

Cobalt Housing Property Services (CHPS) Five-Year Business Plan 2026 - 2031

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Delivering excellent services, quality homes,thriving communities and positive people

01 | Executive Summary



1.1. Cobalt has successfully established the foundations of a modern in-house property services function, Cobalt Housing Property Services (CHPS). Through the insourcing of responsive repairs and voids, investment in the Villiers Court depot, implementation of digital systems and development of a skilled workforce, Cobalt has created a scalable operating platform capable of delivering long-term strategic value.

1.2. This business plan sets out a controlled five-year programme of growth designed to maximise the return on that investment. The objective is to improve customer outcomes, strengthen building safety compliance, increase organisational resilience, deliver greater social impact and achieve the efficiencies incorporated within Cobalt's business plan.

1.3. By April 2031 CHPS is expected to deliver or manage approximately 70% of Cobalt's property services work streams while retaining specialist external partners where they provide the strongest technical or commercial solution.

1.4. The plan is prudent and deliverable, and it is designed to be reviewed on an annual basis.

02 | Strategic Context and Alignment

2.1. CHPS is one of the principal delivery mechanisms for Cobalt's Corporate Plan 2023–28. Cobalt's purpose, which is to provide quality homes and services and to maximise the positive impact of its investment for the communities it serves, is delivered in large part through the daily work of CHPS.

2.2. To avoid duplication, this business plan links to Cobalt's corporate documents rather than restating them. These include the Growth and Investment Strategy, which sets out the asset management ambitions, together with the Customer Strategy and the emerging Social Impact Strategy.

Cobalt Corporate Plan priority	How CHPS delivers it
Provide excellent customer services	Own-workforce delivery preferred by customers; higher first-time-fix; joined-up repairs, compliance and planned maintenance; services shaped by the customer voice.
Invest in quality homes	Direct delivery of repairs, voids, compliance and progressively planned component replacement, supporting the Cobalt Homes Standard and building safety.
Support communities to thrive	Local employment, apprenticeships, diversification and local contractor spend keeping the Cobalt pound local.
Develop positive people	A unified and diverse workforce with harmonised terms, apprenticeship programme and clear career pathways.

2.3. Regulatory expectations are rising, and these include the Consumer Standards, building safety requirements and Awaab's Law, while costs in the contracting market continue to increase. At the same time, the ten-year CPI+1% rent settlement provides the income certainty that Cobalt needs to plan a stable 'forward order book' for CHPS.

2.4. Over the next five years we will build on the early success of CHPS which is already delivering improved levels of customer satisfaction together with continuing improvements in value for money and delivering real social impact to our local communities.

03 | Customer-led Growth

3.1. The direction of the plan has been informed by customer consultation, scrutiny and committee feedback. Customers have consistently supported greater in-house delivery and stronger integration between services. Particular support was expressed for reviewing opportunities relating to gas services, electrical services and planned maintenance.

Customer Feedback	Proposals
Strong desire to invest in the estate/street-scene external repairs and painting (ERP) programme and improve street appeal	Bring work in-house during the life of the business plan.
Electrical and gas works are a main priority, with strong support for insourcing	Bringing both major, high-volume work areas in-house within the plan.
Streamline communication between trades and subcontractors	Using the same in-house communication and scheduling across electrical, gas and other high-volume works.
A strong case for further expansion, given CHPS's success so far	Continuing expansion, involving customers throughout via working groups.
Strong interest in bringing pest control in-house	Modelled, but not currently commercially viable. This will be kept under review as the stock grows.

3.2. Customer feedback reinforces the principle that growth should only occur where it improves service quality, communication, safety and value for money. Continuous engagement will remain a feature of future decision-making. Other feedback from the Customer Committee has included:

- Support for bringing in-house adaptations as an opportunity for Cobalt to improve the process to support vulnerable customers.
- The opportunity to have increased involvement in renewable technologies (e.g. air source heat pumps) and the need to retrain gas engineers to achieve this.
- Support for apprenticeships which will help diversify the workforce.
- Opportunities to do "more behind the front door." For example, colleagues providing better feedback on safeguarding, damp and mould and joining up access to improve efficiency and reduce the need for follow-on calls.

