANAGEMENT

CBH gathers stock condition data using in house staff to survey dwellings on a rolling programme (with a target of 20% per annum). COVID has negatively impacted on this target with an estimated 5% of the stock being surveyed during 2020/21. The aim is to catchup during 2021/22.

During 2021 CBH has completed the process of moving both its housing database (currently Capita) and Asset Management database (currently Codeman) to Northgate Public Services (Supplied by NEC), the advantage being that it is the same database used by Housing Management, making the sharing of data between teams easier. To enable this transfer to happen validation and the updating of historic works and attribute records is currently in progress. Northgate will be a comprehensive single data source for condition information, works programmes, renewals, and cyclical maintenance history.

Colchester recognises the importance of effective record keeping and works planning and the Head of Asset Management is responsible for gathering, maintaining, and improving the database. This places the emphasis on effective client control and supervision, helping to ensure that re-investment decisions are based upon data and not just 'local knowledge'.

The CBC Asset Manager and CBH Head of Asset Management have a key collaborative role on the Asset Management Group, providing information and proposing programmes based on need and logical groupings. The Head of Asset Management also undertakes an 'overseeing' project management to make sure that programmes and budgets are being adhered to and that all work undertaken is recorded, including any essential elemental renewal undertaken by the responsive and void team. The role also includes management of the Colchester Standard, the asbestos register and an awareness of new initiatives and possible funding sources such as grant availability for energy efficiency schemes.

Stock condition survey data will be maintained and improved via an ongoing programme of survey inspections, on a rolling basis, by trained staff supported by external resources and feedback from contract works (such as the external cyclical overview contract and void inspections). Data is also obtained from cyclical gas and electrical testing contracts. External validation of the stock condition will also be undertaken as required.

The Asset Management Database is used to provide high level information, such as 30-year business plan forecasts, as well as detailed work programmes and proposed contract works. No planned programmes are committed until the requirement for works has been validated on site, the property attaining 'green' re-investment status and the approval of the Asset Management Group obtained. In some circumstances the on-site validation checking process results in work being deferred to follow the 'just in time' ethos, or to respond to the defined priorities in the absence of sufficient resources.

The Asset Management Database is used to carry out regular assessments of dwellings against the Decent Homes Standard. This data will be utilised by the Asset Management Group as it monitors and reviews the portfolio of projects and progress towards Colchester's objectives.

Stock survey and data management procedures have been recorded as part of a quality management system. These included procedural guides and will form the basis for the future training and development of staff.

The process adopted in enhancing the Asset Management Database is illustrated on the following diagram:

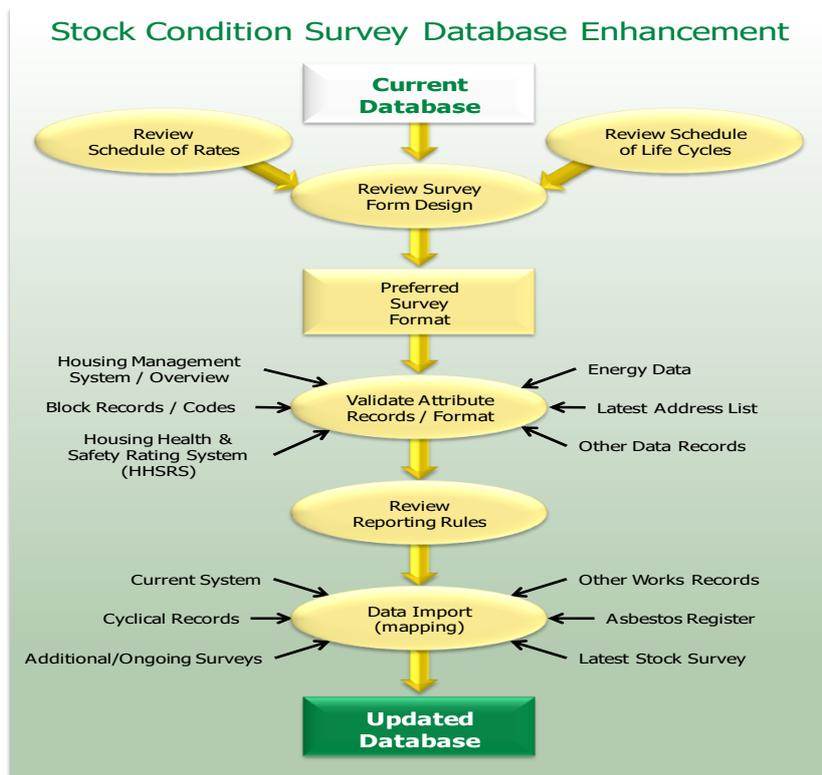


Figure 1 Enhancing the Asset Management Database

To enable Colchester to fully understand and model the level of work and measures required to meet Government requirement for Fuel Poverty and Net Zero Carbon Emissions, we are using specialist energy efficiency modelling software, Portfolio, developed by Parity Projects. Portfolio will use data from the Asset Management Database and Energy Performance Certificates (EPC). This has enabled the modelling of different scenarios to enable optimum plans for reducing carbon emissions while matching the energy efficiency measures with cyclical and planned major works to ensure efficient use of resources and value for money in the delivery of retrofit measures.

6. FUNDING

6.1. Funding Position/Parameters

The Business Plan and associated Delivery Plans define the resources available to the Council for the management and maintenance of the housing stock. There are defined categories to which re-investment can be directed and the way the business will be regulated and monitored.

The requirements for repairs and maintenance are assessed with reference to the forecasts of the Asset Management Database, which is informed by the stock condition survey. Funding streams are aligned to a works programme (based upon agreed priorities) and will be monitored by the Asset Management Group.

It is CBC’s intention that the programme of works will be developed in consultation and will be regularly reviewed and monitored through the Asset Management Group.

The Council recognises the importance of updating the source data and the associated schedule of rates (component costs) and lifecycles, in conjunction with the CBC’s Standard and works costs, as these directly inform the Business Plan and Delivery Plans. By regularly reviewing component costs and updating the Asset

Management Database, the Council aims to ensure that its budgets and Business Plan are aligned with the requirements of the stock.

There are several constraints imposed on the Business Plan, including:

- Funding availability.
- Borrowing limits.
- Sustainability.
- Rent levels (revenue).
- Government policy.
- Legislation.
- Regulator's standards.
- Governance implications.
- Marketplace costs (e.g. salary levels and works costs).
- Grant availability/eligibility.
- Efficiency targets.

The Council is mindful that increases in technological requirements and the continual requirement for increasing service standards demands a proactive approach to asset management and regular re-consideration of the delivery plan allowances, so that residents' priorities can be met.

6.2. Sustainable Re-investment

The Council recognises that care needs to be taken not to re-invest in poor performing areas at the expense of all others, nor should high risk re-investment occur without due consideration, option appraisal and piloting (on the basis that re-investment needs may not be the root cause of the poor performance).

Re-investment is therefore prioritised and with a bias towards those units that are deemed to be of low risk and high demand, as identified through the Stock Viability Model, an operational tool that is used to assess sustainability.

The terms of reference of the Asset Management Group are due for review but they will continue to include to assess, establish and monitor:

- Standards;
- Materials (specifications and resident choice);
- Work Programmes;
- Re-investment priorities;
- Business Plan and Delivery Plan integration;
- The delivery of the Asset Management Strategy; and
- Performance.

The Asset Management Group will analyse the performance of the stock, as illustrated below, and compare this with the re-investment requirements and target re-investment at core stock whilst review and potential alternative solutions are considered for poorly performing stock through an options appraisal process.

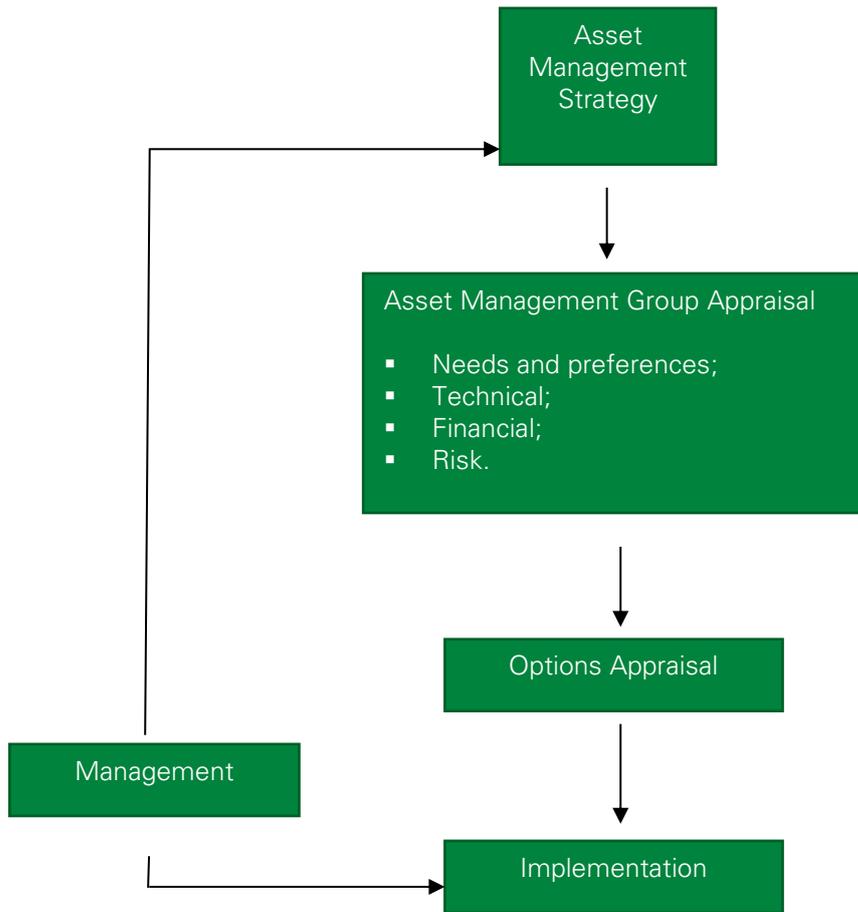


Figure 2: The role of the Asset Management Group is discussed further below. [diagram needs sorting and grouping – should be a picture]

OPERATIONAL CONSIDERATIONS

6.3. New Homes

The Council has embarked on a new build growth strategy to acquire 350 new homes by 2024, these will be delivered through a combination of new build and the purchase of existing properties such as ex RTB. New build incorporates options for development of social rent, affordable and shared ownership homes. There is currently a shortage of two and three bed accommodation which the Council intends to build on its own land having identified several potential regeneration sites.

To date the growth strategy has delivered 26 new homes in 2021/22:

- Creffield Road (2 homes)
- Scarfe Way (6 homes)
- Buffett Way (6 homes)
- Hardings Close (4 homes)
- Military Road (8 homes)

Important principles governing the acceptability of the Council's development and regeneration activity includes:

- Affordable homes should not be easily distinguishable from private homes;
- Affordable home clusters should not be oversized;
- Education, health, employment, leisure, and public transport should be properly provided in good time on major new developments;
- Community development support should be provided (by the Council or others) on major new developments;
- New homes to be built to the Future Homes Standard with a 'fabric first' approach adopted to meeting environmental standards and reducing energy demand. This should be followed by ensuring services are designed to their maximum efficiency and finally the use of renewal technologies such as photovoltaic panels; and
- Building components must be easily maintainable and replaced over their design life within financial assumptions at appraisal stage.

To meet the Future Homes Standard (and the Interim part L and F amendment to the Building Regulations expected in 2021) New homes will have to be fitted with low carbon heating systems and meet "world-leading levels of efficiency". It is important that our future re-investment plans reflect a move away from fossil fuels. New homes will also need to be Net Zero Carbon Ready, accepting that delivering net zero carbon is linked to innovation and the decarbonisation of the electricity grid.

6.4. The Colchester Borough Council Standard

CBC's 'Colchester Borough Council Standard' is a collection of a number of standards and policies;

- Estate Standard;
- Repairs Standard;
- Communal Standards;
- Dwelling Standards and
- Garage Standards.

There are a range of policies and procedures which site with CBC and CBH these are ongoing review as part as part of strategic and operational arrangement and to reflect alignment between strategy and policies.

A set of standards were produced in 2011 (see Appendix 7) and these now require reviewing reflecting changes in legislation and Council Policy and the outcome of consultation with a wide range of stakeholders.

The standard provides clarity in the specification of component attributes, material standards and choices to be adopted when undertaking and procuring work. This will be the standard to which the Council will improve, maintain, ensure that homes are safe, healthy, affordable, energy efficient and comfortable places to live.

To promote consistency in the work that is procured and to clearly define the aspirations of residents, the Council also record specifications, material selections and local policy standards agreed through consultation with key stakeholders. Specifications are to be used in the procurement of works and services.

The Standard is developed to reflect the aspirations of residents in the context of affordability and the Business Plan. The Standard and the costs of work arising are regularly reviewed by the Head of Asset Management to ensure that database predictions used to inform business planning and works programming are correct.

6.5. Viability Modelling and Options Appraisal

It is proposed that every 5 years the Council assesses viability and re-investment priorities through a Stock Viability Model that takes account of a range of factors including demand and projected costs. This appraisal process results in individual properties being allocated a red, amber, or green re-investment status (RAG).

The portfolio is divided into one of three categories:

1. **Red** – Those properties deemed to be of high risk (i.e. requiring higher than average levels of re-investment (or cost) in order to maintain them in a good lettable condition) and/or that are in low demand (i.e. are difficult to let or which have an unjustifiably high void turnover rate).
2. **Amber** – Those properties that offer peripheral performance and that require further investigation to be reclassified as either red or green.
3. **Green** – Those properties that are in high demand and that require average or below average levels of re-investment. This category may otherwise be described as ‘core stock’.

Re-investment is influenced by these categories as follows:

1. **Red** (on hold/under review) – No major expenditure permitted. To be maintained on an ‘essential only’ limited responsive basis, plus essential cyclical (e.g. statutory gas servicing).
2. **Amber** (under review) – No major expenditure permitted unless an options appraisal has been undertaken to assess the impact of any re-investment on future works requirements and the likely impact on demand. Otherwise, to be maintained on a responsive and cyclical regime only.
3. **Green** (go ahead) – All expenditure permitted, subject to agreement of the Asset Management Group.

Property in Red or Amber status is to be the subject of further investigation, or review through an options appraisal, under the supervision of the Asset Management Group, until they are either re-classified or until such time as an alternative strategy is agreed (disposal or re-development for example).

A **green** status indicates that the stock classified as such is viable with a long-term future, being of low cost and high demand. The majority of stock is believed to fall within this classification and can be included within re-investment plans without concern, however, there is a need to update the viability model to take account of the impact of new investment demands on the stock.

The Red/Amber/Green status will be determined by plotting the re-investment required (cost) against demand, via the Stock Viability Model. For the portfolio, the results of this exercise can be plotted to identify the clusters of each status as illustrated below:

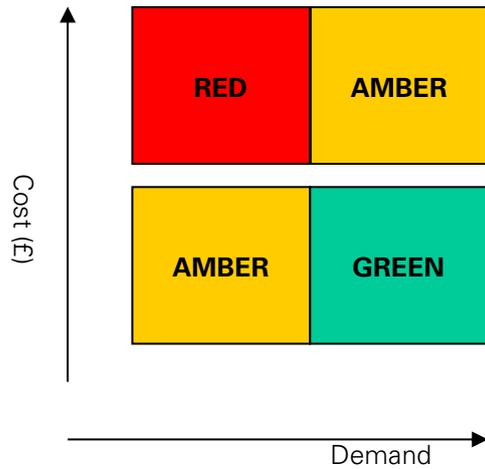


Figure 3: Viability Red/Amber/Green status

The assessment of cost is made with direct reference to Northgate (previously Codeman) and associated reports. Demand will be assessed with reference to housing management perception informed by void turnover rates and associated performance indicators.

Detailed options studies take account of a wide range of additional factors including energy performance, market value, location, and the net present value (NPV) of assets.

At present there are no plans for mass stock rationalisation or disposal. Ad hoc disposals of high cost or low demand properties will occur as and when appropriate. One area that is proposed be reviewed is the leased properties (approximately 30) many on peppercorn rents.

The sustainable re-investment process is illustrated below:

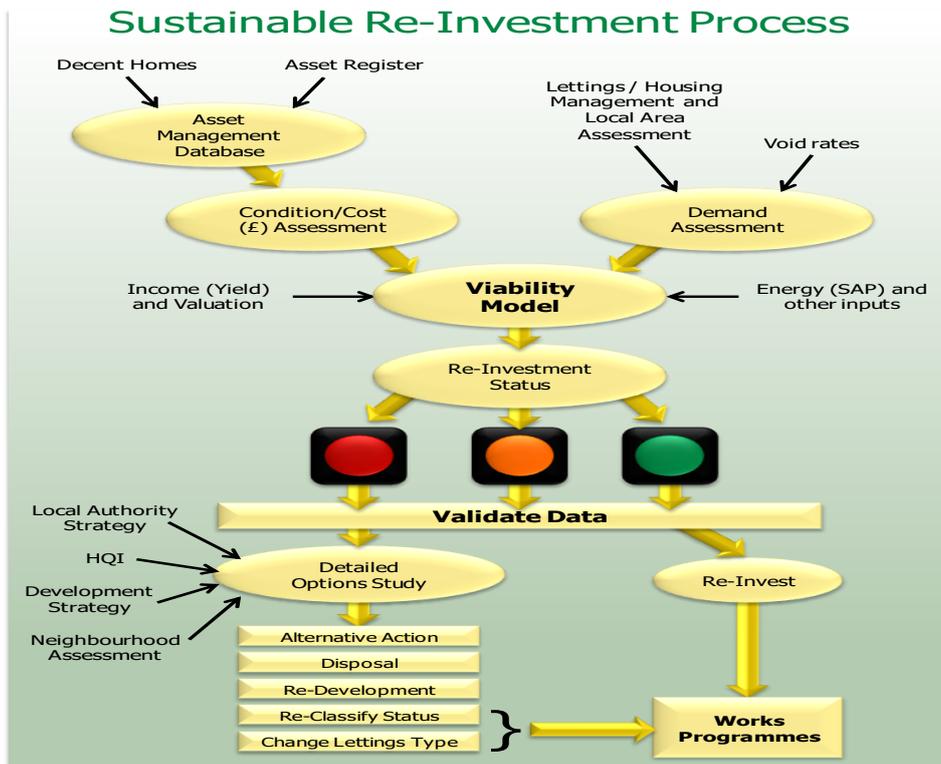


Figure 4: Sustainable Reinvestment Process

6.6. Repairs and Maintenance Context

Demand for construction related services is extremely high in the East of England leading to high costs and potential risks to the delivery of services due to lack of supply. To safeguard Colchester and ensure delivery of essential services responsive repairs and low value void works are undertaken by the Council's own in-house workforce (except for some specialist services) and only provides services to the owned housing stock. Regular reviews and benchmarking exercises are undertaken to ensure our direct labour organisation continues to deliver value for money.

The delivery of planned major works and reinvestment is by means of ad hoc arrangement including short term, the use of longer-term contracts, with built in extensions, based on performance and framework agreements. Decisions are based on a combination of VFM, meeting the needs of resident and supporting the local economy.

The results of the stock condition survey and the need to deliver net zero carbon and fuel poverty (which had not previously been estimated) indicate the need for continued future re-investment to maintain the stock in good energy efficient condition.

The Council recognises that care must be taken to ensure that the actual costs incurred in commissioning work to the Council Standard are reflected in Northgate and the Business Plan projections. The rates paid for completed works are regularly reviewed and benchmarked by the Head of Asset Management. Where action is needed, this is referred to the Asset Management Group.

