



2018-2022

Housing Asset Management Strategy



Colchester Borough Council & Colchester
Borough Homes

Glossary:

| | |
|----------------------|---|
| AMG | Asset Management Group |
| CBC | Colchester Borough Council |
| CBH | Colchester Borough Homes |
| Colchester | the borough of Colchester – all CBC wards |
| CMG | Capital Monitoring Group |
| DDA | Disability Discrimination Act |
| HRA | Housing Revenue Account |
| KPI | Key Performance Indicator |
| Performance Measures | Performance measures generally means regular measurement of outcomes and results, which generates reliable data on the effectiveness and efficiency of programs or resources (human resources, employee time, funding) used to conduct activities and provide services. |
| PVCu | ‘PVC’ stands for Polyvinyl Chloride. The ‘U’ stands for Un-plasticised. The basic material properties of PVCu make it ideal for window and door application. Is also sometimes referred to as uPVC which means the same thing. |
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1. Executive Summary

Effective asset management and a close working relationship between Colchester Borough Council (CBC) and Colchester Borough Homes (CBH) are fundamental to the successful delivery of an excellent service that meets organisational objectives, within the context and allowances of the Housing Revenue Account (HRA) Business Plan.

This updated document is our third Asset Management Strategy (AMS) and aims to reflect best practice while recognising the challenges and financial constraints that Colchester faces in the current social housing environment.

The housing stock is located in an area of relatively high demand; it comprises a mix of flats within blocks and street properties.

The Asset Management Strategy supports the aim of the [CBC Housing Strategy 2015-20](#):

“To make Colchester a place where people choose to live in a decent, safe home which meets their needs, in locations and neighbourhoods that are sustainable and desirable, and to improve the quality life of local residents”

Strategic Asset Management Objectives

We wish to ensure that the housing stock and related assets that we manage:

1. Are appropriately maintained in accordance with an agreed Colchester Standard on an agreed programme cycle
2. Meet all regulatory standards and Landlord Obligations
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 resident satisfaction (with both the property and the neighbourhood)
7. Can be heated efficiently and cost effectively (whilst reducing the overall environmental impact)
8. 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
9. Contribute positively to the local community.

In order to deliver its Asset Management strategy, CBC must ensure that the requirements of the stock are affordable in the context of its HRA Business Plan, and that the Business Plan is ‘joined up’ with competing pressures for Housing Revenue Account (HRA) finance and the outcomes of its recent Housing Futures Programme.

The Housing Future programme has been a joint CBC and CBH Officers’ project to consider ways to close the gap within the Business Plan through increased income or reduced expenditure.

In March 2017, CBC's Cabinet and CBH's Board agreed the priorities for the HRA Business Plan and based on these priorities and objectives a review of the investment plan was undertaken.

The main impacts of the Housing Futures Programme are reflected in this asset management strategy

- Reduction of £6m over years two to five of capital improvement works
- Ending of Sheltered Housing Refurbishments (previously £2m per year).

At present there are no plans for mass stock rationalisation or disposal, or the regeneration of estate areas. A few ad hoc disposals of high cost or low demand properties occur as and when appropriate.

Priority reinvestment issues

Following the impact of the Housing and Planning Act and the 1% rent cut in 2016 leading to the revised HRA Business Plan, a set of principles were established to ensure the investment required within the stock maintained lettable properties whilst working to a reduced budget.

The principles are:

- Move to an investment programme where replacement is undertaken wherever possible based upon target age 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.
- Continuous review and value engineering where possible of our capital investment specifications.

Principles for Delivery

To deliver our asset management objectives, we will:

1. Develop programmes of work from the asset data, based upon agreed area and delivery method objectives (over a programme period of not less than 5 years)
2. 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
3. Undertake options appraisals (following an agreed process) of stock that fails to meet the requirements of 'core stock' or where appraisal is otherwise desirable
4. Consider the impact of all proposals on tenants and leaseholders
5. Listen to the views and aspirations of all stakeholders
6. Consider opportunities for 'joined-up' wider area regeneration and for the development of new accommodation that meets the housing needs of the wider community
7. Work closely in Partnership with, to inform and be informed by Colchester Housing Company Amphora Homes
8. Assess the condition, performance and opportunities associated with related assets (including garages for example)
9. Undertake as much work as possible in a pre-planned way, thus reducing reactive works to a minimum
10. Procure works and services for delivery that provide best value for money and good standards of quality
11. Improve the quality and currency of the asset data held, through undertaking regular stock condition surveys
12. Maintain an Asset Management Group (with all key stakeholder groups represented), this group will review and monitor proposals, objectives and delivery
13. Work with residents through tenancy audits to ensure that homes are being looked after
14. Support a professional asset management team, responsible for all 'planning' as opposed to 'delivery' functions
15. Actively manage, maintain and use our asset data within our Asset Management Database
16. Obtain updates on condition records through a range of sources, including data on works completed
17. Actively obtain and then manage data relating to health and safety compliance, acting promptly to tackle any issues or matters for concern.

Performance Measures

We regularly monitor our asset management performance, including the following performance measures:

1. Proportion of stock meeting the Decent Homes standard
2. Progress of the Capital Programme
3. Average SAP rating
4. Estimated CO₂ emissions
5. Demand for homes
6. Yield or Net Present Value (NPV) per property/block (ideally with an increasing NPV)

- over time)
7. Customer satisfaction with:
 - a. the home
 - b. the neighbourhood
 - c. works
 8. Health and Safety compliance
 9. Local economic investment
 10. Added social value.

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 proactive 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 Colchester Standard
6. Maintenance of effective standards of governance and accreditations (such as BSI 9001, 14001 and 18001)
7. Complaints handling.

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3. Introduction and Vision

Purpose

In the context of social housing, we cannot charge open market rents. We must therefore operate with a Housing Revenue Account (HRA) Business Plan that delivers good quality housing and services in a cost-effective way. Care is needed to ensure that a balance of these factors is maintained to ensure sustainability. The Asset Management Strategy fundamentally needs to balance assets and needs:

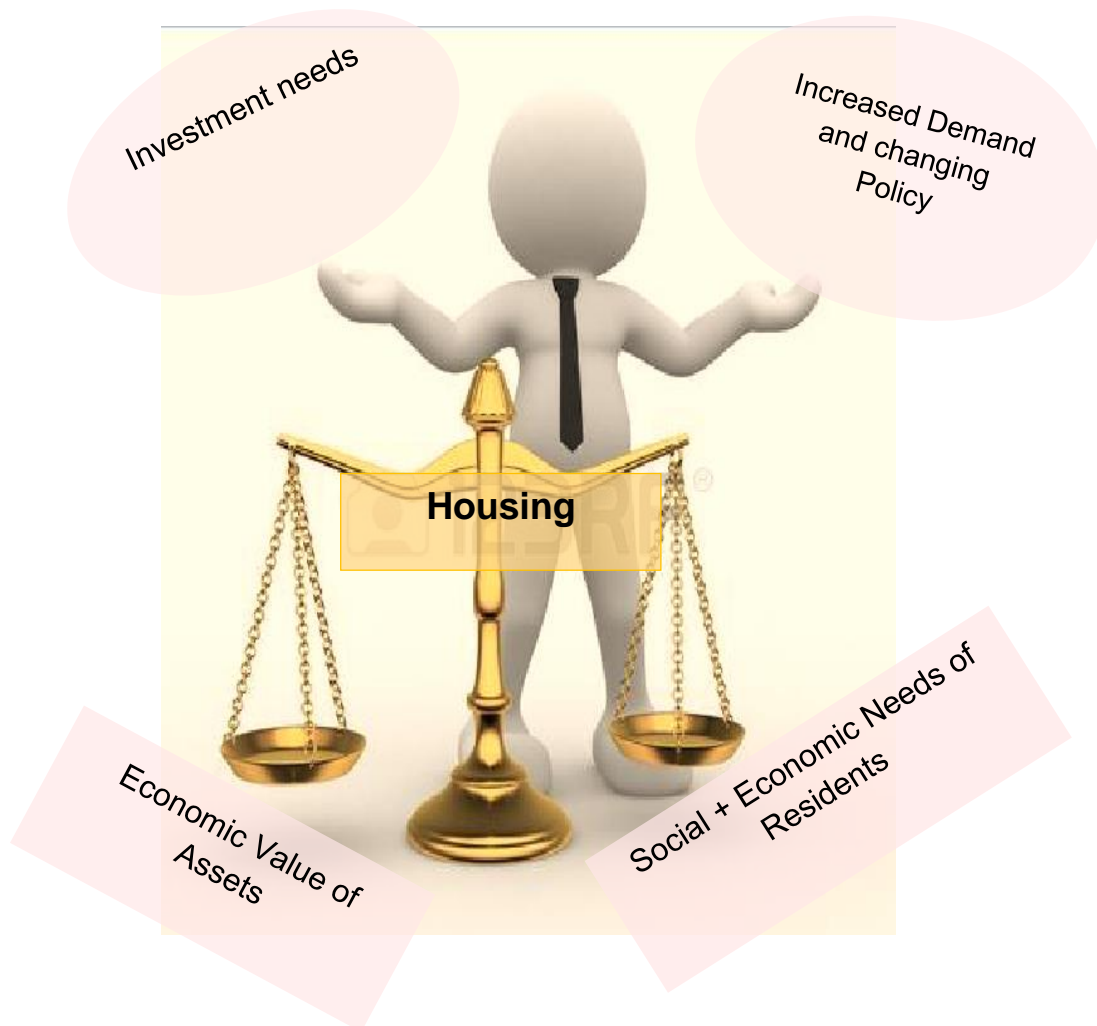


Figure 1 Asset Management Strategy Purpose

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

- To define our position on strategic and active 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 reinvestment required over the next 30 years, in line with the standards and policies referenced in this strategy
- 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
- To establish frameworks and templates for monitoring, recording and evaluating performance.

Vision and objectives

The Asset Management Strategy supports the aim of the [CBC Housing Strategy 2015-20](#), which was agreed in consultation with stakeholders, staff and residents:

“To make Colchester a place where people choose to live in a decent, safe home which meets their needs, in locations and neighbourhoods that are sustainable and desirable, and to improve the quality life of local residents”

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.

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.

| Our aims | How we will achieve them |
|--|--|
| Provide a high standard of social housing | <ul style="list-style-type: none"> • Maintain the Colchester Standard • Provide energy efficient, comfortable homes that residents are proud to live in |
| Provide customer focused, high quality services to residents | <ul style="list-style-type: none"> • 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 • Empower and encourage residents to participate in and shape the services they receive • Use complaints and customer feedback positively, to learn, and improve services that maintain a high degree of customer satisfaction |
| Support and contribute to the relevant strategic objectives of partner organisations | <ul style="list-style-type: none"> • Operate with a sustainable Business Plan • Work with all partners to provide value for money, quality solutions and continuous improvement across all services and • Make services available and easily accessible to all the community, including 'hard to reach' groups |
| Be an outward looking, learning organisation at the forefront of innovation and development in the housing sector | <ul style="list-style-type: none"> • Maintain ISO 9001 (Quality Assurance) accreditation and 14001 (Environmental) for Property Services • Maintain ISO 18001 (Occupational Health and Safety Management (OHSAS)) for CBH. |

We aspire to maintain the Colchester standard which is based on the now-obsolete Government Decent Homes Standard.

