



City of  
**Stoke-on-Trent**

Stoke-on-Trent City Council

# **HRA ASSET MANAGEMENT STRATEGY 2022-2027**









# CONTENTS

1.	INTRODUCTION .....	4
2.	HRA ASSET MANAGEMENT STRATEGY 2017-2022 .....	6
3.	STRATEGIC CONTEXT AND DIRECTION OF TRAVEL .....	7
4.	AIMS AND OBJECTIVES OF THE HRA ASSET MANAGEMENT STRATEGY .....	9
5.	SOCIAL HOUSING (MARKET) CONTEXT .....	11
6.	LEGISLATIVE DRIVERS FOR CHANGE .....	13
7.	STRATEGIC DRIVERS .....	14
8.	ASSET MANAGEMENT COMPONENTS, TOOLS AND INFORMATION .....	15
9.	ASSET PROFILE AND GRADING .....	19
10.	ASSET MANAGEMENT PRIORITIES .....	24
11.	CUSTOMER INVOLVEMENT .....	27
12.	MANAGING RISK .....	27
13.	FUNDING THE STRATEGY .....	28
14.	RESPONSIBILITY AND REVIEW .....	29

# 1

## INTRODUCTION

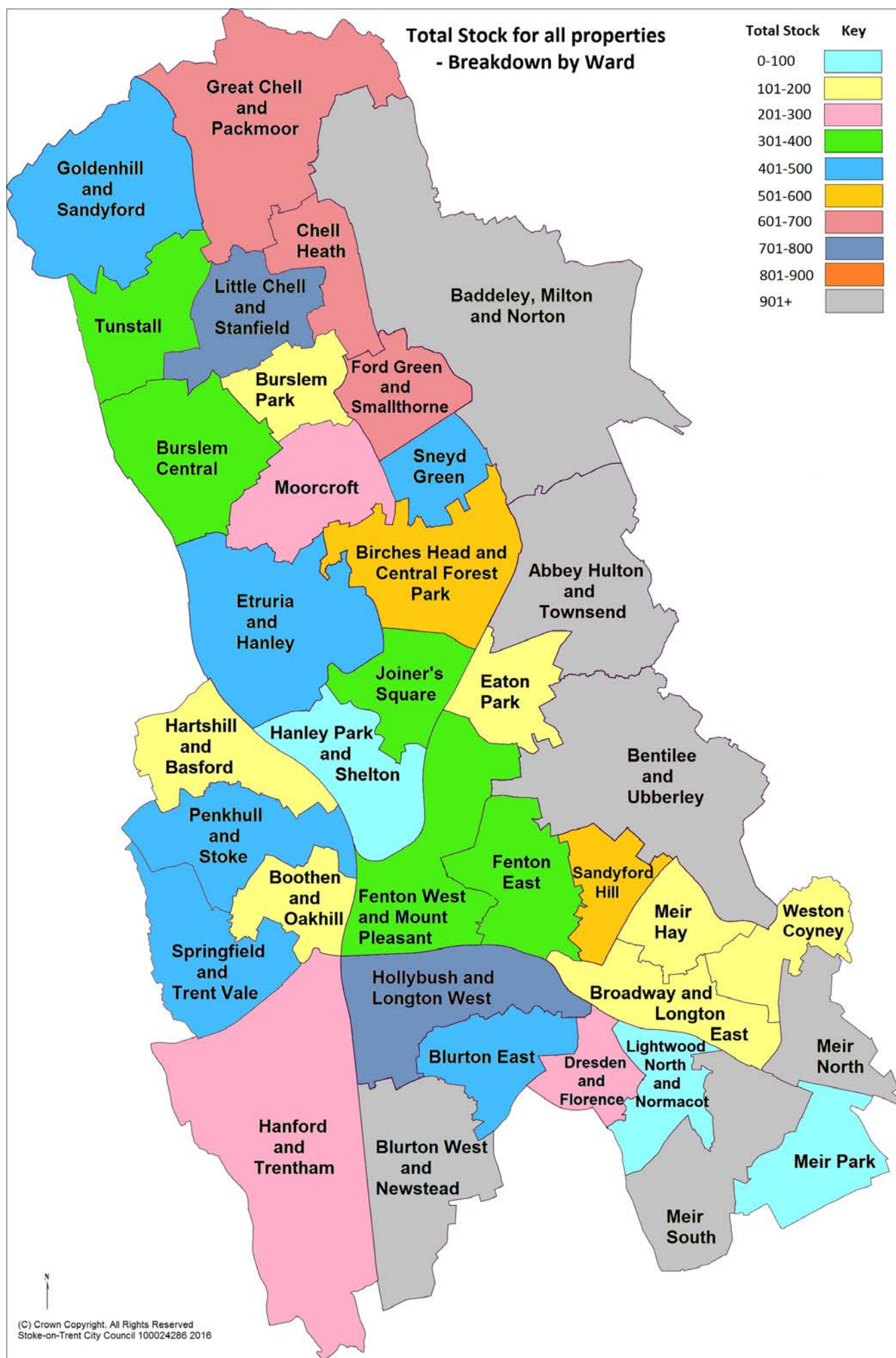
Council housing represents one of our major assets, representing just over 15% of the housing stock in the city.