6.7. Decent Homes

The Decent Homes Standard is a government led initiative, introduced in 2000 with the aim that all social housing homes should meet the standard, the Council met this in 2011. It remains one of the key ingredients of the Regulatory for Social Housing's Homes Standard and is an internal key performance indicator and that is used as a benchmark indicator with other providers. The Social Housing White Paper is likely to see the updating of the Decent Homes Standard in late 2021 or 2022.

The Council plans re-investment works in accordance with the forecasts of stock condition surveys, as part of a wider programme. Decent Homes works will therefore continue to be delivered as a bi-product of effective works planning, founded from an ethos of pre-planned and programmed 'just in time renewals' (as promoted by the DLUHC in their Decent Homes and stock condition survey guidance) and in logical geographical groups.

The Council recognises that Decent Homes is a 'minimum standard' and aspires and plans to deliver 'decency plus'. In other words a better standard that also takes account of the views and aspirations of residents. This is defined in the Colchester Standard, and it is recognised that it will need to be reviewed to take on board the new Council priorities.

The Decent Homes Standard, if followed in accordance with the strict definition, allows some failures and yet for the standard to be met. However, the Council will take a holistic view of all the criteria under the standard and, budget permitting, will adopt a strategy to renew components sustainably, on an individual basis as required and not solely to meet theoretical decency targets.

Northgate has indicated that, as of November 2021, 1268 dwellings (21.5%) are deemed 'currently non-decent' in accordance with the DCLG June 2006 Decent Homes Standard definition. This relatively high figure

is, however, mainly attributable to the impact of delays in reinvestment to key components as a consequence of COVID –19 and data migration issues which will be reviewed as part of a data integrity exercise in 2022 and it is estimated that this figure will be below 10% by the end of the current financial year. The aim is to include the non-decent homes in the 5-year reinvestment plan. It should be noted that none of the failures relate to Health and Safety failures (as measured by the Housing Health and Safety Rating System (HHSRS)). It also indicates that 3182 dwellings (54%) are Potentially Non-Decent and will become non-decent in the next 5 years if not addressed, the aim being to also pick up any potential non-decent homes in the 5-year investment plan.

The Council maintains Decent Homes by developing works programmes in 5-year bands. An amount of non-decency may therefore be experienced within any 5-year period, although zero non-decency will be delivered at the end of each programme period. In this way the Council can maintain a logical programme of work that afford economies of scale and value for money and avoid the need to ‘pepper-pot’ works year on year to meet this theoretical standard.

Decent Homes progress will be monitored regularly using reports generated from Northgate and with external validation.

The Homes (Fitness for Human Habitation) Act came into force in March 2019, and Colchester are aware of the need to ensure homes are kept to the Decent Homes Standard as minimum to avoid claims for disrepair. Added to this the Social Housing White Paper 2020 proposes a review of the Decent Homes Standard with the first outcome of the review released in the latter part of 2021/2022. It is suggested that the need for better energy efficiency standards will be one of the outcomes of the review.

6.8. Priority Re-investment Issues

The stock condition survey indicates that the stock requires a significant programme of work to maintain it in good condition over a 30-year Business Plan term. The Housing and Planning Act 2016 led to an annual 1% rent cut for 4 years, in response a set of principles were developed to maintain the stock in good condition whilst working to a reduced budget.

Several principles were introduced with the objective of reducing revenue spend in line with revised budgets, while continuing to invest in the stock and ensuring health and safety was prioritised. These principles successfully addressed the impact of the rent reduction and ensured the stock remained in a safe and good condition.

Although the annual reduction in rent levels has now ended, providing an opportunity to request an increased budget, Colchester will be continuing with some of the principles introduced as they continue to represent good value for money. These include:

- Dependent on other needs dealing with the backlog will be given priority before reverting to a strict geographic programming where no work is brought forward, based on 10 areas in the borough on a five-year cycle (two areas a financial year);
- Assume 20% of future planned work will be declined by tenants based on historical evidence;
- Move from a cyclical full rewiring programme to an electrical remedial programme that is based on the electrical installation inspections (EICR);
- A contingency within the business plan to reflect the possible higher cost to repairs and inflexibility within the capital programme, this will be subject to continuous review; and

- Continuous review and value for money where possible of our capital investment specifications.

According to the stock condition survey and including the requirement of compliance with government and CBC objectives the priority issues for re-investment over the next 5 years are:

- Compliance works and building safety needs such as fire safety. (This will include ongoing electrical inspections, fire risk assessment recommended actions and fire door inspections) (£0.5 million subject to annual review);
- Climate Emergency Home Improvement (CBC have identified a supplementary budget of £4 million over a two-year period- commencing 2021/22);
- Kitchen & Bathroom upgrades (£8.4 million);
- Roof works (£3.9 million);
- Heating system upgrades (£2.1 million);
- External windows and doors (£3.9 million);
- Remodelling of sheltered blocks (£20.5 million).
- Disabled adaptations (£3 million).

The exact funding requirements for the building safety works has yet to be determined. Further work is required to determine the additional fire safety measures following more intrusive Fire Risk Assessment. The Building Safety Bill will also impose additional duties on Colchester the scope of which are still to be determined. A contingency of £500K in years 1 to 3 of the plan and increasing to £750K in years 4 and 5 (in addition to the cost of fire safety works) is proposed for the first 5 years but will be subject to annual reviews as greater clarity emerges on what activities and works are required to deliver compliance.

The energy efficiency assessment carried out using Portfolio has estimated that £2.5 million (excluding preliminaries and fees) will be required to ensure all homes where reasonably practicable achieve an EPC band C by 2030. The 30-year Business Plan will also need to include the estimated cost for making all homes net zero carbon by 2050. The cost of this will depend on the standard to be achieved and the level of offsetting either available or to be purchased. Based on current modelling the estimated cost to deliver net zero carbon being between £84 million and £100 million (excluding preliminaries and fees).

The modelling work using Portfolio will enable retrofit works to be planned in the most efficient way, where possible combining energy efficiency works with planned major works and reinvestment projects.

The forecast of works required to meet the Decent Homes Standard indicates that there is currently a high number of non-decent homes 848 (14.1%) with an additional 1,972 homes Potentially Non-Decent during the next 5 years, this mainly in regard to the replacement of key components. As Decent Homes remains a key performance indicator, it is important that investment plans also ensure that the stock meets the Decent Homes Standard.

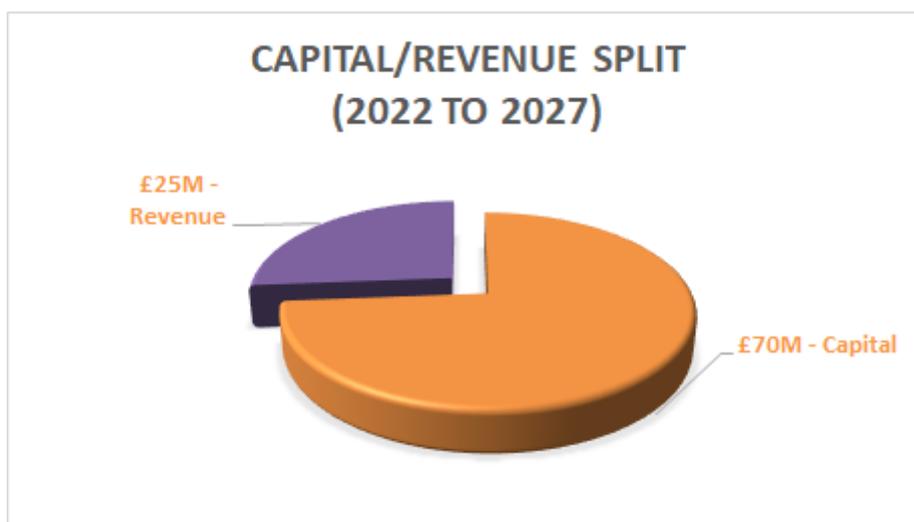
A Damp Reduction budget of £120K per year is included for 2021-2026. The Homes (Fitness for Human Habitation) Act 2018 may well lead to increasing number of disrepairs claims under the act with condensation, damp and mould often being the biggest cause of disrepair. This is also an issue which is receiving a lot of publicity in the media and can have a negative impact on the reputation of Colchester. This is normally picked up as part of the Decent Homes HHSRS budget which is £630K for 2021-2026.

The new build budget will also need to be reviewed in line with the pending changes to the Building Regulations to ensure that homes are built to the Future Homes Standard meaning that they are 'Net Zero Carbon Ready' and that they do not require significant retrofit works over the next 30 years.

6.9. Repairs and Maintenance Principles

The need to undertake work arises either through pre-planning, or in reaction to immediate requirements. Whilst budgets for 'reactive' works (not pre-planned) can be set in advance, the precise scope and nature of the works required cannot be defined in terms of scope, location, or quantity. The Council's responsive and void works budgets fall under the 'reactive' category, whereas all other work is 'pre-planned'.

Our long-term aspiration is to undertake more works using a planned approach with an aim to achieve not less than 80% planned versus 20% reactive, unless the stock is new (less than 10 years old), in which case lower levels of planned work are anticipated. Following the rent reduction and necessary revision to the business plan and investment programme this objective became unrealistic in the short term with a revised target of 70% planned and 30% reactive, this is in line with good practice.



Graph 11 Capital/Revenue Split

Pre-planned work occurs under one of three budgetary headings (cyclical maintenance, improvements, and planned maintenance); these are explained in more detail below.

Pre-planned contracts have several advantages including:

- Ability to be reviewed and agreed in the context of agreed re-investment priorities and via the Asset Management Group;
- Better value through economies of scale by securing better prices for components when many are ordered versus 'one off' purchases;
- Better consistency of component used, which is good for subsequent repairs and material performance assessments; and
- Helps to provide effective communication and consultation through the use of contract resident liaison staff and the issue of informative newsletters.

The requirement for cyclical maintenance, including the servicing of gas appliances and electrical installations are in the process of being transferred over to Northgate, this combined Asset Management and Housing Management data will improve the management of compliance activities.

The requirement for improvements or planned maintenance (component renewals) is also derived from Northgate, which has been informed by the rolling stock condition surveys. Surveys are undertaken on the basis of predictions for major repairs or component renewals on a pre-planned and programmed 'just in time basis'. In other words, components should not be renewed well ahead of schedule (lifecycle + assessment of actual condition), nor should they be renewed too late (i.e. when they compromise the property or when they may impose an undue burden on responsive repairs).

'Just in time' is a best practice principle promoted by the DLUHC in their guidance (Collecting, Managing and Using Housing Stock Information – a good practice guide).

These core principles will be met through the following actions (given by budgetary reporting category):

6.10. Responsive Repairs

Responsive repairs are issues that arise on a day-to-day basis, typically being small scale and of a low cost. They include work such as fixing a plumbing leak or re-fixing a loose roof tile. All emergency works are covered under this category.

In some circumstances larger repairs are instructed through this budget, although the Council recognises the need to avoid 'double counting' with the projections made under other budgets. The Council will consider and implement outcomes and recommendations from recent responsive repairs reviews to minimise the amount of works undertaken through responsive repairs, in favour of adding such works to large scale planned contracts. Therefore, no major works or component renewals should be financed by this budget, unless they represent an unforeseen and significant health and safety issue.

Repairs that are not the Council's responsibility or which arise through the unreasonable actions of a third party will be recharged in accordance with a Rechargeable Repairs Policy and as part of the Housing Restructure management procedures are being reviewed to ensure the policy is being followed.

Through better planning the Council aims to let more works in a pre-planned way, thus moving works away from a responsive approach. This will encourage better value for money through savings in economies of scale; consistency of product and standards will also be improved through adherence to the Colchester Standard the robust monitoring processes that apply to pre-planned contracts.

To ensure that undue expenditure is avoided and that records are appropriately maintained Housing Operations will have access to the programmes of work that are derived from stock condition data. This will enable them to make rational decisions about the requirement to undertake repairs and give the ability to advise a resident (or prospective resident) that works will be undertaken within a defined performance time.

6.11. Void Works

Void properties are unoccupied dwellings and typically arise when there is a change of tenancy. Void works include statutory testing of gas and electrical systems, as well as the works required to make the property fit for incoming residents.

The extent of works undertaken is defined in the Voids Standard, this document is kept under review and amended to take into consideration any new letting standards as a result of new legislation.

In 2020/21 there were 372 voids a turn-over rate of 6%. Whilst accepting that turnover is inevitable, Colchester aims, where possible, to reduce this rate [its already pretty low by comparison with others typically 8-10%]. The Homelessness Reduction Act 2017 places a duty on Local Authorities to take to prevent homelessness, by for example, providing debt advice for residents in rent arrears, in order to minimise evictions. This approach is balanced by the need to promote the freeing up on under occupied homes.

The Council wishes to minimise the amount of time that any dwelling is unoccupied to quickly meet housing need and to maximise revenue income. The current turn-around (key to key) times should be as short as possible, with a target of not more than 25 working days (5 weeks).

Noting that spare bedrooms are now chargeable, for all tenants under 65. Colchester also regularly test occupation rates with a view to reducing under-occupation of dwellings through the assisted relocation of tenants who no longer need large homes (the "tenants' incentive to move scheme").

Low demand units which become void are identified as red or amber via the Stock Viability Model and will be subjected to more detailed options appraisal.

During the void period, essential tests and works will be undertaken to ensure that the dwelling is safe and clean and meets the minimum standard for housing set out in the Housing Health and Safety Rating System (HHSRS). Any works required to repair damage or clear rubbish will be identified separately and recharged to the former resident.

To help support new residents, Colchester offer a discretionary decoration voucher scheme, whereby they can obtain materials from local suppliers to improve the internal decoration of their homes.

Notwithstanding the need for quick turnaround, homes which were built before 1961 which are in poor internal condition may require more works than a 10-day overhaul and consideration should be given to establishing two categories of voids, standard and major. Standard being 10 working day but major voids being subject to levels of work required but a target of no more than 60 working days set.

The need for this major category will enable works to be carried out which have been missed by previous major works programmes such as kitchen and bathroom upgrades. It may also be appropriate to undertake energy efficiency works such as internal wall insulation which is very disruptive if done with resident in occupation. It is anticipated that that letting standards for homes may be increased in the revised Decent Homes Standard later in the year with the Government having recently undertaken consultation on a proposal to increase the letting standard of private rented accommodation to a minimum EPC band C, meaning it is likely that the Government will want the same for social housing. To add weight to this argument the 'Touching the Voids' report by Sustainable Homes (2014) showed that homes let with low energy performance levels were likely to have higher void and arrears rates than energy efficient homes.

In 2020/21 the average void cost was £2,315 ; this was made up of 312 Standard voids at an average cost of £1,695 and 60 Major voids at an average cost of £5,540. whilst noting that the Council offers a good void standard, the target spends for all works required to meet the void standard will be monitored and reviewed to ensure value for money is being obtained. Revised targets will be set for standard and major voids , with the aim to ensure that our costs are top quartile when compared with our peers, as measured by HouseMark.

Prospective residents will be given information about forthcoming programmes of work and planned improvements to their homes.

6.12. Cyclical Maintenance

Cyclical maintenance comprises the regular servicing of mechanical and electrical plant (such as boilers) and painting with any pre-painting repairs.

Cyclical servicing occurs on regular pre-defined intervals, for example boiler servicing annually.

Due to the specialist nature of servicing works Colchester has established a series of measured term partnering contracts to provide the required works over a number of years.

In order to improvement our compliance management and monitoring we are in discussion with NEC Software Solutions regarding the purchase of the Northgate Servicing and Asset Risk Modules.

In respect of redecoration works a programme involving two areas is undertaken:

1. External parts (such as windows, doors, and render); and
2. Internal common parts (such as common stair lobbies).

The exterior of each dwelling will be assessed on a five-year cycle as part of a term contract. All minor items of unactioned repair that could lead to a health and safety issue, or that reflect an impending responsive order, such as broken roof tiles renewed, damaged or uneven paving repaired are dealt with. This five-year overview contract helps to ensure that the stock remains wind and weather-tight and in good overall condition and also aligns with our lease obligations as a landlord. This pre-emptive planned maintenance helps to reduce the number of responsive repairs requested, mitigate any potential health and safety problems, reduce redecoration costs when renewals are imminent and maximise the lifecycles of external components.

We aim to facilitate an even and regular distribution of work; the stock is divided into 10 areas of broadly equivalent stock numbers. Work then rotates in two areas each year over a five-year period until the cycle is complete.

	Internals	Windows & Doors	External Works	Survey
2020/21	E/Z	A/V	D/Y	B/W
2021/22	A/V	B/W	E/Z	C/X
2022/23	B/W	C/X	A/V	D/Y
2023/24	C/X	D/Y	B/W	E/Z
2024/25	D/Y	E/Z	C/X	A/V

Ward	A		V
	B		W
	C		X
	D		Y
	C		Z

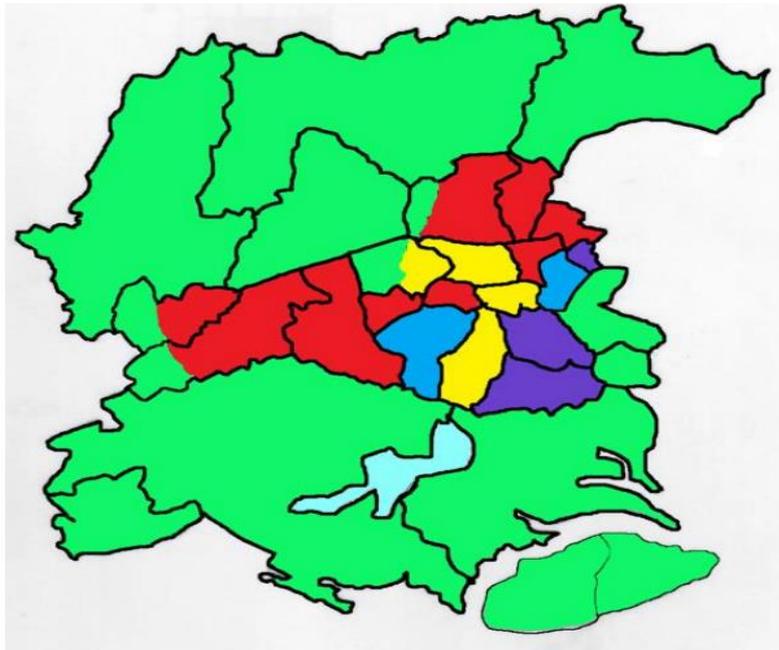


Figure 5 cyclical works by ward group

To ensure that geographical areas are not over-loaded with work, other major works contracts are typically off set in other areas.

Through this approach every property is surveyed every 5 years to ensure that the stock remains wind and weather-tight and in good overall condition and aligns with Landlord's obligations. This approach will be linked to stock condition survey cycles. This pre-emptive planned maintenance helps to reduce the number of responsive repairs requested, to mitigate any potential health and safety problems, to reduce redecoration costs when renewals are imminent and to maximise the lifecycles of external components. Over the next 5 years an Internal/External Painting budget of £2.3 million budget been proposed.

6.13. Planned Maintenance

Most of the Council's expenditure occurs through large-scale planned works contracts. When combined with the cyclical contracts, a comprehensive suite of arrangements will cover most of the requirements of the stock. Following the end of the annual 1% rent reduction the Council proposes to bring back its target to undertake more works using pre-planned methods with an aspiration to achieve not less than 80% pre-planned, if this proves to represent a sustainable, best-value proportion.

Colchester comprehensive 'suite' of arrangements ensures that most demands of the stock are met.