The Colchester Standard is one of a number of 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 base. Within the constraints of the finances available, we therefore propose to deliver a plan as a part of an effective and sustainable reinvestment programme.

Local 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.

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. The demand for social housing in Colchester is greater than levels of available social housing. As a consequence of limited supply and the lack of affordable housing options, Council housing stock is in high demand.

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 2015 (326 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.

Housing need in Colchester

The prevention of homelessness, supporting homeless people and meeting wider housing and support needs is a priority for Colchester. We work with a wide range of partners from statutory, voluntary and charitable organisations to enhance the delivery of our Housing Solutions services. A wide range of temporary accommodation is provided, including private lets, by CBC through local housing providers.

New lets are increasingly required for housing applicants with a support need, and an increasing number require adaptation to homes to make them suitable.

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. Support is provided and charged through a local service charge to tenants.

Right to Buy sales continue to reduce the housing stock with around 40 sales annually. Colchester's Housing and Homelessness strategies evidence that the highest demand is for two-bedroom accommodation. Three bedroom and larger homes are increasingly in demand due to more limited supply, and benefit restrictions in the private sector impacting significantly on larger households.

Colchester operates a choice-based lettings system as part of the Greater Haven Gateway sub-region. 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.

These strategies can be found by following the links below:

<http://www.colchester.gov.uk/housingstrategy>

<http://www.colchester.gov.uk/homelessnessstrategy>

In summary, the evidence base found:

- A pattern of declining average household size combined with a growing population, which means there will be a requirement for additional housing
- The significant growth in the over 65 population has implications for the type of new homes and the services needed to support independent living, whether that be in their existing homes or in a new one
- Owner-occupation declined between 2001 and 2011. Data on affordability and house prices gives us some indication as to why this is, but the picture is more complex
- The Private Rented Sector has grown significantly. However, our evidence shows that private rents are not affordable for the majority of households and significant numbers of working households rely on housing benefit to help with their housing costs. Caps on the amount of housing benefit which is allowed have had little impact in bringing rents down.
- The demand for affordable rented housing still continues to outstrip supply. The revived Right to Buy continues to contribute to the decline in available local authority homes
- Housing can make a significant contribution to health and wellbeing.

Housing need within Colchester borough is dominated by a requirement for 'general needs' social rented accommodation. Most need equates to family-sized accommodation, and there is also a need for single person accommodation. For older people, single person accommodation should be self-contained. There is also a requirement for flexible accommodation that can easily be adapted to meet changing needs, such as household growth or ageing in place, in accordance with the principles of 'lifetime homes'.

Whilst there may be a demand for self-contained single person accommodation for working age adults, those under 35 years of age are only (with some exclusions) entitled to shared accommodation due to restrictions on welfare-benefits.

Meeting housing need

The response to housing needs considers factors such as:

- Statutory duties
- External political and social environment
- Supply and demand
- Needs studies and local strategies
- Trend analysis.

Evidence such the Strategic Housing Market Assessment, objectively assessed housing need study, information from Colchester's Housing Register and homelessness applications are used to ensure that new development addresses identified need in appropriate locations at a price that is affordable. This evidence also helps drive strategic investment decisions in Colchester's own housing stock.

With continued evidence of demand outstripping supply, there is a clear need to develop more affordable housing as well as the need to maintain existing housing assets in good condition, if we are to contribute to meeting that need.

If we are to meet the need and demand for additional homes and meet the needs of the economy, our emerging Local Plan will need to allocate enough land for the right number and type of homes in the right place.

We work closely with other local authorities and housing associations to help deliver housing that is targeted at meeting the diverse housing needs of a wide range of people. Colchester is a member of the Gateway to Homechoice choice based lettings partnership. The partnership, through its Housing Register and Allocations Policy, aims to enable the partner authorities to prioritise households who are in the greatest housing need and to maximise their opportunities for rehousing. It also aims to assist in minimising homelessness and reducing the use of temporary accommodation; build community cohesion, enabling tenants to have choice in where they live and encouraging people to contribute positively to their community; and ensure that the choice based lettings scheme enables the best use of stock.

However, these aspirations can only be met if the right stock exists in the right locations with the features and standards which meet identified need.

4. About our Homes

The housing stock

The following tables and charts provide details of the housing stock, as at November 2017.

The stock numbers include general needs properties, leaseholder properties and properties owned by the HRA being leased out to housing associations.

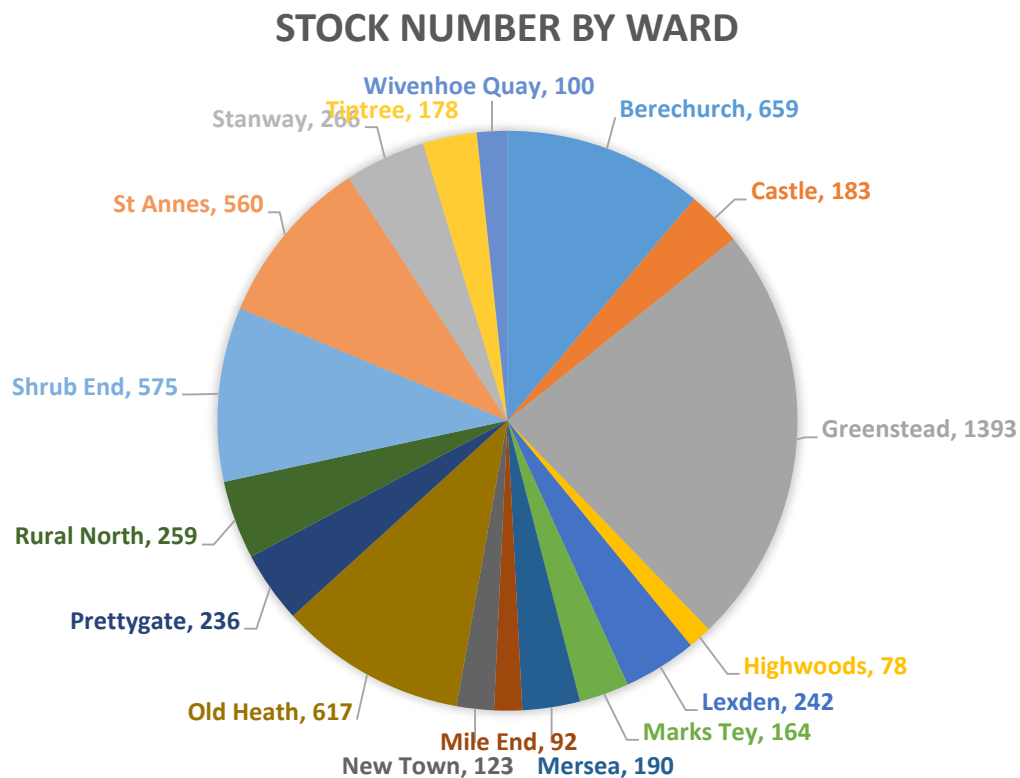


Figure 2 Stock number by ward

The profile of stock by accommodation type is:

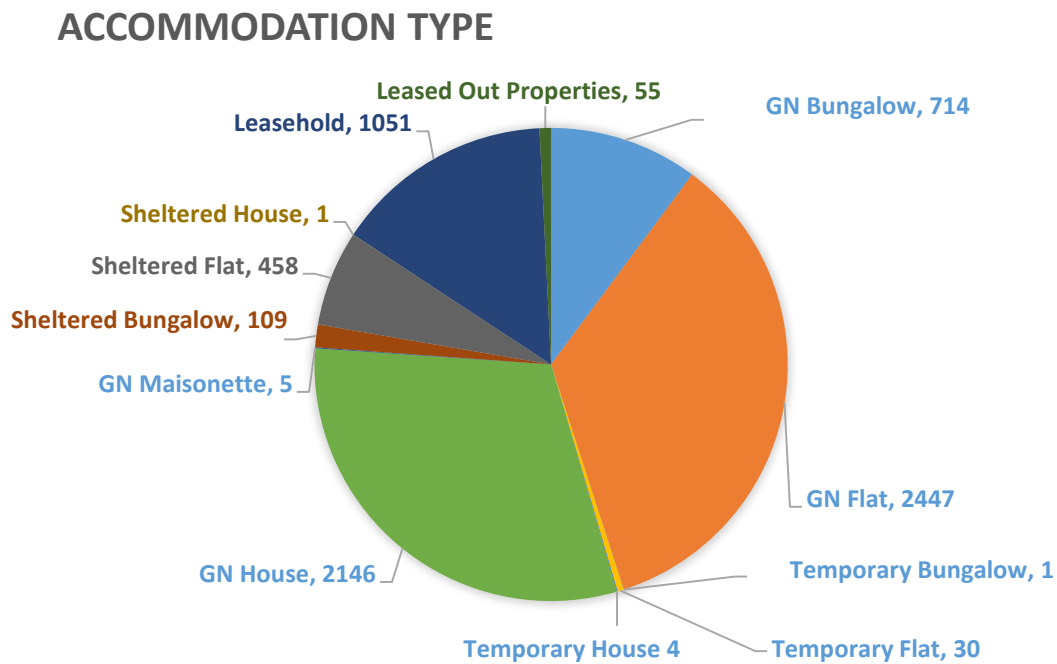


Figure 3 Accommodation Type

The age profile of the stock is shown on this graph:

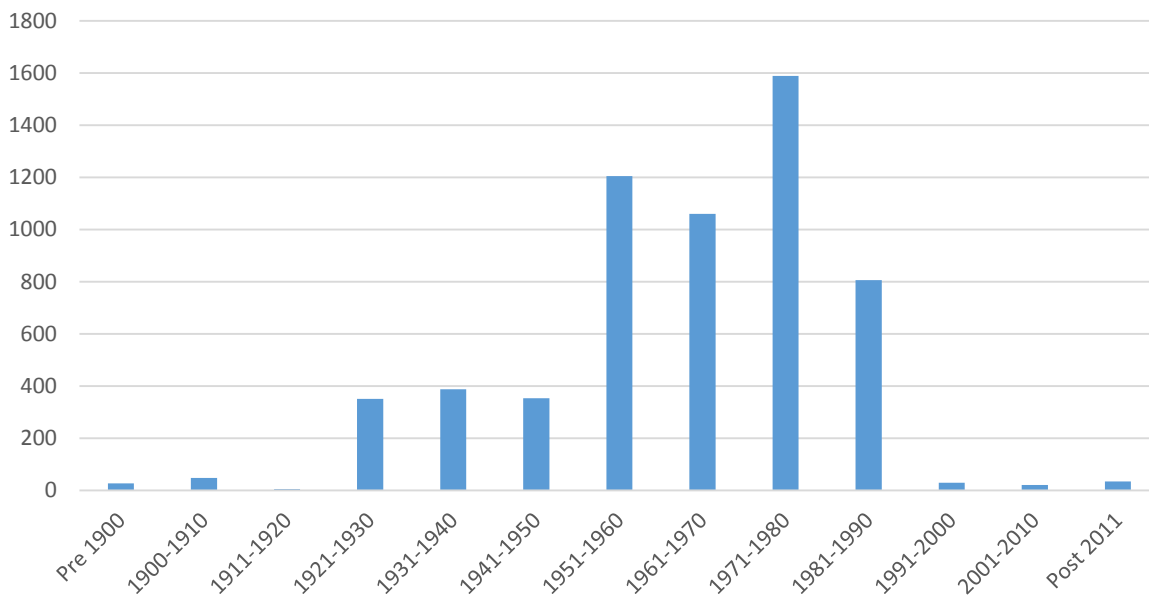


Figure 4 Age profile of stock

There are no high-rise units within the stock; however there are some non-traditionally constructed units:

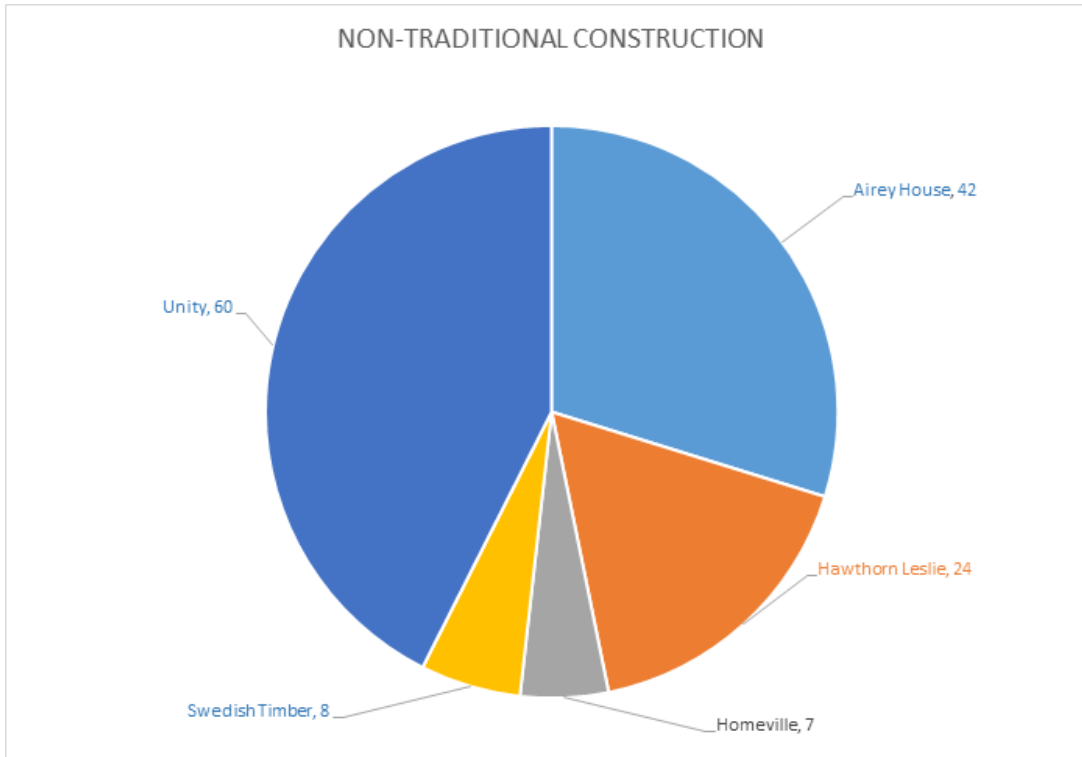


Figure 5 Non-traditional Construction types

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, in order to make them fully mortgage able.

CBC substantially overhauled these non-traditionally constructed units during the 1980s and 1990s. Noting that non-traditionally constructed units can suffer from inherent structural defects, CBH will continue to monitor the structural condition of these dwellings. Typically these inspections occur at void stage; all tests to date have identified that the structures of these units remain in satisfactory condition.

Sheltered housing

Colchester manages 18 sheltered housing schemes and 1 extra care sheltered housing schemes. These provide a total of 600 homes.

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 for the future. During 2017 a focused review of our sheltered housing schemes took place.

As result of the original sheltered housing review undertaken in 2011, CBC and CBH delivered two high-standard, 'fit for the future' sheltered housing schemes which were popular with older people. The disposal of two sheltered housing schemes enabled the CBC to reinvest the capital receipt generated by the sales into the redevelopment of Worsnop House and Enoch House. The financial investment made by CBC delivered on its promise to reduce voids and increase demand. These refurbished schemes have been successful in encouraging tenants who were under-occupying their homes to move to housing which better meets their needs, whilst freeing up much needed family-sized homes.

Every single sheltered housing scheme has received minor improvements in the last five years to ensure that they remain attractive to prospective and existing tenants as well as offering the standard of accommodation to meet older people's needs. Our tenant surveys tell us that our sheltered housing tenants experience high levels of satisfaction with services overall. Tenants also consider that the 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 sheltered housing with shared facilities is still not popular with applicants; the number of bids on vacancies is lower on these homes.

As part of this review, we have amended the Colchester Sheltered Housing Standard to make sure it remains the standard we aspire to for our sheltered housing schemes.

| Definition | Criteria |
|--------------|---|
| Essential | Self-contained units/homes with separate bedroom(s) |
| Essential | Disability Discrimination Act (DDA) Compliant |
| Essential | Self-contained kitchen in each home |
| Essential | Separate accessible bathroom/shower room in each home |
| Essential | Facility to provide storing and charging of mobility scooters |
| Essential | Lifts to all floors |
| Essential | Separate stairwell |
| Essential | Door entry system |
| Essential | Community alarm |
| Essential | Fire Boxes |
| | |
| Optional | Guest Room |
| | |
| Aspirational | Communal space for social activities |
| | |

| | |
|--------------|---|
| Aspirational | Communal laundry |
| Aspirational | Heating to be measured by unit (dwelling/flat) |
| Aspirational | Close to local facilities and/or public transport |
| Aspirational | Individual SAP ratings |

Figure 6 Colchester Sheltered Standard

Colchester currently has four sheltered housing schemes which do not meet the essential criteria of the aspired Colchester Sheltered Housing Standard, but it has been agreed that we retain all four schemes and review in five years' time. Each scheme would continue to be maintained in line with the Asset Management Strategy. It is hoped that in five years' time the financial position of CBC may be different, following the implementation of CBC's Housing Futures project which seeks to reduce expenditure on council stock and services as a result of the impact of the 1% rent reduction.

Leasehold

We currently manage 1,051 leasehold properties spread across the borough. This number is continually increasing via the Right to Buy scheme. 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 terms and conditions 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** - we 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 supply 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 (formerly known as a CP12)
- **Consultation** - We will actively promote involvement opportunities to allow leaseholders access to training programmes and other involvement activities on the same basis as tenants.

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, paths and car parks; at 20 November 2017 there were 2,250 garages.

In 2017 the Asset Management Group (AMG) commissioned a survey of all garage sites and a review of rent strategy, leading to identification of priorities for re-development, refurbishment or to replace. The refurbishment, demolition and replacement of garages is considered annually through the AMG based on cost and demand.

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, paths and car parks will continue to be assessed and, where possible, transferred to Essex County Council.

Colchester's housing management and property services staff pro-actively undertake 'Make a Difference days' jointly with residents and other stakeholders, to assess and address condition and community welfare issues on our estates.

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

Leased out 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 from lease to lease, but significant work has been undertaken in recent years to establish current condition and forecasted investment where the repairing responsibility is with CBC.

5. Strategic Asset Management

HRA Business Plan

The HRA Business Plan and CBH Medium Term Delivery Plan define the resources available for the management and maintenance of the housing stock. There are defined categories to which reinvestment can be directed and also the manner in which the planning and delivery will be regulated and monitored.

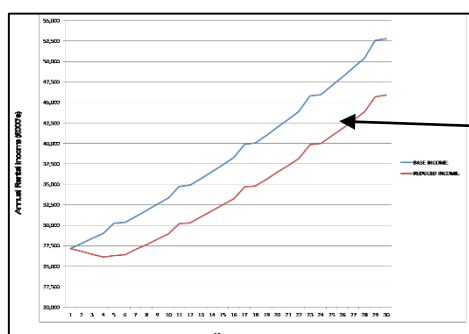
There are a number of constraints imposed on the HRA Business Plan, including:

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

Review of HRA Business Plan 2017

The government introduced a number changes during 2015 and 2016, notably the 1% rent reduction each year to 2020/21 and other measures included in the Housing and Planning Act. These changes undermined the viability of the original HRA Business Plan. The rent reduction resulted in removing £143million of assumed rental income over the life of the 30-year business plan, significantly impacting our capacity to deliver on the plan's objectives.

— Ongoing forecasted Income within the current business plan model
— The is the anticipated income following the rent reduction



The gap between the two lines equates to £143million over the 30 years.

During 2017, CBC and CBH undertook a revision of the HRA Business Plan and Medium Term Delivery Plan, concentrating on the next four years because there are too many unknowns after 2022 such as future rent policy, government policy, potential changes to the borrowing cap ruling and the impact of Universal Credit and leaving the European Union.

The main impacts of the revision are reflected in this asset management strategy:

- Reduction of £6m over years 2-5 of capital improvement works
- Ending of Sheltered Housing Refurbishments (previously £2m per year).

HRA Business Plan – ongoing review

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 monitored by the Asset Management and Capital Monitoring Groups.

We recognise the importance of updating the source data and in the associated schedule of rates and lifecycles, in conjunction with the Colchester Standard and works costs, as these directly inform the Business Plan and Medium Term Delivery Plan. By regularly reviewing component costs and updating the Asset Management Database, CBC aims to ensure that its budgets and Business Plan are aligned with the requirements of the stock.

We are mindful that increases in technological requirements and the continual requirement for increasing service standards demands a proactive and strategic approach to asset management and regular re-consideration of the Medium Term Delivery Plan allowances, so that residents' priorities can be met.

Stock viability modelling and options appraisal

We frequently assess viability and reinvestment 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** reinvestment status (RAG).

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

The assessment of cost is made with direct reference to the Asset Management Database and associated reports.

Demand has been assessed with reference to housing management perception informed by void turnover rates and associated performance indicators.

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 reinvestment. This category may otherwise be described as 'core stock'.

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 falls within this classification and can be included within re- investment plans without concern.

Reinvestment 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 (eg statutory gas servicing)
2. **Amber** (under review) – No major expenditure permitted unless an options appraisal has been undertaken to assess the impact of any reinvestment 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.

At present there are no plans for mass stock rationalisation or disposal, or the regeneration of estate areas. A few ad hoc disposals of high cost or low demand properties occur as and when appropriate.

Procurement and value for money

We have 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 us as an important local customer will continue to be developed and actively managed.

We will encourage improvement and efficiencies in terms of savings, social value and striving for continued value for money whilst delivering against CBC's aspirations to stimulate the local economy. This is considered particularly important given the introduction of the Public Procurement Regulations introduced in April 2015 and the 2012 Social Value Act. The Council is now officially recognised as a Living Wage employer. This means that as well as paying the Living Wage to all directly employed staff, a phased plan for third party contracted staff is in place as relevant contracts come up for renewal.

We will aim 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.

The Head of Asset Management is tasked with developing, reviewing and challenging comprehensive reinvestment 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 reinvestment priorities.