04 | The Five-Year Plan

4.1 Cobalt has already made the investment in the CHPS operation, which includes the management structure, the depot, the stores and new digital systems. Spreading this cost across a larger in-house operation is how Cobalt improves value for money without further major investment.

4.2. The ambition is to grow at a manageable pace, aligned to the expiry of existing contracts. Growth is deliberately controlled to build capacity and ensure financial and customer outcomes are achieved as expansion of the operation is achieved.

4.3. The recent work on the asset management and investment plans has created an opportunity to provide a smoothed forward order book to CHPS. This is the single most important precondition for efficient in-house delivery and the treatment of CHPS as a genuinely scalable operation.

4.4. Each insourcing proposal will be evaluated independently. No service will transfer until a detailed business case, prepared approximately twelve months before implementation, demonstrates clear customer benefits,organisational capability and capacity, and value for money.

4.5. A detailed assessment of each service/ workstream currently being delivered has been assessed for insourcing and proposals shaped through customer engagement. The outcome is broadly as follows:

4.6.

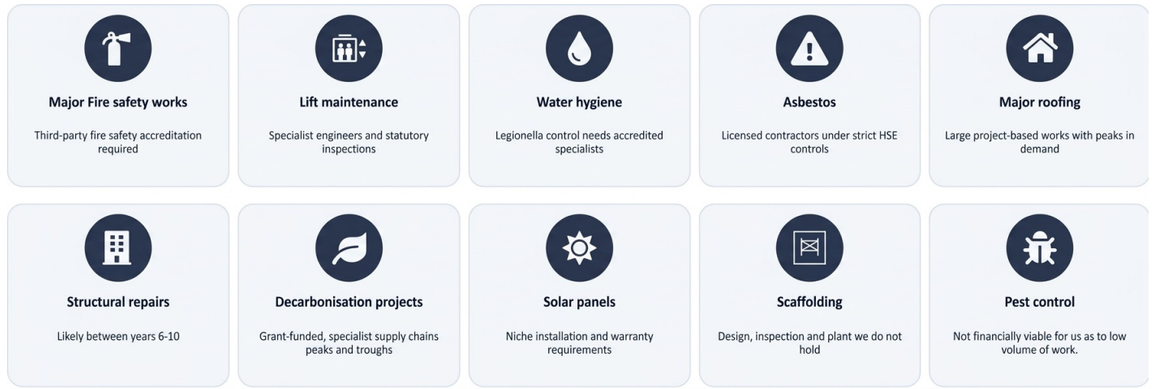
Safety & compliance

- Gas servicing and repairs
- Electrical inspections
- Electrical remedial works
- Minor electrical works

Other service areas

- Kitchens
- Bathrooms
- Boiler replacements
- Minor adaptions
- Major adaptions
- External Repairs and Painting

4.7. At this stage, the following services/workstreams are considered outside the scope of insourcing. These activities require specialist qualifications and/or equipment or are of insufficient scale to support efficient in-house delivery. Established specialist partners remain the most appropriate delivery route. These services/workstreams are shown in the graphic below.



4.8. The table below shows the proposed transition plan for which the financial plan has been based on:

	Financial Year				
Service	**26/27**	**27/28**	**29/30**	**30/31**	**31/32**
In-house from Year 1					
Responsive Repairs - Non Specialist	✓	✓	✓	✓	✓
Responsive Repairs - Subcontracted	✓	✓	✓	✓	✓
HHSRS	✓	✓	✓	✓	✓
Minor FRA Works	✓	✓	✓	✓	✓
DMC	✓	✓	✓	✓	✓
In-house Year 2					
Voids General Repairs		✓	✓	✓	✓
Minor Adapations		✓	✓	✓	✓
Electrical Repairs		✓	✓	✓	✓
In-house Year 3					
Responsive Repairs - Electric			✓	✓	✓
Responsive Repairs - Out of Hours			✓	✓	✓
Major Adapations			✓	✓	✓
Gas Servicing			✓	✓	✓
Gas Repairs			✓	✓	✓
Electrical Testing			✓	✓	✓
In-house Year 4					
ERP				✓	✓
Structural Works				Managed	Managed
In-house Year 5					
Kitchen Replacements					✓
Bathroom Replacements					✓
Boiler Replacements					✓

04 | The Five-Year Plan



Resourcing

4.9. The resourcing plan is built from the financial model and covers the trades workforce, the non-trades and supervisory workforce and the central management and support teams.