This approach encourages good working arrangements with suppliers and contractors and also helps to reduce the requirement to regularly produce specifications, thus enabling works to start on site sooner and staff to concentrate upon proper planning and the key aspects of delivery:

- Health and Safety;
- Time;
- Risk;
- Quality, including Service Standards; and
- Cost.

6.14. Improvements including Energy Efficiency

Improvements are defined as the provision of components that do not currently exist.

Some improvements are required to ensure that the Home Standard and Government targets for addressing net zero carbon and fuel poverty are met, including the installation of energy efficiency measures to bring all properties to an EPC band C by 2030. Others may be termed 'aspirational' and include the installation of beneficial components, such as door entry systems or provide for other work such as environmental enhancement or the re-modelling of hard to let dwellings.

Whilst the Council wishes to undertake all improvements that are important to residents, a limitless budget is not available; hence all applications or ideas will be collated and submitted to the Asset Management Group who take on the role of prioritisation and approval along with other re-investment priorities.

The programming of any estate improvements and external works that can be afforded will be designed to co-ordinate with the newly formed Development Team to maximise the benefits of regeneration in an area (joined-up re-investment).

Investment in future will have an even greater focus on retrofit works and CBH will be developing its strategy using the output from the energy efficiency analysis from Portfolio ensuring our homes have the necessary reinvestment to ensure Colchester deliver homes to a minimum EPC band C by 2030 applying the principles of PAS 2035 to the delivery of retrofit. To support delivery CBH will actively seek out grant funding and ensure that as appropriate retrofit works are carried out with planned major works to minimise preliminary cost and disruption to residents.

Typical energy efficiency measures will include:

- The installation of double and triple glazing;
- The installation of cavity and solid wall insulation;
- The Installation of underfloor insulation;
- The improvement of loft insulation to at least 300mm thickness;
- The installation of alternative heating sources such as air or ground source heat pumps;
- Insulation of hot water cylinders and pipework;
- Low energy lighting; and
- The installation of photovoltaic and solar thermal panels on suitable properties;

6.15. Disabled Adaptations

Colchester recognises its social responsibility to provide adaptations and facilities for disabled and vulnerable people and to comply with the requirements of the Disability Discrimination Act (DDA).

These comprise of minor works (such as installing handrails) and planned works (such as level access showers and ramps) and major adaptations (property extensions). An annual budget is made to continue the provision of such work, based upon recommendation from an Essex County Council Occupational Therapist.

Minor and straightforward adaptations (typically with a value of less than £1,000) such as the installation of addition handrails are usually undertaken without reference to an Occupational Therapist. Major adaptations and necessary extensions are also undertaken from our allocated from our Adaptations budget but involve an Occupational Therapist who ensure the design meets the needs of the tenant.

The budget currently only provides funding for individual resident. Other work such as improvements in accessibility to common areas of blocks and publicly accessible spaces are not covered, this should be considered as part of the review of the CBC Homes Standard.

Disabled adaptation works are carried out by external contractors.

6.16. Compliance

All properties that have been recently subjected to a stock condition survey have also been assessed for compliance with the Housing Health and Safety Rating System (HHSRS).

Stock condition survey data is also informed by the results of specialist testing and inspection contracts that cover a range of compliance obligations such as:

- Asbestos containing materials (see section below);
- Fire risk assessments;
- Electrical safety (a 5-year testing programme for dwellings and communal areas);
- Water safety (legionella and scalding risks);
- Lifts; and
- Gas (annual testing and servicing of boilers etc.).

In addition to a cyclical testing regime safety of these items will be assessed when a property is void (re-let).

6.17. Asbestos

Responsibility for the Council's asbestos register sits with the Assistant Asset Manager. The delivery of Asbestos Services including surveys and managing the asbestos register is undertaken by specialist contractors and Assistant Asset Managers. CBH use UKAS accredited contractors to conduct surveys and ensure the register is kept up to date in accordance with the Asbestos Policy and Management Plan. CBH employ a project lead with a P402 qualification to oversee the management of asbestos.

A leaflet in respect of asbestos is sent to new residents at allocation, this contains explanatory notes to help them understand the issues that affect their home, along with a floor plan to help them identify any asbestos containing materials.

The Council has created an asbestos register based upon sampling surveys of a proportion of the stock. Further data will be collected through regular management as well as refurbishment and demolition surveys, for all dwellings over time, and to continually manage and maintain the register. The survey programme will be undertaken in advance of works that may be affected by asbestos containing materials.

Asbestos containing materials are managed in accordance with the Asbestos Policy and Management Plan; this follows best practice recommendations (including the Health and Safety Executive's HSG 264).

All high-risk asbestos containing materials (ACMs) will be removed where possible. Medium risk asbestos containing materials are to be removed as a first option and protected or remediated if removal is not practicable. Low risk asbestos containing materials will be managed and left in-situ pending renewal of components on programme (e.g. garage roof sheets) or left in-situ and managed when removal is not practicable, where for example textured ceiling finishes and floor tiles are retained in a property.

Where asbestos surveys are undertaken, residents will be informed of the results and given appropriate advice.

No work is permitted to commence without prior reference to the register. Where the register is incomplete or inconclusive testing will be undertaken, appropriate notification made and the adoption of appropriate precautions by qualified, appropriately licensed, contractors.

We recognise that the current strategy and policy needs updating, and this will be carried out 2021/22.

6.18. Delivery of Compliance

CBC and CBH recognise that the delivery key compliance responsibilities; Asbestos, Fire, Electric, Water, Lift, and Gas, requires further development and clarification on roles and responsibilities between CBC as the strategic client and CBH as the contractor. A series of planning meetings have begun to ensure that Colchester remains fully compliant. Currently there is a need to develop policies and procedures to clarify duties and roles. There is also a need to review systems being used to collect, administer, monitor, and report on compliance performance. This issue is identified in the Action Plan.

6.19. Staff Resources

CBH has reviewed its operations and organisational structure to deliver an efficient housing repairs and maintenance service. This included confirming the role of Head of Asset Management, the person responsible for planning of asset management activity.

Whilst all staff must adhere to this strategy, the Client Asset Manager and Head of Asset Management will oversee its implementation, in conjunction with the Asset Management Group.

The structure will ensure that there are sufficient resources to manage all categories of work, with specialist support provided by external consultants and specialists as and when required

The Council's repairs and maintenance responsibility includes resident communication, consultation, contract development, tendering and administration, works identification and supervision.

Staff are encouraged to seek professional qualifications and to adopt 'life-long learning' as a personal development goal. Regular briefings and reviews of staff roles and responsibilities by managers helps to ensure that they remain aware, effective, and focused on delivery of their key functions.

The Council aims to maximise the benefits available by collective team working, propagated by a clear understanding of objectives and individual responsibility. When identified skills gaps are addressed through targeted and relevant training.

6.20. Asset Management Group

Colchester's Asset Management Group (AMG) is an inclusive group will assess works programmes, promotes options appraisals in the context of viability model findings, considers wider initiatives, monitors, and reviews performance and takes ownership of the proposed CBC Homes Standard, reassessing it from time to time in the context of the Business Plan.

In summary, the activities to be considered by the Group will include:

- Development, review, and frequent re-evaluation of the 'Colchester Standard';
- Prioritisation of works and improvements;
- Analyse the need profile versus stock with a view to identifying any shortfalls and subsequent options to resolve the issues (e.g. redevelopment recommendations);
- Viability assessment;
- Options appraisal;
- Formulation, evaluation of, and agreement to, proposed re-investment programmes;
- Project appraisal and evaluation;
- Production of implementation plans;
- Exploration of 'wider action initiatives', regeneration and environmental improvements; and
- Ensuring the Council is sufficiently resourced and has plans in place to deliver EPC Band C by 2030 and Net zero carbon by 2050, or sooner as directed by the council.

The AMG has a mandate to agree standards and establish logical programmes of work designed to meet the requirement of the stock, based on the recommendations of the Head of Asset Management. Requirements go beyond those that are purely technical and consider other factors that contribute to effective asset management. The AMG is kept informed through accurate data sources, including Northgate and Portfolio (energy efficiency database), and through these make informed business planning decisions, subject to budgetary availability, including:

- What (which components)?
- When (the programme sequence)?
- Where (which dwellings or related assets)?
- Why (does/should the money be spent at all? – viability analysis)?
- How (procurement strategy)? and
- Impact of future new homes on such issues as ease of maintenance and a Net Zero Carbon ready, to minimise the financial impact on the Council and its residents.

The involvement of housing management is important from a lettings perspective. Care needs to be taken not to re-invest in poor performing areas at the expense of all others. Nor should high-risk re-investment occur without due consideration, option appraisal and piloting. Condition related needs may not be the root cause of the poor performance.

The AMG will formally analyse the performance of the stock, compare this with the re-investment requirements and to target re-investment at the stock that is a peripheral performer, with a view to making it perform well. This process is informed through the Stock Viability Model (red/amber/green) analysis process.

The aspirations of stakeholders including residents are a key consideration, questionnaires and consultation groups are used as a useful method of identifying their priorities. The Council believes that paying attention to the views of residents assists with improving satisfaction with the service as a whole.

The terms of reference for the Asset Management Group may be found at Appendix 3, however, this document is currently being reviewed.

6.21. Engaging and consulting our residents and stakeholders

In November 2020, the Charter for Social Housing Residents: Social Housing White Paper was published. The White Paper sets out a new regulatory system which aims to protect and give a stronger voice to social housing tenants, with a view to 'provide greater redress, better regulation and improve the quality of social housing' in England.

Colchester will embrace the changes proposed in the White Paper and details its approach to engagement in our Customer Plan 2018-22. The strategic aim of the Plan is to be the 'trusted choice for local housing, property and community services'. The key aims are:

- To deliver services that reflect the needs and diversity of our customers;
- To make it easy for customers to do business with us; and
- To improve customer satisfaction.

Our latest Survey of Tenants and Residents in 2018 showed overall satisfaction with services at 85% (13th place out of 19 similar organisations based on surveys over the last 2 years). The STAR resident survey was undertaken in June 2021 the results were not available at the time of writing this report. The ambition is to achieve top 25% satisfaction when compared with other local authority-owned housing management companies and local authorities by 2022.

Delivering this requires:

- CBH have helpful, customer-focused, committed staff who feel empowered to make decisions;
- CBH are clear and consistent in the way they communicate with customers and deliver services;
- CBH can anticipate customers' needs before they contact us; and
- Our services are accessible to customers in the ways they choose, both online and offline.

CBH will achieve our aim by:

- Empowering staff & supporting a customer-focused culture;
- Communicating more clearly with our customers about our services and being consistent in the way CBH deliver them;
- Creating insight into our customers and using it to improve service delivery; and
- Improving access to services.

Several projects and workstreams have been inputted into the Customer Action Plan. To support this, Colchester monitor the following indicators:

- % overall customer satisfaction;
- % satisfaction that Colchester listen to & act on customers' views;
- % customers accessing services digitally; and
- Completed resident engagement impact assessments.

Colchester are aware of the diverse needs of the wider community, local regeneration issues and the need to ensure a joined-up approach. The overall objective is to empower and enable innovation and the delivery of continuously improving, customer-focused services with a long-term viable stock, in an efficient way.

COVID-19 has challenged our normal methods of consulting with residents, but CBH have adapted our services to enable residents to remain engaged, either via telephone or video conferencing. CBH have been especially keen to support residents during this period who do not have access to the internet and those who live alone.

In sheltered accommodation CBH telephoned tenants and asked our SQAAs for feedback. CBH normally hold annual tenant's meetings face to face – CBH did this through letters and asked for feedback. CBH are giving our involved tenants tablets to report on issues and attend meetings online.

CBH telephoned all tenants over the age of 65 to offer ongoing support during the pandemic and also wrote letters to all tenants several times during the pandemic to keep them connected to service provision changes and links to support available.

CBH continue to work hard to ensure that all residents can have their say in how their homes are managed and to the standard to which they are maintained. This includes, for example, choice in colours and type of kitchen units.

CBH's Board of Directors, which includes tenants and leaseholders, meets six times a year. Colchester also have several tenants and leaseholders actively involved in scrutiny of our services. This helps our board to keep in touch with the things that really matter to the people who live in the homes that CBH manage.

CBH's specialist Resident Engagement Officer can provide more details about engagement opportunities both locally and nationally. CBH's newsletter Housing News and Views, which is circulated to residents three times a year, contains details about forthcoming events and other important information.

There are number of ways that residents can be involved, some require little time commitment, and others require more time and dedication. Most of these groups are open to all tenants and leaseholders, but some, such as the board, have an election process.

These include but are not limited to:

- The CBH Board;
- Resident Voice Panel;
- Quality Assurance Advisors;
- Sheltered Quality Assurance Advisor;
- Leaseholder Focus Group;
- Task and Finish Groups;
- Action Groups; and
- Community Groups and make a Difference Days.

In preparing this Housing Asset Management Strategy a meeting was held on the 21 June 2021 with the Residents Scrutiny Panel this looked at the strategy objectives and invited the residents to state what their priorities are. A questionnaire was also sent to 1,162 tenants and 884 Leaseholders residents in September 2021. 24 residents responded, and a summary of the outcome can be found in Appendix 6.

6.22. Asset Management Database

In 2020 Colchester took the decision to merge the Housing Management and Asset Management databases, the Council's Housing Management database Capita issued a 'de-support Notice' in 2020 advising that within

12 months they would stop supporting the database. Following a review Northgate Public Services were selected and it was also decided to replace Codeman (asset management database) with Northgate, this delivered several advantages such as better integration of services, such as void management. During 2021 Colchester began the process of transferring asset data to Northgate. This system combines all condition data within it to provide a modern and comprehensive system.

Northgate is maintained with up-to-date stock condition and attribute data. Robust stock condition information forms the cornerstone of an effective strategy and gives rise to programmes of re-investment designed to maintain the stock appropriately and in good condition. Condition data will be enhanced and validated by an ongoing programme of stock surveys and feedback from other repairs and maintenance activities.

All pre-planned works records are therefore to be maintained in a single system. Access to the works programmes emerging from this data is available to all staff involved in the repairs and maintenance of the housing stock.

The Head of Asset Management is currently responsible for ensuring that the NEC Asset Module maintained up to date, including:

- The management and improvement of survey records;
- The replacement of 'cloned' (extrapolated) records with 'actual' surveys where possible (non-access continues to be a real barrier) ; and
- Updating of 'works undertaken' records from all procurement routes.

Northgate forms the cornerstone of this Asset Management Strategy and provides data and information for individual programmes as well as the Business Plan.

6.23. Procurement

The Council has long understood the importance of effective procurement and the requirement for good working relationships with partner providers, whilst delivering high standards and good value for money. Longer term partnering relationships with contractors who view the Council as an important local customer will continue to be developed where appropriate and beneficial

The Council last published its Housing Procurement Strategy in 2018, it covers all work types including:

- Planned works (e.g. component renewals, such as kitchens and bathrooms);
- Improvements (e.g. provision of new components, such as smoke detectors and loft insulation);
- Responsive and void works (e.g. minor repairs and work in vacant properties); and
- Cyclical maintenance (e.g. Gas appliances, painting, and servicing).

The Council encourages improvement and efficiencies in terms of cash savings and non-cash benefits, striving for continued value for money and by continuing to take advantage of collective procurement with similar organisations. The Council has set ambitious targets to undertake a greater proportion of work in a pre-planned way, aiming to benefit from the potential for lower costs and improved consultation and communication. This approach is especially necessary to safeguard Colchester against the impact of increasing material and labour costs due to a combination of COVID and BREXIT factors.

The Head of Asset Management is tasked with developing, reviewing, and challenging comprehensive re-investment plans to ensure that those properties needing works receive them in a timely fashion. These

plans are dynamic and allow for quick reaction to change as and when necessary; they are also constructed in the context of the availability of resources and agreed re-investment priorities.

The procurement strategy will be updated in 2022 to reflect the outcome of recent reviews of services, the changes following BREXIT to the Public Contracts Regulations. This now requires Colchester to seek interested partners by advertising in the UK's new e-notification system called Find a Tender Service (FTS) for major services and projects above designated thresholds. As part of the development of the strategy Colchester will consult with stakeholders including tenants and leaseholders.

All contract arrangements will undergo Council scrutiny to ensure that best value is being achieved, and will be closely monitored at all levels, including by the Capital Monitoring Group and the Asset Management Group, to ensure that they are delivering to the appropriate quality and service standards.

6.24. Project Appraisal and Evaluation

The Council must ensure that the re-investment in the housing stock provides maximum benefit and best value for residents, within sustainable parameters. Having identified the priority issues and core objectives, each of the intended investment projects must be appraised and ratified against the strategy to ensure adherence with the Council's objectives.

An appraisal and evaluation process has been developed, through which each project is assessed. Where re-investment is determined not to be in alignment with the objectives of the Council's strategic objectives, then alternative solutions such as redevelopment, demolition, disposal, or another available route may need to be considered.

The process is overseen by the Asset Management Group, and includes consideration of issues such as:

Technical Appraisal:

- 1) Define strategic position;
- 2) Social Value
- 3) Data;
- 4) Whole life costing;
- 5) Standards;
- 6) Consultation;

Financial appraisal:

- 7) Funding source;
- 8) Impact of re-investment on finances;
- 9) Cash flow requirements;

Risk Appraisal:

- 10) Identify risks (internal and external);
- 11) Quantify risk (scale);
- 12) Viability Model status; and
- 13) Manage risk.

6.25. Re-Investment Priorities - Proposed Schemes

Subject to the viability of the properties involved and the availability of sufficient resources the following schemes are proposed:

- Acquisition of 350 new homes by 2024 via purchase of existing homes (e.g. ex RTB) and brought up to a minimum EPC band C before letting or new build to Net Zero Carbon Ready standards;
- Climate Emergency Home Improvements, (Consideration given to low carbon heating appliances (such as heat pumps) especially for off grid properties. Also, consideration of alternatives to oil/gas fuelled communal boilers. including low carbon heating options);
- Window Renewal: Data held within Northgate indicates a significant reinvestment requirement to renew windows, consideration will be given to upgrade old UPVC windows with enhanced energy performance glazing;
- Internal Works: The Council will continue the renewal of life expired internal components such as kitchens and bathrooms on an area-based delivery plan;
- External Overview: The Council will be repairing roofs, rainwater goods, soffits, and facias. The external overview contract will maintain the envelope and external areas in good condition, on a cyclical basis. Where appropriate these works will include energy efficiency measures such as external wall insulation (EWI), or proprietary works to support future energy works such as extending roof eaves to enable the insulation to sit with in the eaves;
- Damp reduction works: To address issue of condensation damp and mould;
- Building Safety and Compliance : The Council will install and maintain smoke detectors to every home and upgrade wiring to modern standards. This scheme will ensure that the electrical systems in homes are up to date and safe. Homes should also have sufficient plug sockets to suit a modern lifestyle, following rewire. Implications arising through the Housing Health and Safety Rating System (HHSRS) will also be addressed. Fire Doors, alarm systems and Emergency Lighting will also be upgraded where appropriate;
- Environmental works such as:
- Footpaths and walkways: Work is required to deal with footpaths and other walkways which have risks of trips and falls particularly around estate blocks.
- Parking: There is a known issue particularly around the estate-based properties where there is insufficient parking which results in areas such as footpaths, verges and other green space being used. These areas cannot therefore be used for their intended purposes and are often adversely impacted by vehicles. Future investment should consider how these parking areas will support electric vehicle recharging; and
- Sheltered Schemes: As well as proposal for modernising and maintaining sheltered schemes for older people, the Council will consider more popular alternative option for older people such as more Extra Care Accommodation, which designed correctly can provide access to elderly services to non-residents, for example, day care centre services.