We have adopted a Procurement Strategy, which may be found at Appendix 1. CBH Standing Financial Instructions and Contract Procedure Rules are subservient to and compliant with the CBC Procurement Strategy.

Following an assessment of the procurement options available, we elected to procure a range of contracts based upon individual elements. Experience and the geography of the stock has identified this approach delivers best value for money, and contract performance is reviewed and monitored regularly.

We are obliged (as a consequence of the Public Contracts Regulations) to seek interested partners by advertising in the Official Journal of the European Union (OJEU), the procurement publication for major services and projects above designated thresholds.

We are in the process of exploring opportunities of a Dynamic Procurement System (DPS) to assist in improving value for money through regular review.

Colchester standards

The Asset Management Strategy is underpinned by a number of standards and policies. The standards are detailed below

Estate Standard

| | |
|---|--|
| Grounds Maintenance | <p>Maintenance of:</p> <ul style="list-style-type: none">• Grass cutting• Shrub Beds• Hedgerows• Play facilities. <p>Management and inspection of trees</p> |
| Community Caretaker Service | <ul style="list-style-type: none">• Inspection of communal areas• Assisting in the removal of fly tipping• Reporting of graffiti• Supporting estate clean and skip days. |
| Car Parking | Maintain the existing car parking on housing land. It is not the intention to create additional car parking on housing land. To retain public open spaces in line with CBC's Local Plan. |
| Estate boundary walls and retaining walls | Our aspiration where possible is to remove brick-built walls and replace with Birds Mouth fencing in line with the Council's Boundary Definition policy. |
| Footpaths and Unadopted Roads | The majority of paths and roads on the estates are maintained by Essex County Council highways and are known as 'Adopted'. However there are a small percentage of roads on housing land that are owned by the CBC and maintained by CBH. These are inspected and repaired where the public's safety is compromised. |
| Lighting | Sufficient lighting should be available to ensure footpaths are safe to use. Where lamp standards (owned and maintained by Essex County Council) are not provided we will aim to provide an alternative. |

Repairs Standard – refer to repairs guide and repair and compliance policies

| | |
|--|--|
| <p>Emergency Repairs within 24 hours risk to someone's life or serious damage to your home</p> | <ul style="list-style-type: none"> • Total loss of water supply, heating and hot water • Water Main • Flooding • Severe storm damage • Major faults with electrical supply and unsafe electrical fittings • Breaches of security to outside doors and windows • Gas leaks • Blocked flue • Blocked main drains, soil pipe or only toilet • Offensive or racist graffiti • Defective communal stair treads • Failure of lift or alarm call system |
| <p>Urgent Repairs normally within three days need to be carried out fairly quickly to stop a problem getting worse or affecting other people</p> | <ul style="list-style-type: none"> • Minor plumbing leak or defect • Blocked drains sink basin bath or toilet • Minor electrical fault • Partial loss of heating • A roof leak • Failure of entry phone • Non-offensive graffiti • Damage to stair treads, hand rails or bannisters |
| <p>Routine Repairs by appointment within 21 days not considered to be a danger to people's health or to the detriment of the property</p> | <ul style="list-style-type: none"> • Repairs to doors, floors and windows • General joinery repairs • Plastering works • Minor heating and plumbing repairs • Repair to and unblocking gutters • Repairs to tiling • Repairs to kitchen fittings • Defective flooring |
| <p>Planned Repair and servicing</p> | <ul style="list-style-type: none"> • Heating appliance servicing • Smoke detector servicing • Fixed wire inspections • Non-urgent fencing |
| <p>Rechargeable Repairs Where CBH have had to complete repairs that are either the tenant's responsibility or caused through neglect and/or wilful damage by the tenants and/or their guests.</p> | <ul style="list-style-type: none"> • Lost keys • Broken windows • Damaged internal doors |

Housing Investment Programme Communal Standards (two/ three-storey blocks)

| | |
|--------------------------------|--|
| Block Exterior | The outside of blocks should be clean and visually pleasing. Where appropriate PVCu soffits, fascias and guttering will be installed. On blocks of five flats or more, digital TV will be available and residents will be encouraged to remove TV dishes from the block exterior. Cladding (usually on the exterior of stairwells or under windows) will have fire breaks and made of non-combustible materials, preferably cement-based boards. |
| Windows | Windows on all flats will be matching in line with planning policy with the preferred material being double glazed PVCu. Where restrictions apply then aluminium is preferred to timber due to the lower maintenance liability. |
| Front and Rear entrance | Front and rear doors will be hardwearing and secure with key or keypad access for residents. Where appropriate steel doors will be installed with drop key fireman's access. |
| Insulation | Cavity wall and loft insulation will be at the required thermal standards for all blocks. Solid walled blocks will have an insulated render. |
| Interior communal areas | Concrete-based floors and stairwells will be cleanable. Walls will be painted in a fire-retardant paint and not layered. Wooden store doors will be glossed and lockable. |
| Lighting | Every stairwell will have adequate lighting with timer switches. Emergency lighting will be provided where necessary in line with fire safety regulations. |
| Flat doors | Council and leaseholder flat doors will be 30-minute fire doors. Cat flaps are not permitted and letterboxes must comply with fire regulations. |

Housing Investment Programme Dwelling Standards

| | |
|----------------------------|--|
| Property | Properties will be maintained to a lettable standard and will comply with regulations relating to gas safety, electrical safety, energy efficiency and the control and management of asbestos and legionella. |
| Kitchens | A modern kitchen will be provided with a life expectancy of 20 years. Layout will meet the Decent Homes standard and will be designed with the tenant in residence at the time of installation. A space will be left for the tenant's own cooker (except certain sheltered flats where an oven and hob is provided) and space will be left for a fridge and washing machine. An extractor fan will be provided. Flooring and tiling between the worktop and wall units will be renewed. The ceiling and walls will be re-skimmed if required and decorated. The kitchen circuit will be re-wired if required and the appropriate number of sockets provided for the worktop space and tenants' requirements. |
| Bathrooms | A modern bathroom will be provided with a life expectancy of 30 years. At the time of installation a bath, toilet, sink and flooring will be provided. Tiling will be provided around the bath and sink (three rows high) and where a tenant has their own shower installed, tiling will be increased to the appropriate height and length to avoid walls getting wet. Ceilings and walls will be re-skimmed if required and decorated in an eggshell paint. Showers and mixer taps will not be provided but tenants' own fittings can be installed if requested. |
| Heating | Where gas is available, central heating with either a combination or condensing gas boiler will be provided with a life expectancy of 15 years. Boilers will be positioned to minimise pipe runs and all existing heating sources (such as back boilers) will be removed. Radiators will be provided to adequately heat the property and an easy to use thermostat provided, with each radiator having thermostatic radiator valve controls. The heating distribution system will have a life expectancy of 40 years. Where gas is not available an Air Source Heat Pump (ASHP) will be installed on a wet system (as detailed above). Solid fuel, oil and electric storage heating will be phased out due to their poor efficiency and difficulty in maintaining. |
| Electrical circuits | Electrical circuits will be tested every 10 years and prior to any new tenancy starting. Testing certificates will be analysed and compared to previous tests to identify if a circuit needs rewiring. |

| | |
|--------------------------|--|
| | Visual inspections on sockets and light fittings will take place on any planned inspection and replaced as necessary. |
| Plastering | A suitable wall finish will be provided to allow tenants to decorate. During planned improvements the condition of the wall in that specified area will be considered and plastered / re-skimmed if necessary. |
| Windows and Doors | Windows and doors have a life expectancy of 40 years. Replacements will be provided in PVCu where planning allows, retaining the same profile of windows as previously unless improvements can be made in terms of fire safety, use and visual appearance. Where PVCu is not acceptable, aluminium will be used to reduce maintenance. Windows in blocks will be replaced at the same time. Front and rear doors to properties will be replaced in composite PVCu with a spy hole, letterbox and security by design. |

Garage Standards

Investment is being made within our rentable garage areas. We are aspiring to provide a secure and watertight garage in these sites.

| | |
|----------------------|---|
| New/upgraded garages | <p>2 keys Provided to tenants</p> <p>Clear of rubbish inside</p> <p>Secure by design four-point locking garage door (BS13241)</p> <p>Roof constructed of lightweight metal panels</p> <p>Secondary roof felt to reduce the risk of condensation</p> <p>Pre-finished metal gutters, downpipes, fascia's and cladding</p> <p>Garages designed to be low maintenance and paint free.</p> |
| Existing garages | <p>Key provided to new tenants</p> <p>Clear of rubbish inside</p> <p>Basic locking door</p> |

Tenants should report any repairs to the repairs department.

Related policies

Both CBC and CBH have strategic and operational policies which are published on their websites that interrelate with the strategy:

CBC:

- Adaptations Policy
- Boundary Definition Policy
- Electrical Installations Testing Policy
- Low Energy-Rated Property Policy
- Motor Scooter Policy
- Tenant Alteration Policy.

CBH www.cbhomes.org.uk/policies

- Anti-Social Behaviour Policy
- Complaints Policy
- Estate Management Strategy
- Pets Policy
- Repairs Guide
- Repairs Policy
- Rechargeable Repairs policy.

6. Delivering the strategy

Assessing investment requirements

The Asset Management Group is responsible for assessing all reinvestment needs and priorities and for proposing how to deliver a logical programme of works that meet stock condition requirements. It is noted that at present the reinvestment needs exceed the available resources and thus must be balanced carefully alongside the delivery of the locally agreed Colchester Standard.

We undertake a rolling stock survey to assess the condition of the housing stock. The results of these surveys have been combined with desktop budgetary information (such as responsive repairs) to formulate the cost reporting tables illustrated at Appendix 2. These reflect an ideal reinvestment profile and are shown excluding fees, management costs and VAT etc.

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' reinvestment 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.

30 year investment requirements

Continued reinvestment is required to maintain the stock in good condition. The reinvestment requirements have been identified by the stock condition survey, as represented within the Asset Management Database (SAM). Revenue (income), as well as expenditure expectations are illustrated within the HRA Business Plan.

The tables shown at Appendix 10 indicate a total 30-year reinvestment requirement of £392.7 million, of which £42.6 million is required within the first five years of the plan.

Stock condition and data management

CBC has gathered stock condition data on 100% of the stock since November 2008.

The Asset Management Database (SAM) is regularly validated and updated with historic works records and attribute records. This provides a comprehensive single data source for condition information, works programmes, renewals and cyclical maintenance history.

The format for gathering and maintaining survey data has been reviewed along with the functionality of the Asset Management Database to enable us to have the best access to modern and well maintained data, upon which planning decisions are made.

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 results of the stock condition survey indicate the need for continued future reinvestment to maintain the stock in good condition and meet the Colchester Standard.

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.

Repairs and maintenance

The housing stock is located in an area of high demand for construction-related services with relatively high resulting costs; although recent procurement activity using progressive term contracts has provided very good value for money solutions. Responsive repairs and works to voids are typically undertaken by CBH's own direct labour organisation (DLO).

We recognise that care must be taken to ensure that the actual costs incurred in commissioning work to the proposed Colchester Standard are reflected in the Asset Management Database and the HRA 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.