4.10. The total operating model and management structure which was introduced in 2026 has been designed to meet the future expansion of CHPS. It is a scalable model where additional team leaders and trade colleagues will be introduced to meet the demand of the new services.

4.11. Where new specialist services are introduced, specifically the gas servicing and electrical services a review of the operating model will take place to develop the management team for capacity and the need for specialist skills. Provision has been built into the financial projections.

4.12. As CHPS expands, it will require additional support from corporate services. The business plan includes provision at the appropriate gateways for a dedicated Project Manager to lead the insourcing projects and efficiency programme, together with additional resources to support increased HR activity, including the development of a workforce plan.

05 | Social impact and apprenticeships

5.1. Cobalt currently secures significant social impact principally through apprenticeships from its planned-works and building safety compliance supply chain. As work is progressively insourced, CHPS will deliver equivalent social impact directly, while contractual commitments remain.

5.2. CHPS plans to develop its own workforce through an apprenticeship programme. The model provides for an increasing number of apprentices, with the associated levy and overhead cost captured in the financial plan.

5.3. CHPS financial plan assumes a 1% of turnover contribution allowance towards Cobalt's social impact activities. It is important to note that wider social impact through improved terms & conditions, business growth and job creation alongside ongoing training & employment opportunities will ensure that CHPS becomes a key contributor to Cobalt's social impact aspirations.







06 | Financial Model





6.1. Ark Consultancy has undertaken detailed financial modelling of the proposed insourcing arrangements, with the results compared against the assumptions and cost base contained within the latest Cobalt Business Plan.

6.2. The modelling is based on a comprehensive range of operational and financial assumptions, informed by the experience and performance data gained through the successful insourcing of repairs services. These assumptions include productivity levels, sickness absence, service demand and workforce planning. The proposals also reflect realistic opportunities to reduce responsive repairs and disrepair activity over time as a result of significant investment in our homes, improved housing standards and the long-term benefits of a more proactive asset management approach.

6.3. A key benefit of the proposals is the opportunity to maximise the value of investments already made within the organisation. The expanded service portfolio enables overheads associated with Villiers Court, recent investment in the CHPS management structure and digital services to be spread across a wider operational base, creating efficiencies that would not otherwise be achievable.

6.4. The financial model also includes provision for strategic investment priorities, including the growth of our apprenticeship programme, a social impact contribution delivered through CHPS, additional corporate service capacity to support a larger workforce and all one-off mobilisation and implementation costs required to successfully transition the services. Overall, the proposals provide a credible and sustainable route to delivering the savings assumed within the Corporate Business Plan from the Property Services Directorate.

Table 1 below provides a summary of the projected cumulative year-on-year savings required by the business plan:

Table 1: Projected cumulative year on year savings

2026/27	2027/28	2028/29	2029/30	2030/31	5 Year Cumulative Total	Ongoing saving from 2031/32
£25k	£472k	£780k	£1.18m	£1.38m	£3.84m	£1.38m

6.5. Importantly, these savings are achieved whilst maintaining investment in service quality, workforce development and social impact. Delivery of these financial benefits will require robust programme governance, strong operational performance management and ongoing monitoring of key assumptions.

6.6. It is proposed that the Investment and Development Committee (IDC) receive a regular report on the implementation and efficiency plan to provide oversight of performance, track the realisation of benefits and ensure that corrective action is taken promptly where required. IDC will also consider the financial projections of each insourcing opportunity. This will provide assurance that the anticipated financial and service outcomes are achieved and sustained over the life of the Business Plan.