In addition to the above Colchester will deliver the following:

Responsive Repairs: The Council will deliver a cost-effective responsive repairs service to standards set out in the CBC Homes Standard.

Cyclical Maintenance: The Council will carry out a cyclical programme of works including a 5-year rolling external repair and painting programme, annual servicing of gas appliances, servicing of mechanical and

electrical (M&E) plant and equipment (including lifts and fire detection systems), and a 5 yearly programme of testing and upgrading electrical installations. There is currently a backlog of redecorations to some communal areas which residents have cited as needing to be addressed. Consideration will be given to investing in low maintenance and fire safe finishes to reduce the need for frequent cyclical decoration, for example floor and wall tiled finishes.

Disabled Facilities Adaptations: The Council will continue to provide adaptations, such as the provision of handrails, on a demand led basis.

Garages and carparks: The Council will continue to review the sustainability of garages and will assess, when works are required, whether to repair or dispose of or re-develop the asset. Consideration could also be given to developing affordable housing above existing car parks.

6.26. Implementation Plans and Methodologies

Information on re-investment requirements arises from Northgate. The Head of Asset Management reviews and maintains stock condition data and produces proposed programmes for work designed to meet the re-investment requirements of the stock, including delivery of key initiatives such as the Decent Homes Standard, the Colchester Standard, and the delivery of net zero carbon within logically grouped projects.

Individual requirements and proposed programmes are then reviewed by the Asset Management Group. Once agreed they form an implementation plan. Implementation plans will shape the future of the stock and may be seen as an important sub-set of the Asset Management Strategy, providing a portfolio of projects designed to meet the requirements of the organisation's strategy and key objectives.

The Council will develop a plan for asset management implementation that identifies the required re-investment to bridge the gap between the current and intended future condition of the stock. Part of the implementation plans will require a 'gap analysis' to determine the approach needed and the work required. This will be informed by data contained within Northgate (and Portfolio) and will be aligned to the overall Asset Management Strategy and Business Plan as well as Delivery Plans; judged against key performance criteria and the agreement of the Asset Management Group.

Issues to be considered include:

- Previous investment and other historic information relating to the particular project area;
- The aims and objectives of projects and alignment to the overall objectives of the Asset Management Strategy;
- Risk analysis in connection with each specific project;
- Details of the programme for delivery including key milestones and resources required to facilitate completion on time;
- Budgetary impact and comparison with agreed schedule of rates and the Business Plan;
- Consultation requirements and intended processes and the agreement of key performance indicators (KPIs) at the outset of the programme;
- Compliance with the revised Colchester Standard;
- Consider the need to deliver Net Zero Carbon homes as efficiently as possible;
- On completion of the project a summary project evaluation and lessons learnt for future projects; and
- The Procurement Strategy.

6.27. Role of Members and Service Delivery

The Council has adopted a number of policies and protocols to ensure the effective running of the CBH Board. These include:

- Code of Governance;
- Code of Conduct;
- Protocols for the selection and election of Members;
- Register of interest;
- Financial Procedures;
- Contract Standing Orders; and
- Scheme of Delegation.

The Council is committed to a process of continuous improvement that includes regularly reviewing governance arrangements, training requirements and assessment of performance. The Council will also be guided by recommendations in the Social Housing White Paper 2020.

In summary, through good governance, the Portfolio Member responsible for housing is responsible for overseeing the housing brief across all tenure groups and takes a special interest in CBH to ensure that housing services are well run, remains financially solvent and sustainable, is a top performing organisation, and delivers excellent services to the community that it serves.

Colchester is committed to a process of continuous improvement that includes regularly reviewing governance arrangements, training requirements and assessment of Board performance. Board Members are effectively trained to undertake the duties of a Board Member. Members undergo appraisals to ensure that their individual training needs are addressed. The Board regularly monitors and reviews the performance of CBH through regular reports.

The Board will also ensure that performance is regularly reported to residents through the annual report and through the Association of Tenants and Leaseholders.

In summary, through good governance, the Board wishes to ensure that CBH is well run, remains financially solvent and sustainable, is a top performing organisation, and delivers excellent services to the community that it serves.

The Council embraces the six core principles of good governance, contained in the Good Governance Standard for Public Services. Good governance means:

1. Focussing on the organisation's purpose and on outcomes for citizens and users;
2. Performing effectively in clearly defined functions and roles;
3. Promoting values that underpin good governance and upholding these through behaviour;
4. Taking informed, transparent decisions within a framework of controls;
5. Developing the capacity of the governance team to be effective; and
6. Engaging stakeholders and making accountability real.

6.28. Working in Partnership

Colchester is committed to working collaboratively with all stakeholders. Colchester has applied the principles of partnering with a number of works contractors and applies the ethos to all.

The Council recognises that the principles of partnering (collaborative working), if correctly implemented and nurtured over time, will pay dividends by way of improving service standards, reduced requirement for administration and the reduction of direct costs through long-term relationships and economies of scale across the supply chain.

The Council will therefore apply the ethos and principles of partnering to future procurements, whilst ensuring low levels of risk, probity, and value for money.

6.29. Monitoring and Review Processes

The Council has identified the need to ensure that, as a programme of projects is undertaken, there are suitable monitoring and review processes in place so that the outcome of a particular initiative is closely monitored, and the achievement of business objectives realised.

The process will review the actual deliverables and outcomes of a project and compare these against the objectives as set out in the implementation plan. These processes will be instigated both during and at the completion of the project through regular progress reports, meetings, feedback to key stakeholders and the Asset Management Group, and through the pre-defined project process established by the Council.

As part of the monitoring and implementation plans, there will also be risk mitigation and contingency plans in place so that when problems occur their impact on the overall delivery of an initiative is minimised. The lessons learnt from such instances will be fed back into the Asset Management Strategy to reduce the likelihood of their occurrence in future projects.

It is essential to the long-term success of the Asset Management Strategy that such lessons learnt, and other information is regularly communicated between all the key stakeholder groups and that feedback from users, including residents, is considered, and incorporated into future plans.

6.30. Performance Monitoring and Value for Money

The Council is committed to continuing to improve its services to residents. A service improvement programme is used to review and implement recommendations across all service areas.

The Council has undertaken regular surveys of residents and uses model questions in order to assess key services that are provided to residents. These form part of an annual report to residents.

In addition, there is a well-established resident involvement framework including special interest groups and the forums such as the Resident Scrutiny Panel. All policy formulation and review involve residents and feedback is given directly to the Member.

6.31. Benchmarking Performance

The Council strives to promote excellence in Housing Services provided through reviews and benchmarking with other comparable organisations.

Regular reporting against key performance indicators (KPIs) is an integral part of the Council's working and further comparisons are sought through benchmarking locally on policy and procedural matters, as well as

utilising the services of the HouseMark benchmarking club. CBH also measures its performance with other ALMOs.

HouseMark analyse and publish performance data on an annual basis; this enables CBH to compare performance with a number of similar sized organisations in relation to costs per property managed and costs per employee. Colchester contributes data in respect of responsive repairs, cyclical, and planned maintenance activities.

The Council also uses STAR to compare resident satisfaction in relation to its services and compares its performance with other Registered Providers. Evidence of benchmarking is provided to the Board at regular intervals.

The Council will also consider the adoption of a benchmarking group to compare its environmental performance such Suss Housing's SHIFT assessment or similar.

6.32. Risk Management

The Asset Management Group will develop and maintain an appropriate risk register. This register will prioritise each risk according to the probability and impact and include mitigation proposals; the risk register will be reviewed not less than quarterly.

The major risks that are included within the overall register include:

- Changes in legislation or other guidance affecting stock investment e.g. Fire Safety Act 2021, Draft Building Safety Bill, and the updated Building Regulations etc;
- Failure to obtain sufficient financial resources to meet the re-investment requirements of the stock (including delivery of Net Zero Carbon);
- Failure to procure and administer contracts that deliver good value for money;
- Inappropriate design, specification, or installation of materials;
- Re-investment in stock that is not viable;
- Failure to provide sufficient staff resources to manage asset management and the delivery programme;
- Failure to collect, manage and maintain relevant stock condition data (including records of works completed);
- Corruption of the stock condition data held within Northgate;
- Re-investment costs in excess of the budgetary allowances;
- Expenditure upon items that are not included within the Business Plan;
- Identification of materials (such as combustible cladding) that are no longer deemed safe or acceptable;
- Expenditure upon cyclical maintenance just prior to the component being renewed (i.e. within the 5-year rule period);
- Specification of components that do not meet their anticipated lifecycle; and
- Impact of climate change on assets and residents.

6.33. Performance Intervention

The Council undertakes regular risk reviews. The Risk Management Strategy has been put together over several years with the involvement of the Senior Management Team, as well as operational managers. Part of the strategy is the Business Continuity Plan which clearly sets out what would be the course of action if

the main Council offices were to become inoperative and the failure of key contractors. In addition, there are well documented risk implication considerations in each report that is considered by the Senior Management Team. Colchester also undertake regular Business Continuity exercises to test the ability of our systems to deal with an emergency.

The Council has a clear programme of audit reviews both internal and external. As well as focussing on financial aspects, specialised audits are undertaken in areas that the Council identifies as having any potential weaknesses. This represents a proactive approach of prevention rather than cure that mitigates the need for intervention management.

Key issues that are carefully monitored include:

1. Performance against agreed key performance indicators including compliance;
2. Effectiveness in dealing with performance shortfalls;
3. Resident satisfaction levels;
4. Levels of rent arrears;
5. Compliance with the Home Standard;
6. Maintenance of effective standards of governance;
7. Complaints handling; and
8. Delivery of energy efficiency programmes.

There is a comprehensive set of procedures setting out how the Council is controlled and run. Included within these are a number of measures whereby intervention can be speedy and appropriate to deal with specific issues.

6.34. Monitoring

An action plan is being developed to clearly set out how the strategy will be delivered. This plan will be:

Specific
Measurable
Agreed
Realistic
Time Bound

Whilst the Head of Asset Management has the key responsibility for the delivery of the Asset Management Strategy, the action plan also identifies the individual responsible for leading on each area of the strategy.

Progress against the targets will be monitored, as follows:

1. Through quarterly monitoring reports;
2. By the Asset Management Group on a quarterly cycle;
3. Through specific service plans;
4. Through monthly financial monitoring; and
5. Through performance and development reviews with relevant staff.

6.35. Future of the Asset Management Strategy

The Council recognises that the Asset Management Strategy is a dynamic document that will develop over time and not remain static. Implementation of programmes of work, changing needs, and the realisation of business objectives will require the Asset Management Strategy to be 'live'. It will therefore continuously evolve over time.

The strategy will adapt to a number of influences, including:

- Changing need;
- Changes in legislation and regulation;
- Changes in aspirations;
- Changes in corporate objectives; and
- Changes in funding regimes.

The Asset Management Strategy will be formally updated annually alongside each revision of the Delivery Plan.

There are a number of future improvements to the Asset Management Strategy that the Council will seek to implement, these are summarised in the action plan.

7. ENVIRONMENTAL STRATEGY

7.1. Overview

Concern for the environment and upholding a broader sustainability agenda are integral to the management of the Colchester's housing.

Sustainability in the built environment encompasses a myriad of issues, but a fundamental concern is the conservation of energy & carbon reduction. Homes account for approximately 20% of greenhouse gas emissions in the UK, and hence improvements targeting this sector hold significant scope for the potential mitigation of negative climate change impacts.

Colchester has undertaken a Comprehensive Climate Risk Assessment which has predicted short term impacts on Colchester including:

- Milder, wetter winters (central estimate shows an increase in mean winter temperature of 1.3°C and 6% increase in winter precipitation);
- Hotter, drier summers (central estimate shows an increase in mean summer temperature of 1.3°C and 7% decrease in summer precipitation);
- More frequent extreme high temperatures (central estimate shows an increase in the mean temperature of the warmest day of 0.9 °C);
- More frequent downpours of rain (central estimate shows an increase of 5% precipitation on the wettest day);
- Significant decrease in soil moisture content in summer;
- Sea level rise and increases in storm surge height (central estimate for sea level rise in the East of England shows a 9.7cm increase under the medium emissions scenario and a 11.5cm increase under the high emissions scenario); and
- Possible higher wind speeds.

Mitigation strategies will need to be implemented to address impact on the housing stock and the wellbeing of residents.

This strategy document supplements the CBC Climate Emergency Action Plan (Jan 2020) and aims to align with the vision to make Colchester a "greener and healthier place to live, work and visit by 2030".

8 Background

The UK has an ambitious 2050 net zero carbon target to address global warming, with 68% of the target to be met by 2030 and 78% by 2035. CBC's dedication to decarbonisation and enhancing the energy efficiency is evidenced by the declaration in July 2019 to be Net Zero Carbon by 2030, recognition by 'Friends of the Earth' in October 2019 which awarded Colchester the equal third most climate friendly area In England and Wales

The pathway to delivery has been set out in a number of policy documents the most recent being the CBC Climate Emergency Action Plan January 2020. The vision is backed by a £43 million investment package, declared in February 2021, to help grow the borough's economy for all, support our residents' ambitions and boost efforts to make it a greener and healthier place to live, work and visit.

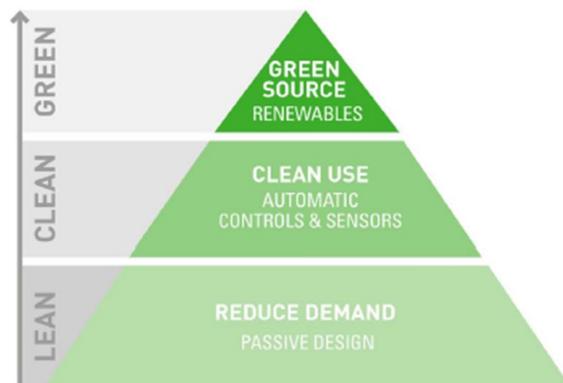
The plan:

- Provides an assessment of CBC’s emissions and their sources and begins to explore likely future scenarios for the next decade;
- Demonstrates that the Council has achieved its 2020 emissions reduction target one year early and sets a goal for the Council Operations to be Net Carbon zero by 2030 (not Housing);
- Demonstrates what action has already been taken and how this crisis is being addressed through partnership via the Environmental & Sustainability Panel;
- Highlights our commitment to work with the whole community in responding to the climate emergency and to work with other local authorities and partners to share learning and knowledge;
- Sets out existing and new actions that will be delivered and where necessary developed further to:
- Embed the Climate Emergency in Organisational Culture & Decision Making;
- Create a Roadmap to reduce our Carbon footprint to net zero by 2030;
- Provide for environmental sustainability through Planning;
- Development & Sustainable Travel;
- Embed sustainability through the Management of Waste and Recycling;
- Undertake Mitigation, Climate Adaptation and Environmental Stewardship;
- Build Community Resilience through Enabling, Behaviour Change & Partnership Working.

The target for net carbon zero by 2030 relates specifically to emissions as a result of CBC’s direct operations. However, there is an ambition to go ‘as far as possible’ and explore the wider footprint outside of the Council’s direct control not currently included in the target. This includes activities of CBH, and CBC would like the housing stock to be net zero by at least 2050, this will dependant on the availability of resources to deliver this objective.

With regards to an approach to energy efficiency in homes, CBC embraces the principles of the Energy Hierarchy.

The Energy Hierarchy sets out an approach to enhancing the energy efficiency of the built environment via the ‘Lean, Clean and Green’ application of design measures. CBC and CBH adopts this fabric first approach in applying improvements to both its existing housing stock and for new build properties being added to the portfolio.



CBC are planning to build new homes as part of the Business Plan to address the housing need. Colchester will ensure that these homes are energy efficient and sustainable, it is proposed that a Development Strategy be produced which includes a Colchester New Homes Standard. This new standard will stipulate those new homes must be designed to be Net Zero Carbon ready in line with Government guidance and proposed amendments to the Building Regulations. This will support a ‘fabric first’ approach, in line with the energy hierarchy.

Key ‘fabric first’ design principles to be prioritised on new build properties include:

- **Optimising Orientation and Building Form ;**

- **Airtight Construction** – air test result targets significantly below the Building Regulations threshold target, to reduce air leakage and associated heat losses;
- **Low Construction Element U Values** – U value targets significantly below the targets set by Part L of the Building Regulations, to reduce heat loss via conduction through the building fabric;
- **Enhanced Thermal Bridging Details** – reducing heat losses at the junctions between construction elements, at corners and around openings; and
- **Overheating Risk Mitigation** – reducing the requirement for comfort cooling by designing out overheating risk and optimising solar shading

Implementing the principles of low carbon design on existing homes is more challenging, due to the limitations associated with building fabric and installed building services systems. It can be particularly difficult to incorporate enhancements to non-traditional¹ stock - the current Colchester portfolio includes approximately 141 dwellings that are defined as of non-traditional construction. The costs associated with upgrading the building fabric in non-traditional homes needs to be carefully considered when looking on balance at what energy savings the residents are likely to achieve as a result of the works.

Colchester are committed to overcoming these challenges and making the existing homes in their portfolio more energy efficient and affordable to heat for their tenants. If appropriate consideration will be given to whole house retrofit enveloping schemes such as EnergieSprong.

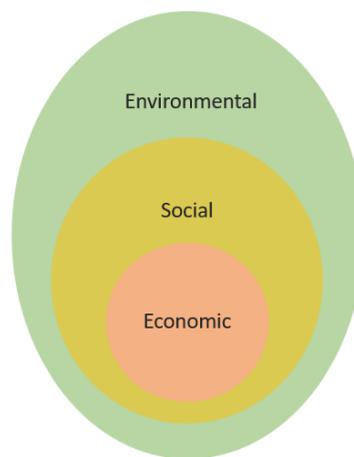
The energy performance of the existing stock can be assessed by reference to a properties Energy Performance Certificate (EPC) rating which provides a measure of the energy efficiency of a property on an Asset Rating scale of A-G – with the most energy efficient homes being in Band A (typically reflecting the most energy efficient new build homes). Based on the modelling carried out using Portfolio the average SAP score is 75 and therefore performance is above the national average.

¹ Non-traditional housing construction types include all methods of construction other than solid or cavity brick and/or block wall construction.

9 APPROACH TO SUSTAINABILITY

9.1 Overview

Colchester intends to adopt a holistic approach to its sustainability strategy over the next five years. It is proposed that this will be achieved by striking a balance between the three pillars of sustainability – environmental sustainability, social sustainability, and economic sustainability.



It is only through considering these three factors that a truly viable sustainable strategy can be established.

9.2 Key Environmental Considerations

The nested dependency model of sustainability demonstrates societal and economic reliance on our environment.

The environmental sustainability agenda for the Colchester housing portfolio includes a myriad of environmental considerations and these will be addressed in Section 11 in relation to the housing stock - including energy, waste, material resources, air quality, water, and the natural environment.

9.3 Social Impacts

It is crucial to consider the occupants of the dwellings and their wellbeing when addressing the wider environmental sustainability principles.

The housing stock is also located in some of the most deprived parts of Colchester. This presents numerous issues concerning the needs of our residents and the opportunity for CBH as the landlord.