Decent Homes

Decent Homes was a government-led initiative introduced in 2000, and this standard was met for the entirety of CBC's stock in December 2011. Although the government no longer monitors the standard and we no longer have to submit data returns, it remains an internal performance indicator that we monitor here. The Decent Homes standard is still used in the social housing sector and here at Colchester to inform our investment programme.

Priority reinvestment issues

Following the impact of the Housing and Planning Act and the 1% rent cut in 2016 leading to the revised HRA Business Plan, a set of principles were established to ensure the investment required within the stock maintained lettable properties whilst working to a reduced budget.

The principles are:

- Move to an investment programme where replacement is undertaken wherever possible based upon target age 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.
- Continuous review and value engineering where possible of our capital investment specifications.

The need to undertake work arises either through pre-planning, or in reaction to immediate requirements. Whilst budgets for 'reactive' works (not 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. Our responsive and void works budgets fall under the 'reactive' category, whereas all other work is 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, however, this is unlikely to be achieved in the short term future; it is more realistic to predict 60% planned and 40% reactive.

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 we recognise the need to avoid 'double counting' with the projections made under other budgets. We will minimise the amount of works undertaken through responsive repairs, in favour of adding such works to large scale planned contracts. This means that 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 our responsibility or which arise through the unreasonable actions of a third party will be recharged in accordance with the Rechargeable Repairs Policy.

Through better planning we aim to let more works in a pre-planned way, thus moving works away from a reactive 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 and the robust monitoring processes that apply to pre-planned contracts.

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

Void Works

Void properties are unoccupied (empty) 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 within the Void Standard (see Appendix 3).

We aim to minimise the amount of time that any dwelling is unoccupied in order to meet housing need and maximise revenue income. Turnaround (key to key) times should be as short as possible.

Noting that spare bedrooms are now chargeable, we 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, we offer a discretionary decoration voucher scheme, whereby they can obtain materials from local suppliers to improve the internal decoration of their homes.

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 is annually.

Due to the specialist nature of servicing works, we have established a series of measured term contracts to provide the required works over a number of years.

The contracts for the testing and servicing of gas appliances and electrical installations provide a valuable source of data to help inform the projected renewal for these components. Servicing records are held within the Asset Management Database and/or Housing Management System.

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

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

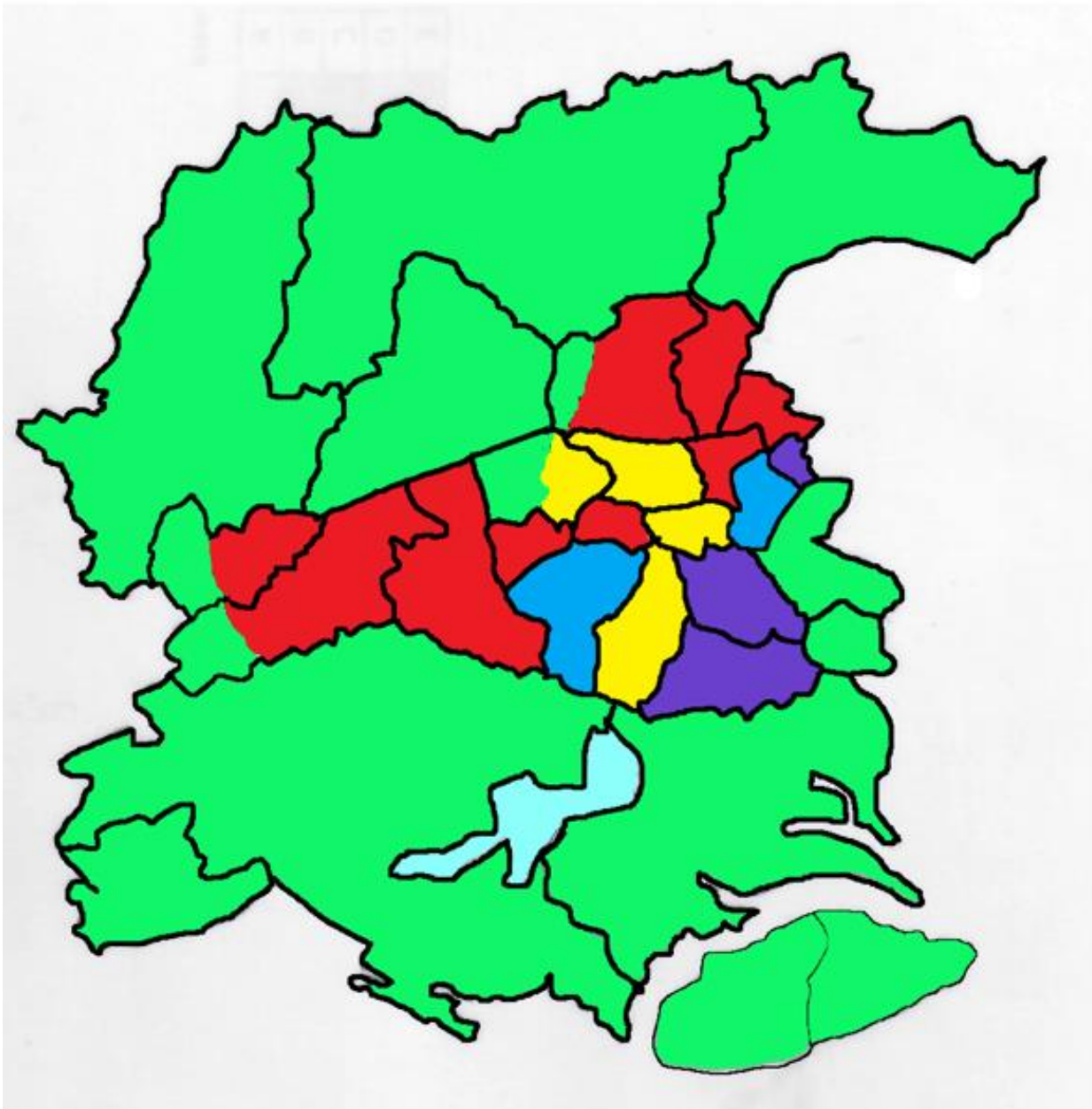
The exterior of each dwelling will be assessed on a five-year cycle as part of a term contract. All minor items of unactioned repair that could lead to a health and safety issue, or that reflect an impending responsive order, such as broken roof tiles renewed, damaged or uneven paving repaired are dealt 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.

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 |
|---------|-----------|-----------------|----------------|--------|
| 2016/17 | E/Z | A/V | D/Y | B/W |
| 2017/18 | A/V | B/W | E/Z | C/X |
| 2018/19 | B/W | C/X | A/V | D/Y |
| 2019/20 | C/X | D/Y | B/W | E/Z |
| 2020/21 | D/Y | E/Z | C/X | A/V |
| 2021/22 | E/Z | A/V | D/Y | B/W |

ward

| | | |
|---|--|---|
| A | | V |
| B | | W |
| C | | X |
| D | | Y |
| E | | Z |



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

Planned Maintenance

The majority of our 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.

This approach encourages good working arrangements with suppliers and contractors and also helps to reduce the requirement to regularly produce specifications

This enables 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
- Cost.

Adaptations

We recognise our 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 hand-rails) 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 £500) such as the installation of addition handrails are usually undertaken without reference to an Occupational Therapist. Planned works, major adaptations and necessary extensions are typically undertaken in partnership with an Occupational Therapist who helps to ensure that the design meets the needs of the tenant.

Health and safety

We have developed contracts to ensure that all of our landlord's obligations are fulfilled thus helping to ensure the health and safety of tenants, visitors and the general public.

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) and had Energy Performance Certificate produced.

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)
- Electrical safety (a 5 and 10 year testing programme)
- Water safety (legionella and scalding risks)
- Gas (annual testing and servicing of boilers etc.)
- Fire Risk Assessments (blocks of flats).

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

Asbestos

We carry out surveys and sampling in order to update a register in accordance with the Asbestos Policy and Management Plan.

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 particular home, along with a floor plan to help them identify any asbestos-containing materials.

We maintain an asbestos register based upon sampling surveys of a proportion of the stock. Further data will be collected through regular management and 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 (eg 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.

No work is permitted to commence without prior reference to the asbestos 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.

Energy Efficiency

Where reasonable to do so, we aim to improve the stock to the maximum possible energy rating through the use of efficient heating, effective insulation and appropriate energy saving measure. We issue residents with energy performance certificates (EPC) at change of tenancy (void/re-let, mutually exchanged, or sold).

We aim to increase the energy rating, measured through the Standard Assessment Procedure (SAP), of all its stock, data is collected through the EPC process and also through regular stock condition surveys and is held in the Asset Management Database.

Energy efficiency measures that we have employed in Colchester include:

- The installation of full gas central heating and condensing boilers where gas is available
- The installation of alternative heating sources such as air or ground source heat pumps, where gas is not available
- The installation of double and triple glazing
- The installation of cavity and solid wall insulation;
- The installation of photovoltaic and solar thermal panels on suitable properties;
- The improvement of loft insulation to at least 270mm thickness
- Proper insulation of hot water cylinders and pipework.
- Low energy light fittings and sun tubes
- Gas absorption heat pumps
- Voltage optimisers.

We seek grant funding to supplement programmes of work and energy efficiency initiatives whenever possible.

7. Engaging and consulting our residents and stakeholders

We 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.

We want residents to enjoy living in their homes and want to give them plenty of opportunities to become involved in decisions that affect the management of their homes and communities. Our tenants and leaseholders are the best people to tell us about how well we deliver our services and where we need to improve, their views enable us to make good management decisions for the benefit of all residents.

Residents can choose to become involved in different ways, depending on their personal circumstances. We aim to make our engagement opportunities accessible, enjoyable, rewarding and meaningful.

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

CBH's Board of Directors, which includes tenants and leaseholders, meets six times a year. We also have a number of 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 we 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 a 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 Scrutiny Panel
- Quality Assurance Advisors
- Sheltered Quality Assurance Advisor
- Leaseholder Focus Group
- Task and Finish Groups
- Action Groups
- Community Groups and make a Difference Days.

8. Governance

Asset Management Group

Colchester has an Asset Management Group (AMG). This inclusive group assesses works programmes, promotes options appraisals in the context of viability model findings, considers wider initiatives, monitors and reviews performance and takes ownership of the Colchester Standard, reassessing it from time to time in the context of the Business Plan.

In summary, the activities considered by the AMG include:

- Development, review and frequent re-evaluation of the Colchester Standard
- Prioritisation of works and improvements
- Analysing the need profile versus stock with a view to identifying any shortfalls and subsequent options to resolve issues (eg redevelopment recommendations)
- Viability assessment
- Options appraisal
- Formulation, evaluation of, and agreement to, proposed reinvestment programmes
- Project appraisal and evaluation
- Production of implementation plans
- Exploration of wider action initiatives, regeneration and environmental improvements.

The involvement of CBH's housing management team is important from a lettings perspective.

The AMG formally analyses the performance of the stock, compares this with the reinvestment requirements and aims to reinvest in the stock that is an outlying 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 to identify their priorities. We believe 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 4.

Risk management

The Asset Management Group maintains an appropriate risk register that prioritises each risk according to the probability and impact and include mitigation proposals. The risk register will be reviewed on a regular and where appropriate contributes to the corporate risk register.