07 | Governance, Assurance and Reporting



7.1. CHPS will operate within a clear service-level relationship between the operational service and the Asset Management client function. The client owns the forward order book, technical standards and stock-condition intelligence and monitors outcomes. CHPS is accountable for operational delivery including performance, quality, compliance and value for money.

7.2. The service level framework sets out the strategic principles, roles and expectations for both sides of the relationship.

7.3. Assurance flows through Cobalt's established governance structure. The Investment and Development Committee oversees financial performance, delivery and value for money. The Customer Committee oversees repairs, customer outcomes, satisfaction and compliance with the Consumer Standards. Every expansion follows the twelve-month gateway process and will be approved by IDC. Each insourcing opportunity is confirmed only at its annual gateway, where the service-specific business case is approved approximately twelve months before implementation.

7.4. Progress against the business plan will be reported on a defined cycle to ensure clear line of sight:

Report	To	Frequency
Performance, delivery and financial progress against the BP	Investment & Development Committee	Quarterly
Repairs, customer outcomes and satisfaction	Customer Committee	Quarterly
Progress against the five-year plan and benefits realised	Investment & Development Committee	Twice yearly
Each insourcing business case (gateway approval)	SMT/IDC	c.12 months before each phase

7.6. We will adopt a set of performance metrics to measure the success and improvement delivered by CHPS. Example metrics include:

Corporate Plan Theme	Outcome	Key KPI	Target	Reporting
Excellent Services	Improved customer experience	Customer satisfaction	Top quartile	Quarterly
Excellent Services	Efficient repairs service	First-time-fix rate	Year-on-year improvement	Quarterly
Quality Homes	Safe and compliant homes	Compliance position	100% statutory compliance	Quarterly
Quality Homes	Reduced cost of repairs delivery	Responsive repairs Cost per property	% reduction by 2028	Quarterly
Thriving Communities	Local economic impact	Apprenticeships and new jobs	Minimum annual target agreed	Biannual
Thriving Communities	Support local economy	SME spend	Annual targets met	Annual
Positive People	Skilled workforce	Sickness	Annual improvement	Annual
Positive People	Workforce sustainability	Retention rate	Above sector benchmark	Annual
Financial Performance	Efficiency delivery	Efficiency savings	£x achieved	Quarterly
Strategic Growth	Expanded CHPS delivery	Programme delivered/managed by CHPS	70% by April 2031	Biannual

7.7. As CHPS grows, additional measures will be added for new workstreams, including benchmarking unit costs to demonstrate viability and value for money.

08 | Risks and Mitigations

8.1. The following risks have been identified with outline mitigations highlighted. The risk and mitigation plan will be regularly assessed and updated as we develop and implement the business plan.

Risk	Potential Impact	Mitigation
Insourcing capacity exceeds organisational capability	Service performance deterioration	• Phase growth. • Apply annual gateways. • Maintain workforce planning and review support-service capacity. • Appoint a dedicated project manager.
Failure to recruit and retain skilled staff	Delivery and compliance pressures	• Develop apprenticeships and succession plans. • Use targeted local recruitment. • Plan and manage TUPE transfers.
Compliance failure in safety-critical services	Regulatory and reputational impact	• Maintain dedicated compliance oversight. • Undertake regular audits and maintain relevant external accreditations. • Coordinate access planning across services.
Worsening productivity after transfer of workforce from contractors	Cost and delivery impact	• Provide strong management and supervision. • Optimise scheduling. • Prioritise first-time fixes and ensure adequate van-stock availability.
Efficiency targets not achieved	Financial underperformance	• Monitor benefits realisation and review productivity. • Provide finance business-partner and commercial support. • Maintain Investment and Development Committee oversight.
Customer satisfaction declines during transition	Reduced trust and increased complaints	• Maintain customer engagement and clear communications. • Use phased mobilisation. • Maintain Repairs and Maintenance Performance Group oversight.
Market inflation increases operating costs	Reduced value for money	• Undertake commercial reviews and benchmarking. • Apply procurement controls and use frameworks or consortia where appropriate. • Plan the forward order book.
Dependency on key individuals	Business continuity risk	• Develop leadership capability. • Maintain succession plans for key roles.

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