Some key considerations relating to social impacts on occupants are listed below:

- **Fuel poverty** - Any improvements to the EPC asset ratings of the properties within the CBH portfolio achieved over the next 5 years are likely to result in tangible reductions in the operational running costs of the properties for the occupants, and therefore reduce the risk of fuel poverty;
- **Ease of operation of installed building services systems** - The complexity of any system upgrades will need to be considered in terms of being user friendly, with appropriate operational guidance provided where necessary;
- **Disruption associated with some potential upgrade works** - Although every effort will be made to undertake energy efficiency retrofit with tenants in occupation, some retrofit works may require a property to be vacated for works to be undertaken – where possible, works will be done between tenancy changes; and
- **Inequality in relation to home location and associated access to public transport and local air quality.**

9.4 Key Economic Considerations

9.4.1 Whole Life Cost

Considering the whole life cost of a new home involves an appraisal of management, maintenance, repair, refurbishment, and end of life disposal costs in addition to the initial capital cost investment of building a new home. While private developers typically have little long-term interest in the homes they build, Colchester retain ownership of the new homes they develop and therefore have a vested interest in the future costs of the homes that are being developed to be added to their portfolio.

Colchester will therefore require their developers to consider implications on the future management of the homes, standardisation of parts, selection of low maintenance materials/ equipment and ease of repair.

9.4.2 Capital Expenditure Funding Opportunities

It is important to consider the financial viability of implementing environmental sustainability measures. There are some grant opportunities that will be investigated by Colchester over the next 5 years that may offer a subsidised route to implementing upgrades to the insulation and heating systems on eligible properties within the housing stock. It is intent for grants to be used to aid in delivering upgrades above and beyond what the HRA can achieve on its own.

Three primary funding opportunities that will be available to Colchester are the ECO Grant, the government Green Homes Grant and the Decarbonisation Fund.

These grants are outlined below in further detail:

ECO Grant

The ECO grant is a government run energy efficiency scheme to help reduce carbon dioxide emissions and fuel poverty. The measures that can be funded are typically heating system/ insulation upgrades. The ECO policy is predominantly based on the Home Heating Cost Reduction Obligation (HHCRO).

Under this obligation, medium and larger energy suppliers (full list available here: <https://www.ofgem.gov.uk/environmental-programmes/eco/contacts-guidance-and-resources/eco-supplier-contact-details>) are obligated to fund measures that:

‘Improve the ability of low income, fuel poor and vulnerable households to heat their homes.’

Occupants living in social housing with an EPC rating of E or worse may be eligible for the scheme, in addition to situations where the home occupants receive one of a number of benefits (i.e. universal credit, disability living allowance, income base jobseekers’ allowance etc.) and satisfy the relevant income requirements. It is important to note that the eligibility for ECO does not necessarily mean that an energy supplier will decide to install energy efficiency measures in a home. It is at the discretion of the suppliers to decide which measures they fund and how much they spend per property – in some instances they may only offer to partially cover of the costs of the upgrade works. The current ECO 3 scheme is coming to an end and will be replaced in March 2022 by ECO 4. ECO 4 will require more detailed evidence of proposed schemes; Portfolio will provide useful information to support bids. This will be backed by Colchester’s Statement of Intent which details the eligibility criteria of resident groups.

Green Homes Grant

The Chancellor announced in July 2020 that £2 billion of financial support would be provided through the Green Homes Grant to cut carbon, save householders money, and create ‘green’ jobs. This £2 billion of funding comprised of up to £1.5 billion of funding via energy efficiency vouchers to homeowners and up to £500m of funding allocated to English Local Authority delivery partners, through the Local Authority Delivery Scheme (LADS). In March 2021 the Government scrapped the homeowner’s scheme, this has resulted in additional funding (approximately £300m) being given to the LAD scheme.

Eligible energy efficiency upgrade measures are works that will help improve EPC band D, E, F or G rated homes. Potential works include, but are not limited to, wall insulation, loft insulation, underfloor insulation, as well as low carbon technologies and solar photovoltaic installations. Notably, unlike for the Green Homes Grant voucher scheme, the Local Authority Delivery scheme does not set restrictions on ‘primary’ and ‘secondary’ measure adoption, but rather Colchester would be expected to set out the mix of measures they are intending to install and why they are most appropriate and represent good value for money.

Notably, given the scale of the projects envisaged for the application of these grants, it is recognised that there will be evaluation costs to administer the projects and enable the funding to be best utilised. There is therefore an allowance for Local Authorities to use up to 15% of grant funding to fund administrative, delivery and ancillary works – including completion of EPCs where these are not already available, essential repair works, maintenance, and preparation of properties to facilitate the proposed energy efficiency upgrade works.

Phase 2 of the Green Homes Grant LADS will be distributed through 5 Energy Hubs – Colchester falls under the Greater SE Energy Hub. The Energy Hub is currently undertaking a procurement exercise to appoint contractors to deliver the grant. Local Authorities, such as Colchester can apply for the grant and then use the procured contractors to deliver upgrade works. It is anticipated that further phases will be released in future years and a new scheme will also be introduced to encourage social housing providers and homeowners to deliver NZC.

Social Housing Decarbonisation Fund (SHDF)

The Government has pledged £3.8 billion to help Social Housing Providers decarbonise its stock on scale. An initial grant of £60 million has been allocated to several demonstrator projects and it is hoped that lessons from these will support the roll out of large scale retrofit projects across England, with the balance of the £3.8 million being distributed in waves during this decade.

The Wave 1 guidance document for bids was launched by BEIS on the 23 August 2021 this has an allocation of £160 million and only Local Authorities can bid for the funding, although other housing providers can approach Local Authorities to put together a joint bid (although the Local Authority must be the lead). This budget is also only available for English Local Authorities.

The SHDF target are linked to those contained in the following published Government objectives:

- Net zero targets;
- Carbon Budget Targets;
- Fuel Poverty Targets; and
- Clean Growth Strategy Ambition.

Key principles to be met by bidders include:

- Fabric first, worst first- lower complexity, higher volume;
- Scaled cost caps;
- All social housing archetypes, both on- and off- gas grid, including high rise buildings are eligible;
- SAP Eligible Measures only;
- Low carbon heating may be installed alongside fabric improvements & must not increase bills in isolation compared to the existing heating system; and
- All projects must be compliant with PAS 2035 Contractors must be Trustmark registered and where applicable MCS certified (or accredited to a scheme that BEIS is satisfied is equivalent).

The performance requirements include:

- Registered Providers (RPs) must improve their stock using a fabric first approach to at least a minimum of EPC C*; and
- Also expected to improve properties to a space heating demand of 90kwh/m²/year.

** Except where not possible for EPC F/G homes, an EPC D will be accepted with reasonable justification.*

Bids for other tenure types will also be accepted if there is a minimum of 70 % social housing. The grant is not going to cover 100% of the cost and typically a third contribution will be required.

The bids for Wave 1 are required to be submitted by October 2021, and further funding waves will be issued over the coming years with similar criteria, and it is Colchester intention to bid for future SHDF waves.

PAS 2035:2019

The British Standards institute published PAS 2035 in 2019, it is not a new standard but a process for the delivery of good quality retrofit, with the aim of restoring confidence in the public and funders following the negative publicity of poorly delivered retrofit projects, which was documented in Every Homes Counts publication 2016. To reinforce this TrustMark have been appointed to oversee quality. Anyone advising on retrofit works will need to be registered with TrustMark and comply with the quality charter (PAS 2035) and a

Customer Care Charter. From July 2021 any grant funded retrofit works must be carried out in accordance with PAS 2035 and it is likely that the funders of privately funded schemes will also be expected to comply with PAS 2035.

Colchester will be developing its approach to delivering retrofit works in line with PAS 2035:2019, using trained in-house staff and/or consultants.

9.4.3 Grants Available to Home Occupiers

There are a number of further grants available that could be of assistance to residents of CBH in helping them to reduce their running costs and alleviating incidences of fuel poverty. This may be of pertinence to residents currently occupying lower banded EPC properties in the interim before their properties are upgraded as part of CBH's envisaged property upgrade works to meet the need to address fuel poverty and bring homes to a minimum EPC by 2030.

Colchester will ensure that residents are made aware of all the funding opportunities available to them, by providing information on the below:

Winter Fuel Payments - This government grant could qualify tenants for between £100 - £300 to aid in paying heating bills. To be eligible, tenants will need to be getting the State Pension or another qualifying social security benefit.

Warm Home Discount - This government grant could qualify tenants for £140 off their electricity bill for the winter period. To be eligible, tenants should get the Guarantee Credit element of Pension Credit or meet low-income criteria.

Cold Weather Payments - This government grant could qualify tenants for a payment of £25 for each 7-day period where the average temperature in their area is recorded as, or is forecast to be, 0°C or below. To be eligible, tenants will need to be receiving qualifying government benefits.

Renewable Heat Incentive (RHI) - The RHI is a government scheme that supports renewable heating systems such as air source heat pumps (ASHPs), ground source heat pumps (GSHPs), wood boilers/ pellet stoves and solar water heating systems. Where eligible systems are installed, the homeowners will be eligible to be paid for every unit of renewable heat produced by the systems for a number of years. This scheme is currently being revised with a new scheme likely to be introduced in 2022.

Smart Export Guarantee (SEG) - This scheme came into force in January 2020 and supports renewable electricity generation technologies such as solar PV, wind turbines and micro-CHP. Where eligible systems are installed on tenants' homes, large energy supply companies are obligated to pay for every unit of electricity that is fed back into the grid. The available SEG tariffs vary significantly across the obligated energy supply companies, as they can set their own tariffs.

Electric Vehicle Homecharge Scheme (EVHS) – In recognition of the role that electric vehicles will have in the decarbonisation of the UK transport system the government have introduced this grant scheme to assist with the costs associated with the installation of electric vehicle charging points outside homes. This grant can provide funding for up to 75% of the cost of installing home electric vehicle charge points. To qualify for the scheme, the home occupier must own a qualifying electric vehicle and have designated, private off-street parking.

9.5 Sustainability Accreditation Standards

9.5.1 Overview

To support the delivery of sustainability CBC and CBH will consider adopting a formal sustainability accreditation scheme to provide a structured approach to enhancing the portfolio and measure their progress in enhancing the performance of their assets. This section will provide a brief overview of some of the most appropriate schemes identified which will be considered.

9.5.2 Certified Sustainable Housing Label

The Certified Sustainable Housing Label (CSHL) is a sustainability accreditation label available to European housing companies, developed by Ritterwald.

The assessment encompasses a myriad of sustainability issues – broadly spread between ‘Social Criteria’ and ‘Green Criteria’.

The process is summarised below:

1. Colchester will be required to complete a questionnaire and templates provided by Ritterwald to enable data collection;
2. Review of the application by Ritterwald;
3. Secondary review of the Colchester application by an independent party; and
4. Approval/ rejection of the label to CBH.



The label could be retained after the initial year of holding it, if CBH passes an annual review. To pass this review, CHB would need to demonstrate that it had complied with the goals set out in the initial assessment process – transparently documenting its progress.

Once certified, CBH would be able to present themselves as holders of this label in applications for investments/ grants – demonstrating their dedication to the sustainability agenda.

9.5.3 SHIFT

SHIFT is a sustainability assessment and accreditation standard for the housing sector, provided by Suss Housing.

A SHIFT assessment covers 21 environmental criteria – with key issues being CO₂ emissions, water usage, biodiversity, minimising waste and responding to climate change risks. The process is summarised below:

1. A SHIFT assessor and manager would be assigned to CBH;
2. CBH would be provided with an online assessment tool to complete. This would include 21 SHIFT questions covering key environmental performance areas;
3. The assigned SHIFT assessor will review the completed assessment tool and then have a meeting with CBH to discuss the submission, verify data where required and set out any further information required;
4. CBH would be required to collate and submit any further information requested by the assessor;

5. The assigned SHIFT assessor will then prepare an assessment report – this report will set out a summary of performance, recommendations for improvement and advise the level of SHIFT accreditation achieved. The accreditation levels available are commended, bronze, silver, gold, or platinum. A comparison report will also be provided that will allow comparison of Colchester’s performance against peers in the sector (notably Suss already work with 40 UK social landlords) - facilitating a useful benchmarking exercise.
6. Awarded SHIFT accreditation level can then be used to demonstrate CBH’s environmental credentials and dedication to embed sustainability into its portfolio to funders, partners, and regulators.

A SHIFT assessment is a very quantitative procedure. Another benefit for this form of assessment is that Suss Housing are in the process of developing their online portal to enable the primary quantitative data provided to be used in ESG/ investor reports.

A SHIFT assessment does not assess the social side of sustainability as the CSHL does but Suss Housing do partner with a social reporting consultancy who can assist on this side of the assessment in tandem with the SHIFT environmentally focussed analysis.

9.5.4 BREEAM Domestic Refurbishment and Home Quality Mark

An additional accreditation option open to Colchester is gaining accreditation of its homes on construction or during refurbishment through the Building Research Establishment (BRE).

On new build housing schemes, the BRE offers the Home Quality Mark (HQM) standard. This standard uses a star rating to give an indication of a home’s sustainability credentials – a new home can achieve a 1 to 5 star rating. The rating is determined based on a home’s performance across the HQM issues, which include transport, outdoor environment (encompassing ecology), safety & resilience, indoor comfort, energy, materials, space (including provision for recyclable waste and clothes drying), water, quality assurance, construction impacts and customer experience (including aftercare and home information provision). A licensed HQM assessor would set out a strategy to meet a targeted star rating, and then it would be the responsibility of the design team and contractor to incorporate the proposed strategy into the detailed design and construction of the new home/s.

On housing refurbishment works, the BRE offers the BREEAM Domestic Refurbishment scheme. This enables the assessment and certification of domestic conversions in addition to domestic refurbishment schemes. A housing scheme can achieve Outstanding, Excellent, Very Good, Good or Pass. In a similar manner to HQM, the rating is determined based on performance across the BREEAM issues, which include management, health and wellbeing, energy, water, materials, waste, pollution, and innovation. A licensed BREEAM Domestic Refurbishment assessor would set out a strategy to meet a targeted rating band, and then it would be the responsibility of the design team and contractor to incorporate the proposed strategy into the detailed design and construction of the new home/s in order to achieve accreditation.

9.5.5 Summary

The CSHL and SHIFT accreditation frameworks offer the most comprehensive means of assessing the CBH’s stock through a single assessment procedure. Both of these frameworks offer a means of achieving an accreditation that could be used to demonstrate Colchester’s dedication to making its housing portfolio more sustainable.

The SHIFT assessment procedure offers a fairly quantitative assessment, with a range of accreditation levels to tangibly reflect to CBH the improvements in the housing portfolio over the years they are signed up to the process. They also have a number of members to support benchmarking.

The CSHL accreditation scheme is a more qualitative assessment. One of the benefits this assessment process has over SHIFT is the inclusion and focus of the social element of the sustainability agenda (although Suss Housing does offer partnership with another assessor organisation to cover this).

Colchester propose to engage with Suss Housing and Ritterwald over the next year to establish the feasibility of CBH proceeding with a SHIFT or CSHL. This engagement with the providers by CBH is needed to establish the costs associated with achieving and maintaining these accreditation labels with these providers.

10. ENERGY EFFICIENT HOMES & OBJECTIVES

10.1 Overview

Based on works carried out by the Carbon Trust for Colchester, a carbon footprint for its operations, has been established and this reported that by 2018/19 there had been a 40% reduction in emissions relative to 2008/9 baselines, representing a reduction of 3,970 tonnes of CO²(equivalent). Colchester has produced an action plan and currently developing a pathway to net zero carbon by 2030.

A carbon footprint of CBH's operations is to be produced, with priority given to assessing the needs of the existing stock where approximately 80% of the current homes will still be in occupation in 2050. So it is crucial that the energy performance of Colchester's existing housing stock is also addressed. To support this objective a detailed analysis of the housing stock has been undertaken using specialist energy efficiency modelling software, Portfolio. Using CBH asset data and available EPCs it has been estimated that the average CO² emissions per home is 2.019 tonnes of CO² giving an estimated total for the housing stock of 11,774 tonnes CO²e excluding leasehold properties. Heating is the main source of emissions within housing and the analysis has enabled modelling of scenarios to put in place plans for the reduction of emissions as well achieving Government Fuel Poverty targets by 2030.

To achieve net zero in housing retrofit experts including the Retrofit Academy suggest that a minimum reduction of 60-70% carbon emissions will be required. This assumes that the decarbonisation of the National Grid will account for 40-30 % and acknowledging that at some point soon we will move away from the current main source of heating homes, fossil fuels. This target zone of 60-70% is not a static percentage it will reduce in time as the carbon intensity of the grid reduces. As an example of this an electrically heated home will see a reduction in carbon emissions of approximately 39% by updating a property with an EPC prepared using the current SAP 2012 and comparing it with SAP 2019 software (using SAP 10.1), which has been released for planning purposes and will be included in the new Building Regulations. This is a direct result of the move away from electricity being produced from fossil fuels to low carbon alternatives including renewables such as wind power.

In October 2019 the Government published its draft *Future Homes Standard*, which has set out a roadmap for requirements for new homes in paving the way for the UK to meet its net zero carbon targets by 2050. Following consultation, it is now proposing to publish a new version of the Building Regulations.

To begin with there will be an interim uplift in building standards, this is due to be published before the end of 2021 coming into force by June 2022. This will require an immediate 31% reduction in carbon dioxide emissions compared with current standards.

This will be followed by the new Building Regulations requiring fossil fuel free low carbon heating and high energy efficiency features which will include:

- 75-80% reduction in carbon dioxide emissions;
- New homes with connected insulation, ventilation, and airtightness strategies;
- Heating systems run at a lower temperature to support the use of heat pumps;
- Measures to address overheating; and
- Local authorities able to set higher standards.

10.2 New Homes

The Better Colchester Strategic Plan 2020-2023 sets an ambition to acquire 350 new homes by 2024, this will be achieved by purchasing existing homes, new build, or redevelopment of existing sites, for example garages.

Colchester will encourage its developers to adopt ‘fabric first’ design principles on new build homes. For many decades Local Authorities were unable to develop their own new homes instead relying on partnership with Social Housing Providers and via Section 106 Planning requirements imposed on developers to provide affordable homes as part of their developments. Colchester is now developing its vision for the delivery of new housing, and it is proposed that a Development Strategy will be produced, and this will include standards for new homes which will require homes to be built to high standards of energy efficiency as a minimum to the new Building Regulations to support Colchester’s carbon neutrality ambitions.

What is important in the short term is that current developments being delivered by Colchester are reviewed to ensure that they do not add to the burden of retrofitting existing stock, by needing additional measures to make them net zero after they are handed over. This does not necessarily mean delivery net zero carbon new homes, the term used by the Government is ‘net zero carbon ready homes’ meaning that once the national grid is decarbonised, any electricity used by the homes will be low or fully carbon free with generation being made mainly from using renewable technologies and nuclear plant. To assist our development strategy Colchester will seek external guidance for example referring to the London Energy Transformation Initiative’s (LETI) *Climate Emergency Design Guide* for delivering low carbon new homes.

Within our new homes heating will be delivered via heat pump technologies, direct electric forms of heating, supplemented with roof mounted PV, Solar Thermal, and battery storage. Other forms of heating under consideration will include hydrogen fuel boilers and district heating systems. The Hydrogen Strategy published in August 2021 predicts that hydrogen will make up 20-35% of energy consumption by 2050. The Government has also launched a £320million investment programme to expand district heating capacity – with a target for 15-18% of heat to be generated by district heating networks by 2050.

The following **objectives** relating to new build homes will be considered:

- New homes to be designed to have a space heating demand of <45kWh/m²/year (a good standard as defined by the Retrofit Academy and where feasible 15kWh/m²/year which is in line with Passivhaus Standard);
- Seek to improve the energy efficiency rating for our new homes to EPC ‘A’ by 2030, accepting lower than this if delivered to a net zero carbon ready standard;
- Raise awareness of Home Quality Mark (HQM);
- Seek a proportion of homes to be built to lifetime homes standard; and
- Identify opportunities for development to draw its supply from decentralised, low energy sources.