- The major risks that are included within the overall register include:
- Failure to obtain sufficient financial resources to meet the reinvestment requirements of the stock

- Failure to procure and administer contracts that deliver good value for money
- Inappropriate design and specification of materials
- Reinvestment in stock that is not viable
- Failure to provide sufficient staff resources to manage planning and 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 the asset management database
- Reinvestment costs in excess of the budgetary allowances (eg reactive and void works budgets)
- Expenditure upon items that are not included within the Business Plan
- Expenditure upon cyclical maintenance just prior to the component being renewed (eg within the five-year rule period)
- Expenditure on components (on average) in excess of the schedule of rates (and therefore the Business Plan allowances)
- Specification of components that do not meet the anticipated lifecycle
- High build cost inflation
- Uncertainty caused by the departure of the United Kingdom from the European Union
- Reduction in rental income resulting from the government's programme of welfare reform
- Reduction in rental income through loss of assets (right to buy) and lack of new supply.

Risk management

We undertake regular risk reviews. The Risk Management Strategy has been put together over a number of years with the involvement of the Asset Management Group as well as operational managers. Part of the strategy is the Business Continuity Plans which clearly sets out what would be the course of action in the event that Rowan House was to become inoperative. In addition, there are well documented risk implication considerations in each report that is considered by Cabinet, Portfolio Holder, Senior Management Teams, or the CBH Board.

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 proactive approach of prevention rather than cure which mitigates the need for intervention management.

Key issues that are carefully monitored include:

- Performance against agreed key performance indicators
- Effectiveness in dealing with performance shortfalls
- Resident satisfaction
- Rent arrears
- Progress towards meeting and maintaining Colchester Standard

- Maintenance of effective standards of governance and accreditations (such as BSI 9001, 14001 and 18001)
- Complaints handling.

Monitoring and review

We have identified the need to ensure that, as a portfolio 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 CBH and CBC.

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

Benchmarking

We strive 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 our work and further comparisons are sought through benchmarking locally on policy and procedure as well as participation in the HouseMark benchmarking club. HouseMark analyses and publishes performance data on an annual basis, enabling CBH to compare performance with other landlords in relation to costs per property managed and costs per employee. We provide data in respect of responsive repairs, cyclical and planned



2018

Housing Procurement Strategy



Colchester Borough Council & Colchester
Borough Homes

Executive Summary

This document records the strategy for procurements relating to the housing stock owned by Colchester Borough Council (the Council or CBC) and managed by Colchester Borough Homes (CBH).

The strategy 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).

This strategy has been produced following an evaluation of procurement options that considered items such as:

- Contract forms;
- Number of contracts;
- Contract durations;
- Local market conditions/contractor capability;
- Pricing mechanisms; and
- Works grouping.

The arrangements are considered against the need to provide good value for money and to deliver against the Council's aspirations to stimulate the local economy. It is also important to ensure compliance with the Public Contract Regulations 2015.

This procurement strategy aims to bring about benefits to CBC and CBH as an Arm's Length Management Organisation (ALMO) through the use of modern procurement techniques providing enhanced value for money.

Typically CBC will remain the contracting party (the Employer) with the administration and management of the contracts being undertaken by CBH (the Contract Administrator).

Tenant and leaseholder views will be sought when developing contracts to ensure the correct service is procured and delivered addressing the needs of our residents and communities.

All planned works are currently undertaken by external (outsourced) providers. Responsive repairs, works to void properties and some adaptations are undertaken by the CBH Direct Labour Organisation (DLO).

The following summarises the key aspects of the Housing Procurement Strategy:

Contracts are to be drafted and let upon the appropriate form of JCT Contracts, with a non-binding partnering charter that encourages collaborative working.

The duration of contracts will be appropriate for the types of work being procured although

long term contracts are usually considered for up to a 4 year term with the option to extend by up to a further 2 years (subject to specified performance criteria being met). A number of procurements may be undertaken for planned works, based upon single component types or appropriate component groupings.

Procurements will be subject to relevant CBC Financial Regulations and Contract Procedure Rules and will be advertised via the Official Journal of the European Union (OJEU) in compliance with the EU directive and the Public Contract Regulations 2015 and in accordance with the applicable financial thresholds.

Contract specifications are to be drafted relevant to the procurement in question and should ensure a high degree of cost certainty. Suitable methods include the use of pricing matrices, schedules of rates and lump sums.

Specifications must adhere to the Colchester Standard.

The principles of effective collaborative working (partnering) shall be applied when drafting and administering contracts.

All contracts will be subject to the application and use of Key Performance Indicators (KPIs); these will be agreed and applied to each contract as appropriate.

Procurement risk shall be assessed in advance of all procurements, reviewed and mitigated wherever possible.

This strategy should be reviewed regularly alongside the Asset Management Strategy.

A Register of Contracts is maintained for all procurements and is available on the CBC Website (www.colchester.gov.uk)

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Introduction

This strategy document outlines how CBC's procurement activities will be undertaken for planned, responsive and void repairs and cyclical maintenance.

CBH operates as an Arm's Length Management Organisation (ALMO) to manage CBC's housing stock.

CBC and CBH will continue to invest in the housing stock to fulfil obligations to residents and to maintain the Colchester Standard.

To achieve its objectives CBC will undertake a series of procurements to enable works programmes to be effectively delivered. This strategy sets out the methodology to be used.

The Housing Procurement Strategy is intended to provide additional details relevant to the housing stock. It is intended to supplement and not to replace the Council's Corporate Procurement Strategy. The Council is now officially recognised as a Living Wage employer. This means that as well as paying the Living Wage to all directly employed staff, a phased plan for third party contracted staff is in place as relevant contracts come up for renewal.

The requirement for work (and therefore procurements) will emerge from the works programme as derived and recommended by the Asset Management Group (AMG). The works programmes shall be derived from the Asset Management Database (SAM), which is informed by an annual 20% sample stock condition survey.

Effective procurement is required to help CBC and CBH provide a high standard of service and to deliver ongoing works programmes.

All procurement strategies carry a level of risk, some more than others. This strategy document aims to deliver least risk solutions, high standards of service and best value.

This strategy should be read alongside the Asset Management Strategy, adopted by CBC and CBH, which provides additional detail and context.

Housing Procurement Strategy Objectives

CBC wishes to align its procurement functions clearly and more closely with its duties under value for money and modern construction procurement techniques. These are the principles contained in the reports 'Rethinking Construction' and 'Accelerating Change' by Sir John Egan as well as other reports such as those produced by Byatt and Latham, referred to collectively as 'modern procurement'. CBC and CBH will work collaboratively with any contractors that are appointed.

The overriding objectives are to ensure that all recommendations will be tested and evaluated against the following principles.

- Maximise Efficiency and Effectiveness of Service delivery

- Deliver best quality / cost balance
- Obtain best cost certainty balanced against risk transfer and price point.
- Robust contractual arrangements and contract management
- Exploit established markets
- Be compliant with Legislation, in particular the Public Contract Regulations 2015 and EU procurement regulations.
- Support insofar as possible Local Employment and the Colchester business environment.
- Require the employment of appropriate qualified and experienced contractors, and others, delivering quality services.
- Contractual arrangements established in a timely manner to deliver the Council's Legislative liabilities and responsibilities under all appropriate Law.
- Fit for purpose arrangements to deliver the planned investment and anticipated maintenance need of its Assets over the next 5 years.
- Develop arrangements with as much flexibility as possible consistent with good value in recognition of the changes facing the Council in the foreseeable future.
- Seek to derive maximum social value from Local Authority expenditure compliant with the principles set out above
- Consult with tenants and leaseholders task and finish groups to ensure that residents views and priorities are considered

General Strategy Requirements

The procurement and purchasing solutions adopted must ensure that best value is achieved by ensuring the engagement of appropriately sized contractors that will view CBC as an important customer.

Procurement will be led by in-house technical resources, under the supervision of the Procurement Business Partner, with support from external consultants whenever particular expertise is required, or extra resources are needed, or for the improvement of internal competencies.

Before undertaking any procurement, a feasibility and options appraisal shall be undertaken to determine the risks attached to each option, to assess the mitigation of such risks, and the impact upon the CBC/CBH Business Plan.

Where appropriate, consideration shall be given to the use of local providers and/or small and medium sized enterprises (SMEs).

All CBC and CBH staff involved with procurements for housing must follow this strategy unless an exception is sought. Any exception required must detail the reasons why it is necessary to operate outside the direction of the strategy and have attached a risk assessment that details the likely risks associated by such divergence and an explanation of how the risks may be managed or mitigated.

The use of local, appropriately sized, contractors to deliver the work programmes is encouraged, provided that any procurement is undertaken in full compliance with EU Procurement Directives, UK legislation and the CBC Contract Procedure Rules. The use of locally employed personnel to undertake the work is encouraged and tenderers shall be required to provide evidence of their intended strategy to encourage local labour and sub-contractors to be involved in the delivery of work programmes, together with details of proposed training and staff development schemes.

In most instances the materials supply chain should be directly managed by the Contractor.

Works of a similar nature should be packaged together in one programme or contract, regardless of who holds the budget, so that economies of scale can be achieved. Where required, appropriate coding mechanisms should be agreed so that costs can be attributed to the correct budget.

Procurement Types

Procurements may be required to provide the following types of work:

- Planned (Internal works, high level, external overview and windows and doors)
- Responsive and Voids
- Cyclical Maintenance (gas appliance, lifts and door entry servicing)

In general the matters considered are related to the following work streams:

- Larger one off Building Contracts
- Servicing and maintenance contracts
- Longer term Investment programmes
- Specialist equipment servicing maintenance and repair
- Void works (Housing)
- Smaller building contracts
- Smaller subcontract arrangements in support of in-house teams.
- Supplier networks for Building related materials/ tools etc.
-

Responsive and void works have different requirements to planned activities and are administered separately via the DLO. A nationally recognised composite schedule of rates (such as NHF) should be used to define and order repair works.

Cyclical maintenance typically relates to specialist servicing activities and should therefore be let as separate JCT contracts where appropriate

In general the testing and inspections work (e.g. asbestos, electrical) will be let to a separate contractor to the contractor that deals with the removal or remediation work that is deemed necessary.

Form of Contract

Most contracts are to be let on a term basis using a standard form of contract which is tried, tested, and well understood by the marketplace. In most circumstances the Contracts are to be drafted and let upon the appropriate form of JCT Contracts, with a non-binding partnering charter that encourages collaborative working.

In some circumstances where the volume of work is not sufficiently large or where the work can be fully defined and completed in less than one year, a lump sum contract may be used. In these circumstances either a JCT Minor Works 2016 or JCT Intermediate Form 2016 may be used, if any element of contractor's design is required then the appropriate Intermediate Form should be used.

Contracts shall be let directly with works providers and not with management contractors.

Contract Duration

The duration of contracts will be appropriate for the types of work being procured although long term contracts are usually considered for up to a 4 year term with the option to extend by up to a further 2 years (subject to specified performance criteria being met).

The contracts anticipated are not deemed to be a 'framework' under the Public Contract Regulations 2015.

Although contracts are to be commissioned on a longer-term basis, break clauses and 'no works guarantees' shall be retained.

Anticipated programme levels may be given to contractors for illustrative purposes only and may not be guaranteed.