10.3 Existing Homes

The existing housing within Colchester offer the greatest scope with regards to the potential to reduce operational CO₂ emissions.

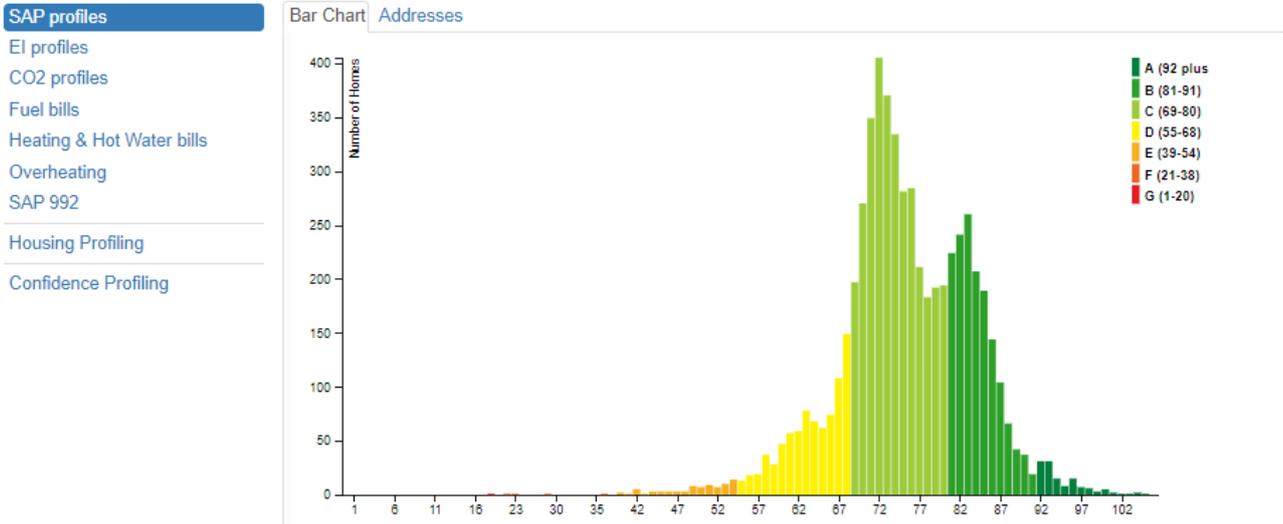
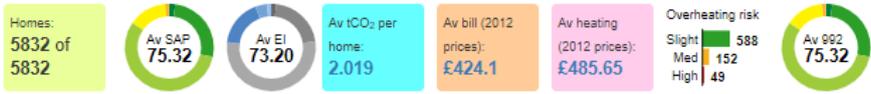
The Government's White Paper December 2020 'Powering our Net Zero Future' set out aspirations for homes to achieve a minimum EPC band C by 2035, this being primarily delivered via fabric first measures. As we move away from fossil fuel there will be increasing demand on low carbon electricity across all sectors of the economy, with some estimates stating the demand for electricity could increase 10-fold on current levels. The Government believes that over the next decade energy demand should be reduced while capacity is scaled up and innovation delivers alternative low carbon heating solution such as hydrogen. This approach does not prevent Local Authorities going further than an EPC band C .

Retrofit is expensive and the law of reduced marginal returns indicates that the higher the standards and therefore costs the lower the return on investment. Setting very ambitious targets as modelled using Portfolio e.g. heating demand less than 45 kWh/m² which is considered a good standard would still mean most homes still produce carbon emissions. To achieve zero emissions Colchester would need to consider the highest standard for existing homes, Enerphit, (the Passivhaus standard for retrofit) which needs to achieve heat demand of 25 kWh/m² or less. This would be extremely disruptive and costly; it is therefore not a realistic option for Colchester.

The Government has plans to publish a Retrofit Strategy in late 2021 , this is very likely to follow the guidance within their Energy White paper of focussing on fabric first with the aim of minimising the energy demand from properties and benefitting from the carbon intensity reduction in electricity generation. This then allows low carbon alternatives to fossil fuels to mature over this decade ready for mass roll out in the 2030's. As this report was being finished the Government has published its Net Zero Strategy: Build Back Greener : [net-zero-strategy.pdf \(publishing.service.gov.uk\)](https://www.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/94424/net-zero-strategy.pdf).

Colchester therefore aims to improve the existing stock energy performance measured through the RdSAP (i.e. Reduced Standard Assessment Procedure) ensuring no property has an EPC less than band C by 2030. At present, it is estimated by Portfolio that 901 homes fail to meet this standard, however, 75 of these are in the process of being addressed as part of the reinvestment works to supported properties.

The current performance produced by Portfolio is shown in the graph below.



Graph 12 Baseline results for all homes.

Colchester was able to provide Parity Projects with very good quality data, with 90% of properties having EPCs, initially some gaps existed around the boiler types, heating controls and dimensions where available this missing data was sent to Parity Projects.

10.3.1 Delivering a minimum EPC band C by 2030

As set out in the strategy for New Build Homes, a ‘fabric first’ approach will be adopted for the refurbishment and upgrade works being proposed. This approach is consistent with the Government’s own strategy for getting all properties to an EPC band C by 2035 and Fuel Poor homes to EPC band C by 2030. Portfolio has been used to model an investment scenario for achieving a minimum EPC C, the total estimated cost is £2.5 million (excluding Preliminaries and fees), an average investment of £2,777 per property affected with three properties assessed as just missing this target, although this may be due to a lack of accurate data available on the property.

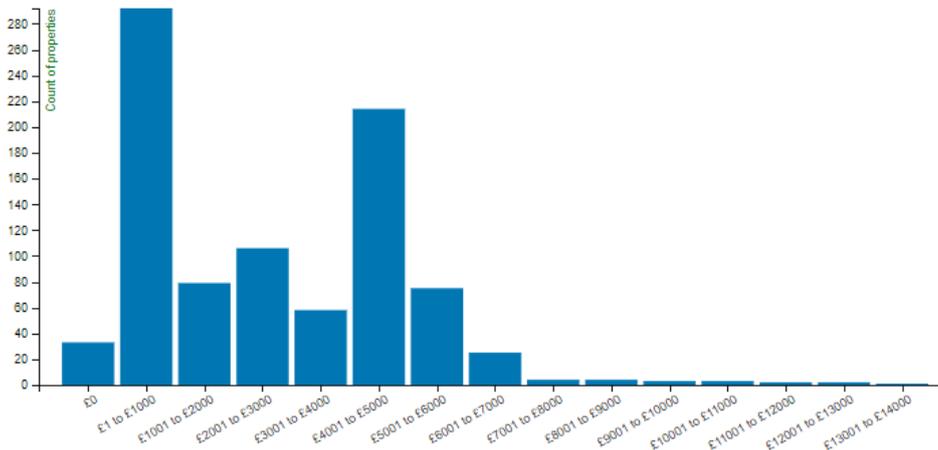
The breakdown of the investment can be seen on the graph below

Total Scenario Cost: **£2,502,511**

Cost per Home Affected: **£2,777**

Homes Affected Missing Target: 3 🏠

	Homes Affected	Homes Considered	Complete Stock
Homes	901 🏠	5832 🏠	5832 🏠
Mean SAP	77.15 C (+14.82)	77.61 C (+2.29)	77.61 C (+2.29)
Mean EI	71.14 C (+14.36)	75.42 C (+2.22)	75.42 C (+2.22)
Mean Fuel Bills	£377.42 (-282.26)	£380.49 (-43.610)	£380.49 (-43.61)
Mean Fuel Bill (realistic)	£463.57 (-272.95)	£438.1 (-42.17)	£438.1 (-42.17)
Mean tCO ₂	2.108 (-1.271)	1.822 (-0.196)	1.822 (-0.196)
Mean 2017 tCO ₂	2.251 (-0.474)	1.921 (-0.073)	1.921 (-0.073)
Mean 2019 tCO ₂	1.937 (-0.716)	1.802 (-0.111)	1.802 (-0.111)
Mean 2025 tCO ₂	1.852 (-0.502)	1.805 (-0.078)	1.805 (-0.078)
Mean 2030 tCO ₂	1.841 (-0.462)	1.807 (-0.071)	1.807 (-0.071)
Mean 2038 tCO ₂	1.82 (-0.384)	1.812 (-0.059)	1.812 (-0.059)
Mean 2050 tCO ₂	1.814 (-0.360)	1.813 (-0.056)	1.813 (-0.056)
Mean Heating Bill	£534.79 (-91.63)	£471.50 (-14.16)	£471.50 (-14.16)
Mean TThreshold	19.55°C (minimal) (+0.00)	19.64°C (minimal) (+0.00)	19.64°C (minimal) (+0.00)
Mean kWh per M2	144.04 (-50.940)	135.82 (-7.870)	135.82 (-7.870)
kWh	8,799.36 (-3082.400)	8,416.38 (-476.210)	8,416.38 (-476.210)



Graph 13: Investment Breakdown to achieve EPC C

Potential upgrade opportunities that will be addressed will include:

- Wall insulation including; cavity wall, internal and external insulation;
- Roof Insulation to lofts, rooms in lofts and flat roofs;
- The installation of double, secondary glazing, and high-performance glazing;
- Addition of insulation to domestic hot water cylinders and pipework;
- Floor insulation (this would include solid floor insulation to 39 homes, this can be disruptive and maybe dismissed following detailed surveys); and
- Draught proofing.

In addition to fabric first measures that will improve the efficiency of the heating systems and energy use should be considered such as:

- Heating and hot water system upgrades including controls and hot water cylinder insulation;
- Replacement of heating systems with low carbon heating alternatives such as heat pumps for off grid properties; and
- Energy efficient lighting.

Portfolio will be used to develop a plan – with the capability to set out a pathway to achieve a target EPC/ SAP asset rating, prioritising applicable energy upgrade measures based on cost effectiveness.

Other options that Colchester could consider include one off deep whole house retrofit, for example, by considering the use of Energiesprong, a Dutch system of enveloping existing homes providing a one stop net zero carbon solution, funded over a 30-year period from savings on existing energy costs. This type of whole house retrofit require significant upfront funding and would also require the adoption of a financial model where residents pay back the cost through increase rent or service charge. The amount paid reflecting savings generated from their current energy bills. This approach would therefore require the support of residents (including leaseholders) and agreement of Colchester's financial regulators. It is also noted that not all homes will be suitable for this measure.

Whatever target is set for improving the stock it is recommended that as well as energy efficiency measures a ventilation and overheating strategy is included to ensure the quality of air and comfort levels within the properties remains good.

To minimise disruption to residents and reduce costs it is best not to do retrofit as standalone measures. Upgrade works can be undertaken on a whole house/ terrace/ block approach, or in an incremental manner as listed below:

1. Routine repairs and maintenance;
2. During void programme (where possible and required by regulation);
3. During Decent Homes upgrade works/ other existing focussed upgrade works;
4. As a new programme to install multiple 'drop in measures', such as loft insulation, heating replacement etc; and
5. Or where assessed as viable one-off deep retrofit.

Portfolio can aid in planning the rollout strategy for the existing Colchester stock.

Delivering Net Zero Carbon

In order to deliver the net zero carbon objective, decarbonising heating within Colchester’s housing stock is essential, this together with the work carried out to reduce demand by energy efficiency measures will go a significant way toward delivering the goal of net zero. Modelling the stock through Portfolio which includes BEIS estimates for the decarbonisation of electricity generation illustrates the measures that will be required significantly reduce the levels of carbon generated by Colchester’s homes.

The following table taken from modelling data in Portfolio of three different reduced heating demand scenarios illustrates the potential cost.

Heat demand Scenarios	Homes affected	Cost per home affected	Total Cost (million)	Mean tCO ² by 2030	Mean tCO ² by 2050	Realistic Mean annual Fuel Bills
45kWh/m ²	5,832	£17,590	£102	0.036	-0.008	£237
65kWh/m ²	5,830	£14,385	£84	0.049	-0.003	£260
85kWh/m ²	5,829	£10,376	£60	0.07	0.005	£300

Scenario 1 looked to reduce heating demand to 45 kWh/m², (which according to the Retrofit Academy is a good standard) this is estimated to cost £100 million (excluding preliminaries and fees) with an average cost of £17,590 per property. If this was delivered by 2030 it produces a mean average estimated tCO² 0.036 per home based on predictions of carbon intensity of energy production. By 2050 this will reduce to an average of minus 0.008 based on BEIS forecasts.

If less ambitious heat demand targets are selected costs will significantly reduce however in the case of a heat demand of 85kWh/m² net zero carbon emissions will not be achieved without some offsetting.

Meeting net zero carbon is clearly a significant and expensive challenge. The decision on the timeline for delivering net zero will require careful consideration with available funding being one of the biggest factors. It is also the case that forecasting beyond 5 years is fraught with risks. There will undoubtedly be innovation and economies of scale which will quickly make this strategy dated and therefore it is essential that it is kept continually under review.

The estimated costs for retrofit works to deliver both EPC C and net zero carbon will impact on the viability of some homes. Financial viability modelling may in some instances lead to a disposal recommendation, or acceptance that energy efficiency measures are not feasible. Caution will be used if such a decision is based on longer term forecasts. The option of disposal of some properties maybe seen as passing the problem onto others, alternative strategies will be considered such as redevelopment (although this will include accounting for the embedded carbon involved in new build). For some properties (e.g. those of heritage value) the use of renewable technologies such as PV and Solar Thermal could be considered. This means although properties will have high energy demands (because of limited fabric measures) the carbon footprint is low and resident energy costs are more affordable.

10.4 PAS 2035:2019

Delivering retrofit works can result in many unintended consequences if proposed works are not correctly assessed and a lack of consideration given to all possible risks. Equally intended outcomes not being delivered leaving residents to feel that they have been miss led.

A report into the failures of retrofit projects 'Each Home Counts' was published in 2016 this investigated many retrofit projects including those undertaken as part of the Government Green Homes Deal from 2012-2015. It made 27 recommendations on how to restore confidence in retrofit. Three years later in response to this report the British Standards Institute (BSI) published PAS 2035:2019.

PAS 2035 is not a new BSI Standard it is a framework for project delivery. In parallel to PAS 2035, BEIS also supported TrustMark to become the Quality Mark for the sector. Registered members of TrustMark have to comply with a Code of Practice and a Customer Charter. The Code of Practice adopted by TrustMark is PAS2035 and PAS 2030 (for installers). From July 2021 all Government funded retrofit schemes must follow PAS 2035, however, it is likely that self-funded or privately retrofit schemes will also adopt PAS 2035 to obtain assurances for the delivery of good quality retrofit works.

Colchester will follow the principals of PAS 2035 when delivering retrofit. This will ensure that on our projects there is:

- Professional Accountability;
- Whole House Retrofit (although this can be delivered over time in the right sequence);
- Bespoke Projects (each property unique and determine appropriate risk path);
- A ventilation strategy to combat the possible side effect of insulating and air tightness;
- Quality: less defects, restoring trust; and
- Fabric First: Reduce the need for energy before other measures.

Where full compliance with PAS 2035 is a requirement of government grant funding the following will be required:

- The appointment of a registered Retrofit Coordinator to oversee the retrofit process from inception to initial evaluation of outcomes. Colchester will review whether they appoint their own Retrofit Coordinator or use external consultants;
- Other roles required include Retrofit Advisor (although this role is currently under review by the BSI), Retrofit Assessor, Retrofit Designer, Retrofit Installer (PAS 2030 registered) and if outcomes are not as intended a Retrofit Evaluator;
- Each property will require a deep assessment for example RdSAP and ideally a full SAP, not a routine EPC;
- Gathering data, will include a better understanding of the location of the property any constraints on retrofit and better profiling of the residents, to understand how they use energy;
- A risk assessment to triage potential risks;
- The production of a Medium Term Retrofit Plan, bespoke to the property or block, detailing which energy efficiency measures should be installed and in which sequence;
- A detailed design of the measures with clear specification and instructions to the installer;
- Coordinated commissioning of services and a thorough handover to the residents;
- The retrofit works will need to be monitored to evidence the intended outcomes have been achieved, and if not, a detailed evaluation will be required to investigate and put right any failures; and

- Each Project will need relevant documents lodged on Trustmark’s Data Warehouse; this will include the Medium-Term Plan. These documents will be available to review and update just like an EPC.

The following **objectives** relating to existing homes have been identified:

- Based on the output from Portfolio CBH will address data gaps as part of our stock condition programme (and other opportunities to collect property data e.g. voids);
- Development of a retrofit plan for the stock to meet net zero carbon target which will be aligned with future major works projects to minimise disruption to residents and ensure works are delivered efficiently;
- Identification of grant and other funding to support retrofit works; and
- Development of a plan for delivering retrofit following the principles of PAS 2035.

11. WIDER SUSTAINABILITY AGENDA

11.1 Overview

Further to Colchester’s ambitions to enhance the energy efficiency and carbon credentials of its housing stock, it aspires to address wider aspects of the sustainability agenda.

On renewal/ upgrade of existing housing stock and addition of new properties to the Colchester portfolio it is proposed for a review of the key sustainability issues addressed below to be undertaken.



11.2 Waste Management

Construction waste can be minimised during the construction process via the effective and appropriate management of construction site waste. It is proposed that on construction sites Site Waste Management Plans (SWMPs) are implemented to outline procedures and good practice measures that can be adopted on site – including setting target benchmarks for resource efficiency. Contractual targets will be set with construction partners as below for new build schemes:

Construction Resource Efficiency Targets (Either tonnage/ volume metric can be opted for)

Waste generated per 100m² (project wide gross internal floor area (GIFA)) for new build residential projects	
m³ per 100m²	Tonnes per 100m²
≤8.1	≤4.9

Diversion from Landfill Targets (Either tonnage/ volume metric can be opted for)

Type of Waste	Percentage diverted from landfill (by Volume)	Percentage diverted from landfill (by Tonnage)
Construction	70%	80%
Demolition	80%	90%

For refurbishment schemes custom targets will need to be set on a site-specific basis, based on the extent of the refurbishment works being undertaken.

A significant amount of waste is also produced by households. Colchester has ambitions to improve waste management facilities and extend the range of materials accepted by the council's recycling services. Encouraging home occupants to choose materials that can be recycled and to compost biodegradable waste will aid in reducing the amount of operational waste being sent to landfill across Colchester's asset portfolio.

Colchester Climate Action Plan recognises that the way waste is managed has a significant impact on our carbon footprint. Future options regarding the collection and recycling of waste need to ensure that a carbon accounting approach is taken towards all aspects of the service. While the Council has control over the method of collection, it is not the Disposal Authority but will work with Essex County Council to continue to encourage the most sustainable options for waste disposal. CBH will support the following action set in the plan:

- Further enhance the systems for household waste, recycling, food, and garden waste collections across the Borough with a focus on waste minimisation, increased recycling and composting and reduction of residual waste.
- Stimulate increased reuse as well as upcycling and repairing opportunities and the necessary skills and training to undertake these.
- Reduce resource use, particularly paper for printing and single-use plastic. Seek to progress towards single-use plastic-free status and support community plastic-free initiatives.
- Seek to minimise or cease the sale of single use plastics and encourage alternative materials throughout our retail operations.
- Explore the trial of smart waste technology to improve waste monitoring and collection efficiencies in the Borough.
- Continue to communicate frequently with Colchester residents to improve participation in recycling and waste minimisation initiatives.
- Review our trade waste collection service to develop additional commercial recycling collections.
- Take an asset-based community development approach to discovering and enabling existing and new community led initiatives associated with repair, upcycle, and reuse social movements.

In addition, to support these actions CBH will consider:

- Composters provided to homes with gardens to aid in enabling this.
- Kitchens designed to enable easy recycling – i.e. by incorporating in-cupboard waste and recycling bins for the separation of waste.
- Bin stores designed to allow adequate space for general waste, recyclable waste, and compostable waste segregation.



11.3 Resource Efficiency

There is an associated degree of embodied carbon in construction materials. On new developments and refurbishment works, where practically and economically feasible, Colchester will prioritise the use of locally sourced construction materials and equipment with a low embodied carbon impact over their lifetime. The use of prefabricated construction materials in some instances, may aid in reducing waste on site and will therefore be considered where practical and financially viable. The principles of designing for deconstruction will also be encouraged – increasing the potential quantity of construction materials that could be re-used at the end of a new homes life.

To improve resource efficiency within housing Colchester will:

- Manage our resource demand by **ensuring existing assets are used effectively**;
- Ensure that the resource efficiency is incorporated into the proposed Development Strategy and the revised Procurement Strategy.
- Embed sustainable outcomes as a key consideration into the procurement process; and
- Engage with **contract suppliers who demonstrate environmentally and socially sustainable behaviours** within their organisation.



11.4 Local Air Quality

Colchester recognises that poor air quality can have a detrimental impact on human health and wellbeing. Air pollution has been linked to many health problems including asthma, strokes, cancer, and heart disease. It is estimated that 1 in 20 deaths is linked to pollution. Children are particularly at risk. Research has shown pollution affects their lung growth and development. Pregnant women, the elderly and those with heart and respiratory conditions are also vulnerable to its effects.

Colchester's Air Quality Strategy has a number of initiatives to improve air quality within the borough. The Department for Environment, Food and Rural Affairs (Defra) funded Clean Air for Colchester Project announced in October 2020 is one such initiative. This Community led project aims to cut pollution from cars, buses, and vans. It focuses on changing habits and encouraging people to walk and cycle for short journeys.

A shift towards electric forms of heating and domestic hot water generation will reduce local NO_x emissions and therefore, as well as aiding in meeting the city's decarbonisation targets, will also have a positive impact on local air quality.

In the government's 10 Point Plan for a Green Industrial Revolution that was released on the 18th of November 2020, it has been proposed that no new cars or vans powered wholly by diesel or petrol will be sold in the UK from 2030. This, along with the associated reductions in localised car exhaust emissions, will prioritise the rollout of the integration

of electric car charging points in new homes and across the city to facilitate this move away from fossil fuel using vehicles.

To improve local air quality within housing Colchester will:

- CBC and CBH undertake a trial of streetlight charging technology. Streetlights can be retrofitted with charging technology to allow residents to charge their cars via smart cables when parked adjacent to an upgraded streetlight. Bills are then sent to residents via their phone/ PC. Rollout of this strategy could enable the housing portfolio to be 2030 ready, when the proportion of electric vehicles is anticipated to start increasing rapidly.
- It is proposed for no new indoor fireplaces (which contribute significantly to fine particulate matter) to be installed in new build properties being added to the Colchester portfolio, and for existing fireplaces to be removed from existing Colchester properties during void periods.
- It is proposed for a local air quality assessment to be undertaken on the existing Colchester housing portfolio, both internally and externally – to determine which properties are in areas of poor air quality and in need of mitigation measures. Potential measures to then be assessed for viability will include mechanical ventilation systems with filtration and installation of green walls/ tall hedges to aid in 'blocking' pollutants from sources such as busy roads.
- On new build housing schemes and major refurbishment schemes, it is proposed for air quality assessments, as set out above, to be undertaken as part of the design process and for necessary mitigation measures to be incorporated within the design proposals. It is also proposed to require contractors to implement construction traffic management plans and dust management plans to mitigate detrimental air quality impacts. Low NO_x (>24mg/kWh) boilers should be installed as a minimum, although with a preference for all electric heating solutions.



11.5 Water Efficiency

The World Economic Forum's Global Risks 2019 report listed water security as one of the top five global risks in terms of impact, with water supplies in Southern England coming under increasing pressure due to population growth and urbanisation. Therefore, the importance of reducing water consumption is becoming an increasingly critical priority. With warm temperature and reduced rainfall in the south pressure on water supplies will increase.

To improve Water Efficiency within housing Colchester will:

- On new build developments, Colchester will aspire for low flow / low volume appliances to be installed to reduce the potable water usage within dwellings.

Properties with gardens will have rainwater harvesting butts installed – the architect design brief will include this as a mandatory item.

- For existing homes undergoing kitchen and bathroom low flow / low volume appliances will also be proposed. Where space permits consideration will also be given to supplying rainwater harvesting butts.
- Use caution when specifying dual flush toilets with drop valve systems. If used the use of leak detection systems should be used. (It is estimated that nationally 400 million litres of water leak from toilets every day, with an estimated 5-8% of toilets leaking and mainly those with dual flush.)
- It is also proposed that residents are made aware of this potential defect and that when inspecting homes checks of toilet cisterns will be carried out.



11.6 Natural Environment

The needs of the natural environment are addressed in Colchester's Environmental Sustainability Strategy and Climate Emergency Action Plan. Environmental stewardship is a core values of Colchester.

Access to publicly accessible green space and the natural environment is recognised as having a positive impact on the wellbeing of residents. Enhancing existing and providing new green infrastructure across the borough can aid in increasing biodiversity, 'offsetting' carbon emissions and mitigating the urban heat island effect.

The redevelopment of previously developed brownfield sites instead of the development of greenfield sites will also continue to be prioritised by Colchester.

Colchester has set ambitious targets to aid in protecting and enhancing the natural environment in the Climate Emergency Action Plan.

To improve the natural environment within housing Colchester will consider:

- Increasing city tree coverage by planting trees on its Estates. For new planting, species will be selected that support biodiversity
- Encouraging gardening clubs on Estate
- Green infrastructure asset registers to be developed for Colchester housing estates and natural capital assessments to be undertaken to establish their current ecological value.
- As part of this assessment process, it is proposed for scope for enhancement of the green infrastructure assets to be appraised in relation to the below:
 - Biodiversity conservation and enhancement;
 - Potential to reduce fragmentation;

- Potential for increasing access to green space;
 - Climate change adaptation; and
 - Potential for enhancing health and wellbeing.
- For redevelopments/ new build schemes being added to the Colchester housing portfolio that will require a planning application, there will be a Biodiversity Net Gain (BNG) requirement that will be met as part of the development proposals. A BNG policy for Colchester projects that do not require a planning consent to proceed will be developed as part of Colchester's Development Strategy

11.7 Response to Climate Change Risks

Local Strategic and Health & Wellbeing Partnerships carry out considerable planning to ensure that communities, especially the vulnerable, are supported during events that may cause an interruption to services and utilities, e.g. storms and flooding etc. The Council also has robust Flood Emergency Plans in place and climate related risks are taken into account in the Councils Risk Register.

To support this aim CBH will:

- Work with CBC to undertake environmental impact assessment of existing housing, to identify those properties with high risk and low resilience to climate change such as flooding and overheating.
 - Based on the results of the impact assessment prepare a mitigation action plan to be agreed with CBC.
 - When undertaking major works to existing properties consider additional measure to address risks, for example, increase the size of rainwater goods.
 - Ensure new developments address future climate change issues such as overheating, for example, by including natural shading .
-

12 ENVIRONMENTAL STRATEGY CONCLUSION

Colchester has already begun to undertake measures to enhance the energy efficiency and climate change impacts on their housing stock but understands the need to go further. It has been demonstrated that housing has a key role in reducing the council's impact on and enhancement of the natural environment and public health.

It is proposed for this to be a working strategy document, to be reviewed at 2-year intervals. This will enable the targets and strategy set out in this document to be updated in line with the ongoing assessment of the existing housing stock, updates to central government policy - including the upcoming changes to Part L of the Building Regulations and the impact of innovation and economies of scale.

Key energy efficiency objectives have been set out for both existing and new build properties to further improve the energy performance of their portfolio – taking into account social and financial factors. Colchester's wider sustainability agenda has also been addressed, setting out the aspirations for the enhancement of the council's housing portfolio to aid in the development of a cleaner, green, healthier, and more sustainable borough.

APPENDICES

APPENDIX 1 – FREQUENTLY ASKED QUESTIONS SUMMARY

What is Asset Management?

Asset Management is about the long-term planning, provision, and sustainability of assets, such as houses, flats, and garages.

What assets?

The Council own and manage 5904 dwellings (CBH July 2021), plus 1039 of these where there is a leasehold interest with CBC as Landlord and 30 properties which are leased out to other housing providers making a total stock size of 6973.

The repair and maintenance of these properties is the Council's single largest liability. The property owned is worth many millions of pounds and planning for its sustainable future is important.

How do we manage these assets?

By following the principles of our Asset Management Strategy, which balances the economic value of assets with the social and economic needs of residents. The Council is also required to comply with all relevant legislation and regulations.

Why is having an Asset Management Strategy so important?

Effective asset management is fundamental to the successful delivery of the Council's objectives, within the context and allowances of its Financial Plan, to deliver good quality housing and services in a cost-effective way.

What is the purpose of The Asset Management Strategy?

The strategy records the Council's current position and sets out a number of key actions that will further improve service and operational delivery, in order to provide an excellent service.

What is in The Asset Management Strategy?

- It defines the Council's position with regard to asset management and how this aligns to core business objectives;
- It defines needs, future trends and the issues influencing these;
- It defines the stock, its condition, use and the re-investment required over the next 30 years;
- It identifies the risks and issues relating to the assets and how these may be reduced;
- It defines the methodologies and implementation processes for the Strategy; and
- It establishes frameworks and templates for monitoring, recording, and evaluating performance.

What tools do we use to achieve effective asset management?

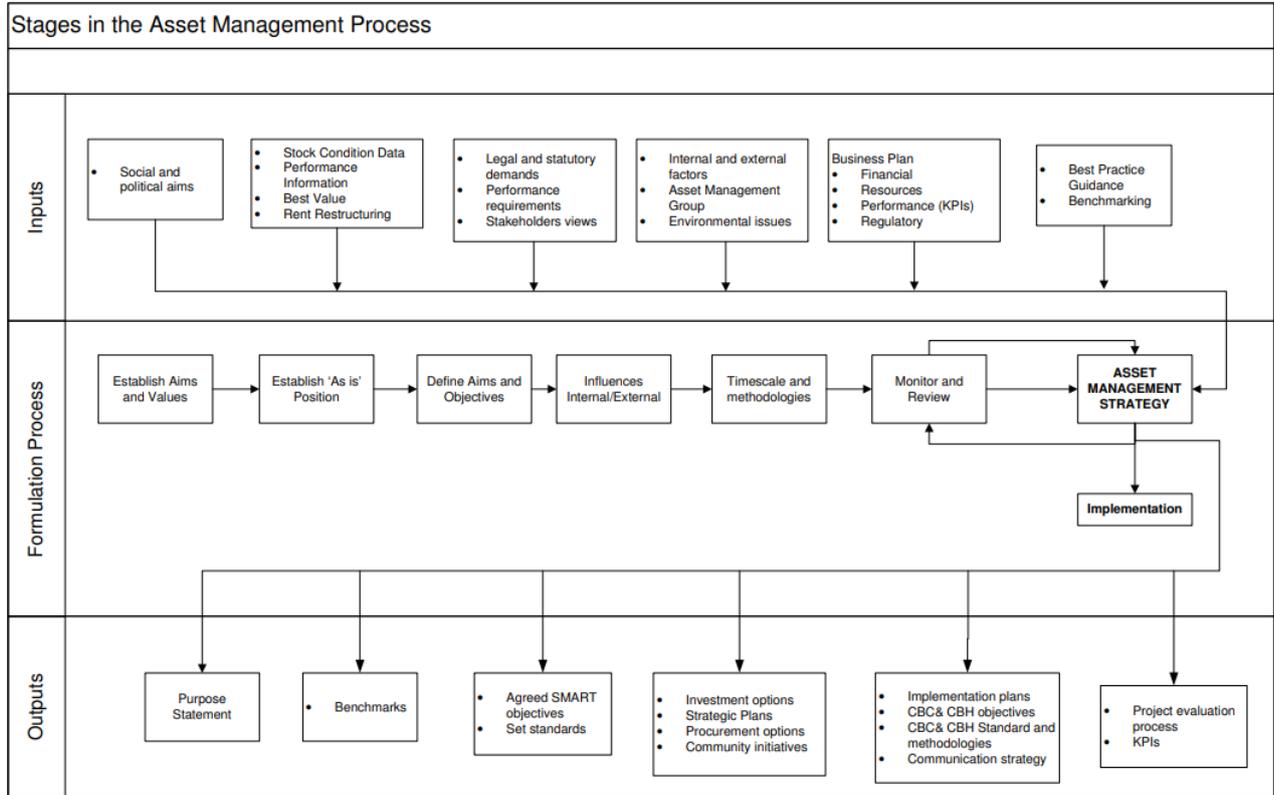
- Regular stock condition surveys, to determine requirements;
- A comprehensive Asset Management Database, Northgate, to store and maintain data;
- The Asset Management Group, a stakeholder working group;
- The Council's Standard, our desired specification;
- A viability model – to identify high cost and/or low demand properties;
- A skilled and motivated workforce;
- Resident and community involvement;
- Performance monitoring and benchmarking;
- A robust Financial Plan;
- Effective procurement of works and services;

- An effective Works Delivery Programme;
- Close working in partnership with all stakeholders; and
- Recorded Policies and Procedures.

What are the key concepts of the Asset Management Strategy?

- To gather and maintain reliable data about the stock and its condition;
- To make effective use of asset data;
- To employ an Asset Manager to manage these issues;
- To maintain the Decent Homes Standard and to deliver an agreed local 'The Council's Standard';
- To undertake as much work as possible in a pre-planned way;
- To undertake the least possible amount of work reactively;
- To undertake limited work on void properties, unless catching-up where works have previously been refused;
- To assess the viability of the housing stock;
- To procure cost effective works and services;
- To deliver works and services efficiently with disruption to residents minimised;
- To tackle agreed priorities on a 'worst first basis with the health and safety of residents a priority; and
- To continue to explore the options for regeneration and the development of new stock to meet the housing needs of local people.

Appendix 2 – Stages in the Asset Management Process



Appendix 3–draft Terms of Reference for the Asset Management Group

Mission Statement

“To facilitate and oversee the effective asset management of the housing stock owned and managed by the Council, implementing programme delivery, with input from all relevant stakeholders, also ensuring Health and Safety compliance at all times where required”

Objectives of the Asset Management Group

The core objectives of the Asset Management Group (AMG) are:

- To provide a forum where key stakeholders can meet and openly discuss asset management issues;
- To provide a focal point for both inputs and outputs of the repairs and maintenance decision making process;
- To act in the best interests of the assets in a holistic, local, context;
- To identify and manage risk;
- To develop, review and monitor asset management key performance indicators (KPI);
- To review the Asset Management Strategy (AMS) not less than once a year;
- To prompt and review inputs into the Group (such as condition data reports for example);
- To consider the priorities for work programmes in the context of obligations, policies, stock condition and viability;
- To formulate and monitor re-investment programmes;
- To consider the impact of re-investment decisions; Colchester Borough Council Standard and Preferred Materials Specification;
- To ensure that all proposals are sustainable and affordable within the context of the Business Plan and represent good value at an appropriate cost;
- To set the parameters for and to assess the outputs of the Viability Model;
- To undertake options appraisals in respect of red and amber category stock, as identified by the Viability Model and defined with the Viability Assessment Process;
- To make recommendations to the exec group for action, following options appraisal, for stock that is considered not to be viable in its current form;
- To explore wider action initiatives and their associated funding options (such as grant funding for example);
- To provide reports to the exec group and other stakeholders on the most effective and best value expenditure strategy for future work and the progress of current programmes;
- To devise and agree tools for measuring and benchmarking the performance of the delivery of programmes of work;
- To facilitate wide resident consultation and to ensure effective and timely communication;
- To consider and provide recommendations in terms of any ‘challenge fund projects’ such as environmental improvements;
- To listen to the views and proposals of all stakeholders;
- To work closely with those responsible for new build development and regeneration activity and to identify opportunities for new build with reference to the performance of the existing stock; and
- To review where smart home technology can be incorporated into the Council’s assets, with a view to driving down future maintenance costs;

Summary of Asset Management Group Objectives and Function

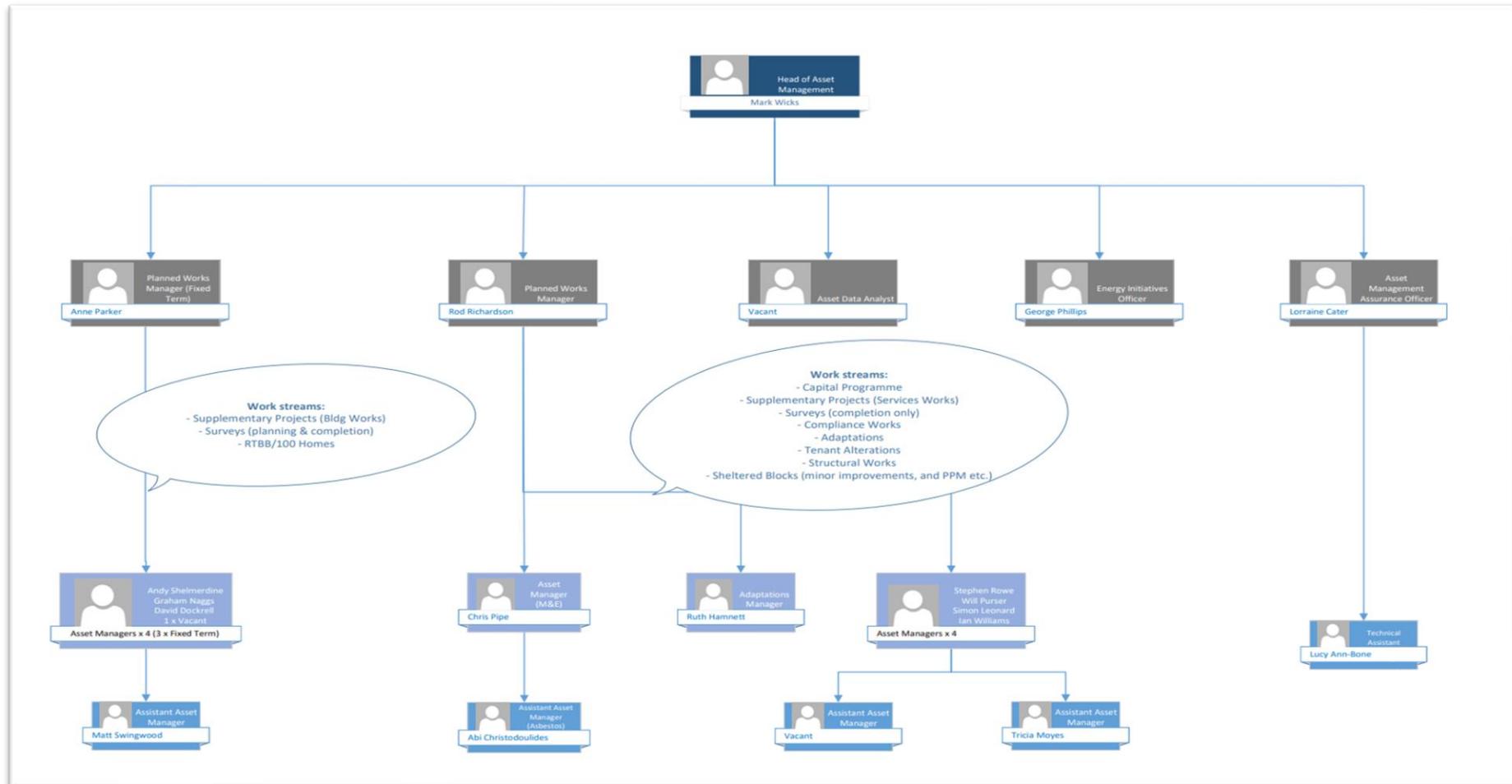
The Asset Management Group exists in order to provide a forum to discuss and make recommendations in respect of housing asset management issues in an inclusive and even-handed way. The Group should not be

influenced by political aspirations and should act only in the best interests of the assets and their users. The Group will be made up of representatives of CBC and CBH.