Typically, CBC will remain the contracting party (the Employer) with the administration and management of the contracts being undertaken by CBH (the Contract Administrator).

CBH shall nominate an individual to fulfil the Contract Administrator's duties (this person shall be selected and appointed in accordance with the terms of the Management Agreement (2013) Schedule 6 Clause 2.12).

EU Directives

Procurement shall be undertaken in accordance with EU Procurement Directives and advertised with the Official Journal of the European Union (OJEU) where appropriate or as required.

A range of processes is available. In most instances for term contracts, a 'restricted procedure' shall be adopted, with between 5 and 8 tendering organisations sought following the evaluation of Selection Questionnaires (SQ) where permitted under the Regulations.

Leaseholder Consultation

Where works (especially those to common parts and the exterior of blocks) are undertaken, an evaluation of the presence and liabilities of leaseholders shall be undertaken before tenders are sought.

Leaseholders affected by work must be appropriately consulted in accordance with the obligations of their lease and the Landlord and Tenant Act (s.20 in particular).

The Colchester Standard

The Colchester Standard document will provide the technical and aspirational basis for the work programmes to be delivered and specifies the nature of materials and workmanship to be provided by contractors appointed to undertake the work programmes. All future works are to be procured in accordance with the requirements of this Standard.

Electronic Business

Electronic business solutions shall be used.

To comply with the Public Contracts Regulations 2015, tenders will be conducted through an electronic procurement portal, currently Delta e-Sourcing, which will also be used to conduct the processes for any dynamic purchasing systems.

Strategy Compliance

CBC require that, through the Housing Procurement Strategy, its staff ensure that all future procurement and purchasing documentation, arrangements and contracts recognise, understand and support CBC and CBH policies with regard to equal opportunities, health and safety, the environment, customer care, local employment and sustainability with the outcome that consultants, contractors and suppliers are required to support this objective.

All staff engaged in the procurement or purchasing of goods and services apply the highest standards of probity in their dealings with contractors and suppliers.

CBC adherence to a sustainable procurement strategy is a public statement of its commitment to the environment and social responsibility and should be pursued by all stakeholders.

Staff engaged in the procurement or purchasing of goods and services shall undertake appropriate consultation with service users and providers prior to inviting tenders or entering into negotiations with providers.

No significant deviation from this strategy is permitted unless a full report detailing the reasons for deviation, the impact and risks associated with the variation to policy and the outcomes expected has been received and approved by CBC.

This strategy shall be reviewed regularly alongside the Asset Management Strategy and Business Plan.

30 Year Cost Summary for 2018-2048 using codeman data from June 2017

| Table 1 - Cost Summary 2018-48 - (General Needs and Sheltered) from SAM - Planned | | | | | | | | | | | | |
|---|-------------------|-------------------|-------------------|-------------------|-------------------|----------------------|----------------------|-----------------------|-------------------------|-----------------------|-----------------------|--------------|
| Note: Figures exclude VAT, inflation, fees and management costs | | | | | | | | | | | | |
| | Year 1 2018/19 | Year 2 2019/20 | Year 3 2020/21 | Year 4 2021/22 | Year 5 2022/23 | Years 1-5 2018-23 | Year 6-10 2023-28 | Year 11-15 2028-33 | Year 16-20 2033-2038 | Year 21-25 2038-43 | Year 26-30 2043-48 | Total |
| Catch up Repairs | £624,395.30 | £624,395.30 | £624,395.30 | £624,395.30 | £624,395.30 | £3,121,977 | £6,427,626 | £6,427,626 | £6,427,626 | £6,427,626 | £6,427,626 | £35,260,108 |
| Future Major Works | £3,230,657 | £3,160,471 | £3,934,740 | £3,428,811 | £6,284,016 | £13,754,679 | £31,420,084 | £26,610,891 | £29,844,688 | £23,913,480 | £38,479,049 | £164,022,871 |
| Improvements | £1,390,500 | £863,500 | £863,500 | £858,500 | £856,150 | £3,976,000 | £4,280,750 | £3,722,250 | £3,672,250 | £3,672,250 | £8,422,250 | £27,745,750 |
| Estate Works | £250,000 | £250,000 | £250,000 | £250,000 | £250,000 | £1,000,000 | £1,250,000 | £1,250,000 | £1,250,000 | £0 | £0 | £4,750,000 |
| Contingent Major Repairs | £405,000 | £405,000 | £405,000 | £405,000 | £405,000 | £1,620,000 | £2,025,000 | £2,025,000 | £2,025,000 | £2,025,000 | £2,025,000 | £11,745,000 |
| Exceptional Extensive Works | £120,000 | £120,000 | £120,000 | £120,000 | £120,000 | £480,000 | £0 | £0 | £350,000 | £100,000 | £660,000 | £1,590,000 |
| Sub-Total | £6,020,552 | £5,423,366 | £6,197,635 | £5,686,707 | £8,539,561 | £23,952,656 | £45,403,460 | £40,035,767 | £43,569,564 | £36,138,356 | £56,013,925 | £245,113,729 |
| | | | | | | | | | | | | |
| Cyclical Maintenance | £991,000 | £991,000 | £991,000 | £991,000 | £991,000 | £3,964,000 | £7,500,000 | £7,500,000 | £7,500,000 | £7,500,000 | £7,500,000 | £41,464,000 |
| Disabled Adaptations | £510,000 | £510,000 | £510,000 | £510,000 | £510,000 | £2,040,000 | £2,500,000 | £2,500,000 | £2,500,000 | £2,500,000 | £2,500,000 | £14,540,000 |
| Responsive Repairs and Void Works | £3,158,000 | £3,158,000 | £3,158,000 | £3,158,000 | £3,158,000 | £12,632,000 | £15,790,000 | £15,790,000 | £15,790,000 | £15,790,000 | £15,790,000 | £91,582,000 |
| Sub-Total | £4,659,000 | £4,659,000 | £4,659,000 | £4,659,000 | £4,659,000 | £18,636,000 | £25,790,000 | £25,790,000 | £25,790,000 | £25,790,000 | £25,790,000 | £147,586,000 |
| Total | £10,679,552 | £10,082,366 | £10,856,635 | £10,345,707 | £13,198,561 | £42,588,656 | £71,193,460 | £65,825,767 | £69,359,564 | £61,928,356 | £81,803,925 | £392,699,729 |

| Table 2 - Cost Summary 2018-48 - (General Needs ONLY) from SAM - Planned | | | | | | | | | | | | |
|--|-------------------|-------------------|-------------------|-------------------|-------------------|----------------------|----------------------|-----------------------|-------------------------|-----------------------|-----------------------|--------------|
| Note: Figures exclude VAT, inflation, fees and management costs | | | | | | | | | | | | |
| | Year 1 2018/19 | Year 2 2019/20 | Year 3 2020/21 | Year 4 2021/22 | Year 5 2022/23 | Years 1-5 2018-23 | Year 6-10 2023-28 | Year 11-15 2028-33 | Year 16-20 2033-2038 | Year 21-25 2038-43 | Year 26-30 2043-48 | Total |
| Catch up Repairs | £172,378.50 | £172,378.50 | £172,378.50 | £172,378.50 | £172,378.50 | £689,514 | £0.00 | £0 | £0 | £0 | £0 | £689,514 |
| Future Major Works | £2,791,881 | £2,828,287 | £3,378,798 | £3,273,487 | £5,933,758 | £12,272,453 | £29,668,796 | £23,841,134 | £28,386,019 | £21,772,506 | £34,905,288 | £150,846,196 |
| Improvements | £348,000 | £821,000 | £821,000 | £796,000 | £809,650 | £2,786,000 | £4,048,250 | £3,489,750 | £3,439,750 | £3,439,750 | £3,439,750 | £20,643,250 |
| Estate Works | £250,000 | £250,000 | £250,000 | £250,000 | £250,000 | £1,000,000 | £1,250,000 | £1,250,000 | £1,250,000 | £0 | £0 | £4,750,000 |
| Contingent Major Repairs | £355,000 | £355,000 | £355,000 | £355,000 | £355,000 | £1,420,000 | £1,775,000 | £1,775,000 | £1,775,000 | £1,775,000 | £1,775,000 | £10,295,000 |
| Exceptional Extensive Works | £120,000 | £120,000 | £120,000 | £120,000 | £120,000 | £480,000 | £0 | £0 | £350,000 | £0 | £560,000 | £1,390,000 |
| Total | £4,037,260 | £4,546,666 | £5,097,177 | £4,966,866 | £7,640,787 | £18,647,967 | £36,742,046 | £30,355,884 | £35,200,769 | £26,987,256 | £40,680,038 | £188,613,960 |

| Table 3 - Cost Summary 2018-48 - (Sheltered ONLY) from SAM - Planned | | | | | | | | | | | | |
|--|-------------------|-------------------|-------------------|-------------------|-------------------|----------------------|----------------------|-----------------------|-------------------------|-----------------------|-----------------------|-------------|
| Note: Figures exclude VAT, inflation, fees and management costs | | | | | | | | | | | | |
| | Year 1 2018/19 | Year 2 2019/20 | Year 3 2020/21 | Year 4 2021/22 | Year 5 2022/23 | Years 1-5 2018-23 | Year 6-10 2023-28 | Year 11-15 2028-33 | Year 16-20 2033-2038 | Year 21-25 2038-43 | Year 26-30 2043-48 | Total |
| Catch up Repairs | £452,016.80 | £452,016.80 | £452,016.80 | £452,016.80 | £452,016.80 | £2,260,084 | | | | | | £2,260,084 |
| Future Major Works | £438,776 | £332,184 | £555,942 | £155,324 | £350,258 | £1,482,226 | £1,751,288 | £2,769,757 | £1,458,669 | £2,140,974 | £3,573,761 | £13,176,675 |
| Improvements | £1,042,500 | £42,500 | £42,500 | £62,500 | £46,500 | £1,190,000 | £232,500 | £232,500 | £232,500 | £232,500 | £4,982,500 | £7,102,500 |
| Estate Works | £0 | £0 | £0 | £0 | £0 | £0 | £0 | £0 | £0 | £0 | £0 | £0 |
| Contingent Major Repairs | £50,000 | £50,000 | £50,000 | £50,000 | £50,000 | £200,000 | £250,000 | £250,000 | £250,000 | £250,000 | £250,000 | £1,450,000 |
| Exceptional Extensive Works | £0 | £0 | £0 | £0 | £0 | £0 | £0 | £0 | £0 | £100,000 | £100,000 | £200,000 |
| Total | £1,983,293 | £876,701 | £1,100,459 | £719,841 | £898,774 | £5,132,310 | £2,233,788 | £3,252,257 | £1,941,169 | £2,723,474 | £8,906,261 | £24,189,259 |

Notes:

- Figures are taken from Codeman in June 2017 using 'Planned' data
- No inflation applied

5. The data **has** had the 9 principles applied to it following the Housing Futures Project

6. The data hasn't been smoothed over the 30 years

7. Cost per property over 30 years = £67,128 (based on stock of 5,850). Figure for last year was £68,798 (based on stock of 5,900).