The Group should assess all inputs and in particular should use up-to-date stock condition survey data, as this forms the cornerstone of any successful asset management system. Inputs should be used to make informed decisions about re-investing in the stock (noting that 'investment' relates to the initial provision of a new asset).

The recommendations of the Group (outputs) should then be approved by the exec group for implementation (delivery) by staff.

Appendix 4- CBH Asset Management Staff Structure



Appendix 5 - ABBREVIATIONS USED IN THE STRATEGY

AIM	Asset Investment Model
Colchester Borough Council	The Council
COVID-19	Corona virus
DHS	Decent Homes Standard
DLUHC	Department of Levelling Up Housing & Communities and Local Government (formerly MHCLG)
ECO	Energy Company Obligations
EPC	Energy Performance Certificate.
HAMS	Housing Asset Management Strategy
HCA	Homes and Community Agency (now RSH)
HHSRS	Housing Health and Safety Rating System
LGSR	Landlords Gas Safety Record
NPV	Net Present Value
NZC	Net Zero Carbon
RdSAP	Reduced Standard Assessment Procedure
RSH	Regulator of Social Housing
RTB	Right to Buy
SAP	Standard Assessment Procedure
SHDF	Social Housing Decarbonisation Fund

Appendix 6 Resident Engagement Survey Results

Questions Responses **24**

24 Responses

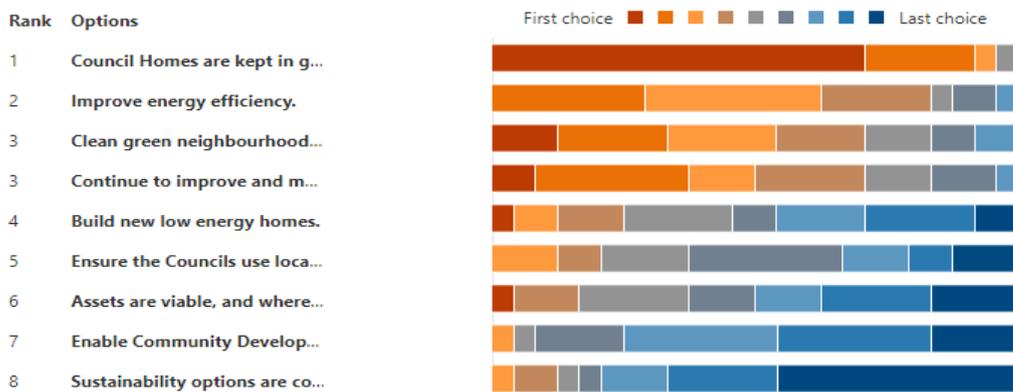
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Active Status

[View results](#) Open in Excel

1. With 1 being the highest priority and 10 the lowest priority, how would you rank the 10 activities. Please use the arrows to move priorities up and down.

[More Details](#)



2. Are there priorities which you believe are missing from the list? please tell us here:

[More Details](#)

[Insights](#)

10
Responses

Latest Responses

- "How leaseholders will be intrgated into the strategy without burdeni...
- "inform tenants of the work to upgrade properties using age and wha...
- "Consider the local infrastructure when you start planning new housi...

3 respondents (30%) answered **properties** for this question.

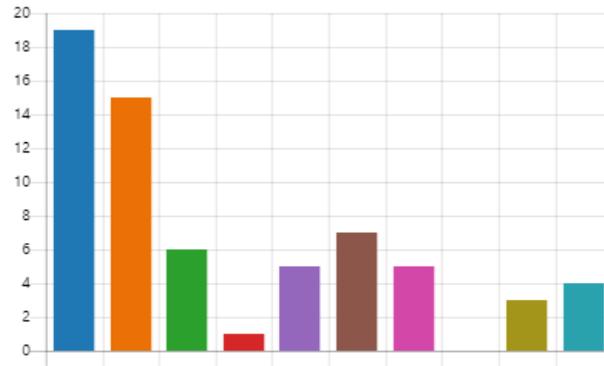


3. It is proposed to introduce an Estates Standard this will set objectives for how we manage communal areas on your Estate.

Name 3 things you would like to see in the new Standard. (please only tick 3)

[More Details](#)

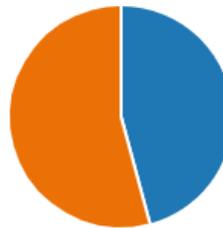
● Security	19
● Lighting	15
● More recycling bins	6
● More cycle and mobility stora...	1
● Electric vehicle charging	5
● Open spaces	7
● More trees and shrubs	5
● Allotments	0
● Water butts	3
● Other	4



4. Would you like to know more about climate change and the approach CBC and CBH taking towards this?

[More Details](#)

● Yes	11
● No	13



Appendix 7: The HAMS Action Plan

A number of actions have been identified to enable Colchester to align with sector best practice in housing asset management:

Good Governance of Asset Management

- 1 Approve and adopt the updated HAMS;
- 2 Review the function and outputs of the Asset Management Group;
- 3 Work closely with the CBC's new Client for Affordable Housebuilding to develop and agree a Development Strategy that aligns with the AMS and delivers new development strategically and not opportunistically.
- 4 Review the CBH Standard for both internal and external/estate areas & common parts, as well as specialised buildings, e.g., sheltered blocks, taking into account net zero carbon and sustainability objectives;
- 5 Review impact of 'Housing Disrepair' and develop a policy and procedure to address financial and reputational risk to CBC; and
- 6 Undertake a review of non-access to deliver compliancy activities, repairs, and major works, consider best practice, and the need for a Non-Access Policy and Procedure to address health and safety obligation, the delivery of the Home Standard and the need to keep the stock in good condition and deliver strategic objectives such as improved energy efficiency.

Good Stock Knowledge and keeping in Good Condition

- 7 Complete the transfer of Asset Management Data from Codeman to Northgate PS and receive relevant training on the new functionality of this database;
- 8 Continue to provide a rolling programme of stock condition surveys (20% per year) to improve the quality and accuracy of the asset data held;
- 9 Commence review and engineering appraisal of the non-traditional property structures to ensure that they are sound and to validate the re-investment levels over the business planning term;
- 10 Collate data on other 'related assets' and consider opportunities (using geographic information systems [GIS] mapping to identify neighbouring opportunities); and
- 11 Review and consider the options for delivery of backlog works programmes due to impact of rent reduction and Covid-19.

Stock Financial Sustainability

- 12 Updated whole stock Viability Model; Including reviewing properties leased to social landlords (approximately 30) many on peppercorn rents;
- 13 Review Options Appraisal template and commence appraisals;
- 14 As part of the development of HIP evaluate future uses and needs of garage and car parking sites.
- 15 Review the procurement and value for money of core service delivery activities, cleaning, grounds maintenance repair cyclical and planned major works;
- 16 Review and update the Procurement Strategy during 2022 considering changes to procedures following BREXIT and recommendations following the review of the HAMS;
- 17 Consider optional 30-year business plan delivery profiles (with various standards and allowing for agreed objectives and emerging needs) and agree a preferred solution and prepare final version of the 30 -year Business Plan; and
- 18 Develop a new 5-year programme of works based on agreed business plan profile.

Building Safety

- 19 Undertake an independent audit of health and safety compliance activities and follow HSG65;
- 20 Fully comply with the Fire Safety Act 2021 to ensure the delivery of good practice in fire safety management.
- 21 Undertake a review of high-risk blocks with CBH's Fire Safety Adviser, such as those with vulnerable residents or with possible combustible cladding, and where assessed as necessary commission Type 4 Fire Risk Assessments.
- 22 Keep under review and implement relevant recommendations in preparation for the enactment of the Building Safety Bill and thereafter ensure full compliance;
- 23 Undertake a review of the systems in place for delivering the main regulatory compliancy requirements, ensuring there is clear understanding of the of roles and responsibilities between CBC and CBH , as well as up to date policies and procedures;

Addressing the Climate Emergency

- 24 Undertake an Environmental Impact Assessment to identify stock at risk of climate change impact and consider any mitigation measures for such risks as flooding and overheating;
- 25 Work with the CBC to adopt a Sustainability Strategy for housing which aligns with the Councils own sustainability objectives and agrees actions to be adopted;
- 26 Consider joining a sustainability network group to benchmark performance and assist in setting measurable objectives;
- 27 Implement Portfolio (energy efficiency modelling software) to undertake an appraisal of the stock to determine action required to deliver energy efficiency measures, to all properties, where practicable to, EPC band C by 2030 and the delivery of Net Zero Carbon Emissions before 2050, CBC would ideally like to do this by 2040 or before if feasible.
- 28 Development of a retrofit plan for the stock to meet net zero carbon target which will be aligned with future major works projects to minimise disruption to residents and ensure works are delivered efficiently;
- 29 Identification of grant and other funding to support retrofit works;
- 30 Development of a plan for delivering retrofit in accordance with the principals of PAS 2035; and
- 31 Review internal resources available to deliver EPC Band C to all properties and Net Zero Carbon to ensure compliance with PAS 2035 or equivalent.

Resident engagement

- 32 Review and implement recommendation contained in the Social Housing White Paper 2020 in regard to consulting with residents on service delivery; (note STAR survey being carried out in 2021); and
- 33 Review the approach to be taken to engage with resident groups to deliver the Climate Emergency Agenda, both to deliver retrofit works to homes and environmental sustainability.

Appendix 8: The Colchester Standard

In 2011 Ridge were commissioned to write the Colchester Standard. This was divided into three parts as follows:

Volume 1 – Summary and General Standards

This volume provides an overview of the Standard, setting out the general principles to be applied in using the Standard, and outlining issues that have been considered in its development.

Volume 2 - Preferred Materials – Output Requirements

This volume outlines the materials standards and any additional technical requirements.

Volume 3 – Policies and Procedures

This volume includes all of Colchester's policies and procedures which relate to asset management. These include the void and responsive repairs standard, asbestos policy and procedures, fire risk assessment policy, equality, and diversity policy etc.

The standard is now in need of updating to address changes to legislation, policies, and the need for new Standards , for example and Estates Standard.



Colchester Standard Volume 1

Summary and General Standards

May 2011

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F: 01993 815002
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Contents:

1.0 OVERVIEW AND SUMMARY	ERROR! BOOKMARK NOT DEFINED.
2.0 INTRODUCTION	ERROR! BOOKMARK NOT DEFINED.
3.0 CONTEXT AND GENERAL PRINCIPLES	ERROR! BOOKMARK NOT DEFINED.
4.0 GENERAL STANDARDS - TECHNICAL	ERROR! BOOKMARK NOT DEFINED.
5.0 LIFECYCLES	ERROR! BOOKMARK NOT DEFINED.
6.0 RESIDENT CHOICE	ERROR! BOOKMARK NOT DEFINED.



Colchester Standard Volume 2

Preferred Materials – Output Requirements

May 2011

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3.0 BATHROOMS	ERROR! BOOKMARK NOT DEFINED.
4.0 HEATING & INSULATION	ERROR! BOOKMARK NOT DEFINED.
5.0 ELECTRICS	ERROR! BOOKMARK NOT DEFINED.
6.0 HIGH LEVEL AND ROOFING WORKS	ERROR! BOOKMARK NOT DEFINED.
7.0 DOORS & WINDOWS	ERROR! BOOKMARK NOT DEFINED.
8.0 PAINTING & REPAIRS	ERROR! BOOKMARK NOT DEFINED.



Colchester Standard Volume 3

Policies and Procedures

May 2011

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Contents:

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2.0 VOID STANDARD	ERROR! BOOKMARK NOT DEFINED.
3.0 ASBESTOS POLICY	ERROR! BOOKMARK NOT DEFINED.
4.0 FIRE RISK ASSESSMENTS	ERROR! BOOKMARK NOT DEFINED.
5.0 PLANNED MAINTENANCE POLICY	ERROR! BOOKMARK NOT DEFINED.
6.0 EQUALITY AND DIVERSITY POLICY	ERROR! BOOKMARK NOT DEFINED.

Appendix 9: Asset Management Strategy 5- and 30-Year Cost Tables

Asset Management Strategy Cost Tables 2022- 2027 - FINAL

v2. 20.12.21

Capital Programme 2022- 2027

Work Programme	Year 1	Year 2	Year 3	Year 4	Year 5	Total
	2022/23 000,000's	2023/24 000,000's	2024/25 000,000's	2022/26 000,000's	2025/26 000,000's	2022/27 000,000's
Capital Voids	0.350	0.350	0.350	0.350	0.350	1.750
Emergency Capital	0.350	0.350	0.350	0.350	0.350	1.750
Water main replacement	0.050	0.050	0.050	0.050	0.050	0.250
Compliance Assurance	0.076	0.077	0.078	0.079	0.079	0.389
HHSRS	0.150	0.080	0.150	0.100	0.150	0.630
New - Revised Decent Homes	0.300	0.300	0.300	0.300	0.300	1.500
NEW - Building Safety	0.500	0.500	0.500	0.750	0.750	3.000
Insulation Works (Loft and Cavity)	0.050	0.050	0.050	0.050	0.050	0.250
NEW - Net Zero Carbon Works	0.000	0.503	0.503	0.503	0.503	2.012
NEW - Surveys/review of non-Trad	0.150	0.000	0.000	0.000	0.000	0.150
Roof - Flat	0.650	0.210	0.350	0.250	0.300	1.760
Roof - Pitched	0.290	0.200	0.450	0.400	0.803	2.143
Structural	0.120	0.120	0.120	0.120	0.120	0.600
Windows & Doors	0.980	0.650	0.670	0.650	0.900	3.850
Kitchens	0.750	0.525	1.100	1.100	1.650	5.125
Heating	0.500	0.260	0.350	0.250	0.725	2.085
Bathrooms	0.750	0.550	0.750	0.550	0.750	3.350
Re-wires (EICRs)	0.420	0.420	0.420	0.420	0.420	2.100
Asbestos	0.685	0.635	0.635	0.635	0.635	3.225
Legionella	0.050	0.050	0.050	0.050	0.050	0.250
Fire Safety	0.100	0.020	0.020	0.020	0.020	0.180
External Replacements	0.010	0.010	0.010	0.010	0.010	0.050
Estates & Boundaries	0.100	0.100	0.100	0.100	0.100	0.500
Highways	0.300	0.200	0.250	0.250	0.250	1.250
Block Communal Improvements	0.187	0.075	0.200	0.180	0.200	0.842
Sheltered Works	0.460	0.450	0.500	0.520	0.580	2.510

RIDGE

Stock Condition Surveys	0.110	0.110	0.110	0.110	0.110	0.550
Green Fund	0.056	0.057	0.058	0.059	0.060	0.290
Contingency	0.250	0.250	0.250	0.250	0.250	1.250
TOTAL	8.744	7.152	8.724	8.456	10.515	43.591
HIP Works	3.400	2.405	3.290	2.970	4.445	16.510

Sheltered Review

Scheme	7.200	2.650	7.000	2.650	1.000	20.500
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Garage Review

Refurbishment	0.200	0.200	0.200	0.200	0.200	1.000
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Other HRA Projects

RTBB Works and Fee	0.420	0.450	0.000	0.000	0.000	0.870
100 Homes Works (Void, Energy, Fee)	0.000	0.000	0.000	0.000	0.000	0.000
Supplementary Projects	1.200	0.000	0.000	0.000	0.000	1.200
Sub Total	1.620	0.450	0.000	0.000	0.000	2.070

Sub Total	17.764	10.452	15.924	11.306	11.715	67.161
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Aids & Adaptations	0.200	0.200	0.200	0.200	0.200	1.000
	0.400	0.400	0.400	0.400	0.400	2.000
Capital Overhead	1.296	1.296	1.296	1.296	1.296	6.480

TOTAL	19.660	12.348	17.820	13.202	13.611	76.641
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Revenue Programme 2022 - 2027

	Year 1	Year 2	Year 3	Year 4	Year 5	Total
Work Programme	2021/22	2022/23	2023/24	2024/25	2025/26	2021/26
	000,000's	000,000's	000,000's	000,000's	000,000's	000,000's
Repairs	2.631	2.552	2.552	2.552	2.552	12.839
Revenue Voids CBH	0.607	0.607	0.607	0.607	0.607	3.035
Revenue Voids CBC	0.382	0.382	0.382	0.382	0.382	1.910
Gas Servicing	0.803	0.803	0.803	0.803	0.803	4.015
Servicing Contracts CBH	0.063	0.063	0.063	0.063	0.063	0.316
Servicing Contracts CBC	0.283	0.283	0.283	0.283	0.283	1.415
Internal / External Painting	0.477	0.477	0.477	0.477	0.477	2.387
Fencing	0.162	0.162	0.162	0.162	0.162	0.811
Garages (Revenue)	0.043	0.043	0.043	0.043	0.043	0.214
Sewage Plant Repairs	0.011	0.011	0.011	0.011	0.011	0.056
External Servicing	0.070	0.070	0.070	0.070	0.070	0.352
Total	5.534	5.454	5.454	5.454	5.454	27.351
Total Capital & Revenue Budget	25.194	17.802	23.274	18.656	19.065	103.992

30 Year Cost Summary for 2022-2052 using Codeman data from Oct 2021

Table 1 - Cost Summary 2022-52 - (General Needs and Sheltered) from SAM - Planned

Note: Figures exclude VAT, inflation, fees and management costs

	Year 1 2022/23	Year 2 2023/24	Year 3 2025/25	Year 4 2024/26	Year 5 2026/27	Years 1-5 2022-27	Year 6-10 2028-32	Year 11-15 2033-38	Year 16-20 2039-2042	Year 21-25 2043 - 2046	Year 26-30 2047-52	Total
Capital works (sub-total) =	£17,596,882	£10,230,178	£15,677,497	£11,059,548	£11,442,641	£66,006,745	£47,871,101	£38,718,828	£53,285,226	£96,785,430	£65,618,149	£369,535,479
Revenue (sub-total) =	£6,134,000	£6,134,000	£6,134,000	£6,134,000	£6,134,000	£30,670,000	£30,670,000	£30,452,200	£30,452,200	£30,452,200	£30,452,200	£183,148,800
Total	£23,730,882	£16,364,178	£21,811,497	£17,193,548	£17,576,641	£96,676,745	£78,541,101	£69,171,028	£83,737,426	£127,237,630	£96,070,349	£552,684,279

Notes:

1. Figures are taken from Codeman Dec 2021 using 'Planned' & 'Decency' data
2. Decency data is only available for first ten years, beyond this, judgement was applied.
3. No inflation applied
4. Catch-up repairs in years 1-30 is assumed at 25%.
5. Cost per property over 30 years = £94,250.39 (based on stock of **5,864** including SH refurbishment & NZC). Figure for last year was £79,175.61 (based on stock of 5,874).



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