3. The data for 2022/23 is taken as a fifth of years 2023-28
4. Catch-up repairs in years 1-5 is assumed at 50%. The remaining 50% has not been accounted for.
8. Years 1-5 applied a 50% reduction

Colchester Borough Homes

Property Standards

Your new home will be safe, clean and in good repair

Void Works

Minimum Lettable Standard

A minimum standard has been developed for all general needs and sheltered properties to be offered for letting. This lettable standard ensures consistency of quality, value for money, and repair.

Kitchen (minimum)

Must have:

- ☐ an adequate supply of hot and cold water
- ☐ an empty, clean and hygienic sink unit with drainer, plug and taps
- ☐ 1 x double base unit (empty, clean and hygienic)
- ☐ 1 x double wall unit (empty, clean and hygienic)
- ☐ 2 x double power points
- ☐ 1 x cooker point (either gas or electric)
- ☐ clean, hygienic working surfaces and splash back tiling of a minimum of 300mm above working surfaces and sink units
- ☐ floors sound, washable and clean

Bathroom/WC (minimum)

Must have:

- ☐ an adequate supply of hot and cold water
- ☐ a clean and hygienic bath with plug and taps
- ☐ a clean and hygienic hand basin with plug and taps
- ☐ a clean and hygienic WC and seat
- ☐ clean and hygienic tiling
- ☐ an effective bath seal
- ☐ floors sound, washable and clean

All rooms (minimum)

Must have:

- ☐ adequate ventilation for their purpose, taking account of their means of heating
- ☐ a door with operable furniture
- ☐ walls, internal joinery and ceilings that are reasonably able to be decorated without the use of expensive materials or special tools
- ☐ no health and safety risks to incoming tenants (nails protruding from floor boards or walls, gripper rods, cracked glass, polystyrene tiles etc)
- ☐ no rubbish or other property relating to the previous tenancy remaining (including that in the loft, cellar etc)
- ☐ floors sound and clean
- ☐ clean surfaces
- ☐ adequate lighting
- ☐ all built in cupboards empty, clean and hygienic

- ❑ all improvements, which would not be maintained by CBH removed
- ❑ handrails/balustrades securely fixed and safe
- ❑ window locks (to windows accessible without the use of a ladder) and restrictors where required. Two window lock keys will be supplied if available. (If not available, a window lock change should be arranged through the Repairs Operations Centre once the tenant has moved in)
- ❑ at least one electrical socket per room

Services (minimum)

Must have:

- ❑ gas connected to any property that has gas central heating fitted
- ❑ an electrical check, any necessary repairs carried out and certificate provided
- ❑ a hard wired smoke alarm
- ❑ a gas appliance or gas soundness test and any other necessary repairs carried out and certificate provided
- ❑ flue(s) that meet current regulations
- ❑ all plumbing and drainage free from leaks and in good working order
- ❑ all exposed pipes, water tank and hot water cylinder lagged
- ❑ adequate means of heating that is in good working order
- ❑ extractor fans etc clean and fully functional

Structure (minimum)

Must have:

- ❑ a roof that is wind and weather tight
- ❑ rainwater goods that are not blocked and are watertight and fit for purpose
- ❑ windows with no defective glazing
- ❑ windows that are weathertight
- ❑ structurally sound and safe floors, with no major variations in level
- ❑ all rising damp, dry rot or infestation dealt with
- ❑ all walls structurally safe

External (minimum)

Must have:

- ❑ rubbish removed from garden (in exceptional cases vegetation should be cleared as well)
- ❑ grass cut to a reasonable height
- ❑ all existing CBC owned fencing to be in a safe condition
- ❑ external paving, walls and steps safe
- ❑ a letterbox or letter plate fitted
- ❑ secure front and rear doors (with lock change) and windows
- ❑ lighting upgrades in areas where health and safety risks exist
- ❑ all equipment/facilities supplied will be in a reasonable state of repair

You will be given a copy of the Safety Check Report to confirm that the gas service has been checked and is in good working order

A schedule of all works to be carried out post sign up has been agreed with me and a copy is attached to the form.

I hereby confirm that this property has met all of the conditions of the void standard and I undertake to return the property in the same condition when terminating my tenancy subject to fair wear and tear.

Address of Property

Signed Tenant (s)

Signed Housing Officer Date

Terms of Reference for the Asset Management Group

Mission Statement

“To facilitate and oversee the effective asset management of the stock managed by Colchester Borough Homes, including programme delivery, with input from all relevant stakeholders”

Objectives of the Asset Management Group

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

Effective Communication

- 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 listen to the views and proposals of all stakeholders;
- To communicate proposals, strategies and policies to all stakeholders so that they understand how matters are being addressed;
- To facilitate wide resident consultation and to ensure effective and timely communication with these clients;
- To provide reports to the Principal Liaison and other stakeholders on the most effective and best value expenditure strategy for future work and the progress of current programmes;
- To establish and articulate interdependencies between teams, to ensure a ‘joined-up approach’;

Agreeing Priorities and Standards

- To act in the best interests of the assets in an holistic, local, context;
- To consider the priorities for work programmes in the context of obligations, policies, stock condition and viability;
- To prompt and review inputs into the Group (such as condition data reports for example);
- To develop, review and regularly re-evaluate the Colchester Standard;

Planning and Programming

- To consider the aspirations of residents and how the programmes of work can meet these;
- To formulate and monitor re-investment programmes;
- To consider the impact of re-investment decisions across CBC and CBH;
- To ensure that external objectives (such as the Decent Homes Standard) are met and/or maintained;
- To consider and provide recommendations in terms of any ‘challenge fund projects’ such as environmental improvements;

Ensuring Viability and Options Appraisal

- 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 defined by the Viability Model;
- To make recommendations to the Principal Liaison for action, following options appraisal, for stock that is considered unsustainable in its current form;
- To explore wider action initiatives and their associated funding options (such as grant funding for example);
- To ensure that all proposals are viable and affordable within the context of the Business Plan;

Review and Monitoring

- To identify and manage risk;
- To devise and agree tools for measuring and benchmarking the performance of the

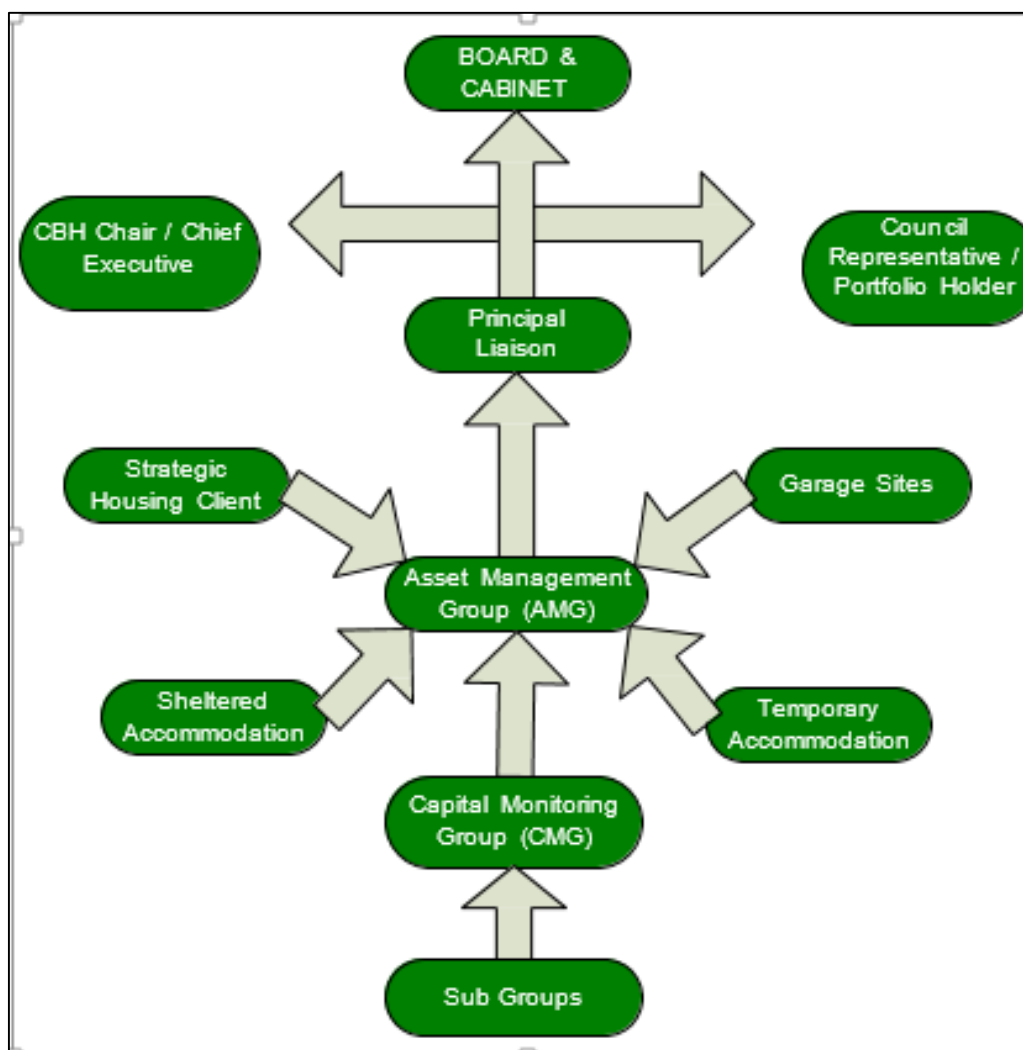
- delivery of programmes of work;
- To regularly review and monitor the budget and actual expenditure incurred in undertaking programmes of work;
- To regularly review and monitor the delivery of programmes of work and measure these against planned milestones and performance indicators; and

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 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 Principal Liaison Group for delivery by staff, or referred to the relevant Corporate Governance arrangements as required.



Members of the Asset Management Group

Members of the Group are:

- Director of Property Services (CBH)
- Housing Asset Manager (CBC)
- Head of Asset Management (CBH)
- Head of Operations (CBC)
- Director of Housing (CBH)
- Housing Accountant (CBC)
- Specialist advisor, as required for selected meetings

Scope of the Asset Management Group

The Group will be instrumental in the effective implementation of all planned programmes of work and will make informed business decisions including:

- What – which elements will be included within programmes of work;
- When – development of a logical and integrated programme and sequence of work;
- Where – precise location of dwellings or related assets affected by intended programmes of work;
- Why – robust business case for expenditure on particular programmes of work; and
- How – suitable and best value procurement strategy.

All members of the Asset Management Group shall act as a 'conduit' for information both into the Group and also back to their teams, forums or consultative groups.

It is the responsibility of the AMG Chair to represent the Group at, and present to its reports to the Portfolio Holder and CBH Board.

Asset Management Group Processes

The Group will require a number of inputs in order to be able to make informed business planning decisions. The inputs are illustrated in the diagrams that follow, and include a number of data and policy documents from a variety of sources within the organisation.

Accurate and up to date data is fundamental to the Group's ability to take informed business planning decisions and therefore measures should be taken to ensure that processes are adopted to gather and maintain this information. This will include technical reports on the condition of properties and recommendations for repair, renewal or disposal, together with recommendations for the development or purchase of new accommodation.

The resultant outputs from the Group will provide the organisation with clear and robust processes and documents that inform team members of the strategy and policies surrounding planned programmes of work. The second diagram illustrates the typical outputs expected from the Group.