Managing, maintaining and investing in its long-term sustainability ensures there is a provision of appropriate, high quality affordable homes for people in the city. The focus of the housing service is to ensure that the council's housing stock is fit for purpose and that properties depleted through the Right to Buy and other losses such as through clearance are replenished in line with identified housing demand, which includes the provision of new older people's housing, supported housing, and smaller, one-bedroom homes for single people. This activity is enabled through new HRA borrowing flexibilities. In January 2020, Cabinet approved borrowing of £125 million and the call upon resources for both improving existing housing and developing new housing is to the same funding pot, so where the business case is compelling, the council will prioritise the planned maintenance and improvement of its existing homes.

In terms of the development of new council housing, and in line with the city's new Housing Strategy 2022-27, where resources allow, the council's emphasis will be on the provision of new older people's and supported housing, together with an identified need for one bedroomed properties. This in turn is expected to release two and three-bedroom homes for use by families. The council understands that in order to encourage older people to move out of larger homes, in which they may be struggling to live independently, the offer of alternative accommodation needs to meet their requirements in terms of quality, affordability and location.

The council's retained housing assets are dispersed broadly across the six towns that comprise the Potteries conurbation (Stoke, Tunstall, Burslem, Hanley, Fenton and Longton) and their surrounding areas. Within these towns there are distinct and settled communities, many of which resulted from the historical industrial heritage of the area.

During 2018, the council took a further important step towards its ambition of providing a high quality and modern housing repairs and maintenance service to customers by setting up its own wholly owned subsidiary, Unitas Ltd. Unitas now provides a wide range of repairs and maintenance services and since its establishment has already demonstrably delivered a much improved and cost-effective repairs service for customers. Unitas offers greater opportunities to the local economy through its use of local labour, investing in staff development and welfare, to the benefit of absence rates and staff wellbeing. It provides a partnership approach with the city council, most notably evidenced through the Coronavirus pandemic response to vulnerable residents.



# 2

## HRA ASSET MANAGEMENT STRATEGY 2017-2022

The HRA Asset Management Strategy 2017-2022 was implemented at a time of great political and financial pressure for the sector characterised by social housing rent cuts and the sector's response to the Grenfell Tower fire in 2017.

Faced by the challenges of the time, and by design, the strategy focussed on efficiency, effectiveness and economy and securing a robust understanding of the performance of our stock. It is a mark of the success of that strategy that we are now able to turn our focus to further enhancing the quality and safety of our offer to residents and in dealing with the asset management challenges we have now quantified.

During the life of the strategy, we have delivered against our action plan:

- Established Unitas as our new repairs company, as a commercial subsidiary of the council.
- Undertaken a new Stock Condition Survey and further improved the quality of our stock condition data through in-house surveys.
- Implemented a new IT system to manage the responsive repairs service, using dynamic resource scheduling to plan and schedule responsive repairs.
- Introduced on-line repairs reporting for customers.
- Embedded a new asset management IT system, Keystone, and mobile device.
- Graded the performance of our stock and identified priorities for action.
- Embarked on an ambitious development programme.
- Introduced a geographic estate-based approach to repairs.
- Demonstrably improved the quality and cost of the repairs and maintenance service, with the direction of travel being towards more planned works.
- Maintained a very high level of Decent Homes compliance.
- Recorded that 94.5% of customers are satisfied with the repairs service.
- Developed a leaseholder investment programme and payment options to help fund improvement works.
- Continued to invest in the repairs and maintenance of our housing stock at a level commensurate with the needs of the stock and in line with sector benchmarks; resulting in the energy and environmental performance of stock, improving from a SAP rating of 64.9 in 2017 to 67.4 in 2020, and the Energy Performance Certificate rating D at 31st March 2021.
- Risen to the challenge posed by the need for enhanced building safety regimes and in doing so, we are amongst the first of social housing organisations to adopt the policy of installing sprinkler systems in tower blocks.

As a consequence, we are now able to purposefully advance our approach to strategic asset management to the point where we can make informed decisions about how we future-proof the stock and get the best out of our housing and related assets.

# 3

## STRATEGIC CONTEXT AND DIRECTION OF TRAVEL



# STRONGER TOGETHER

*Working together to create a stronger city we can all be proud of*



Managing our valuable housing and related assets efficiently and effectively is a priority for the council and wholly consistent with the vision and priorities set out in the Stronger Together Strategic Plan 2020-24. Aligning our assets and services with this vision is fundamental to the success of this journey.

This strategy is underpinned by the following key corporate objectives:

- Support vulnerable people in our communities to live their lives well.
- Enable our residents to fulfil their potential.
- Help businesses to thrive and make our city more prosperous.
- Work with our communities to make them healthier, safer and more sustainable.
- An innovative and commercial council, providing effective leadership to help transform outcomes.





This strategy continues to act as the framework within which the council makes strategic decisions on investment, disinvestment and divestment in its stock. It has been drawn up to underpin and inform the council's corporate Asset Strategy and HRA Business Plan and complement the suite of other underpinning council strategies.

In summary, the strategy aims to build on the successes of our previous HRA Asset Management Strategy and to set out our approach to asset management moving forward. It also aims to make the link between council ambition and delivery on the ground, facilitating an improved sense of place and community, identifying a set of key actions which will inform the development of a detailed action plan, which we will then deliver over the next five years.

Given the substantial knowledge we now have about how our stock is performing this strategy purposely draws on this intelligence and the two whole-stock asset performance reviews the city council has undertaken in the past five years to (a) highlight our progress over the past five years and (b) to highlight our asset management challenges and priorities moving forward.



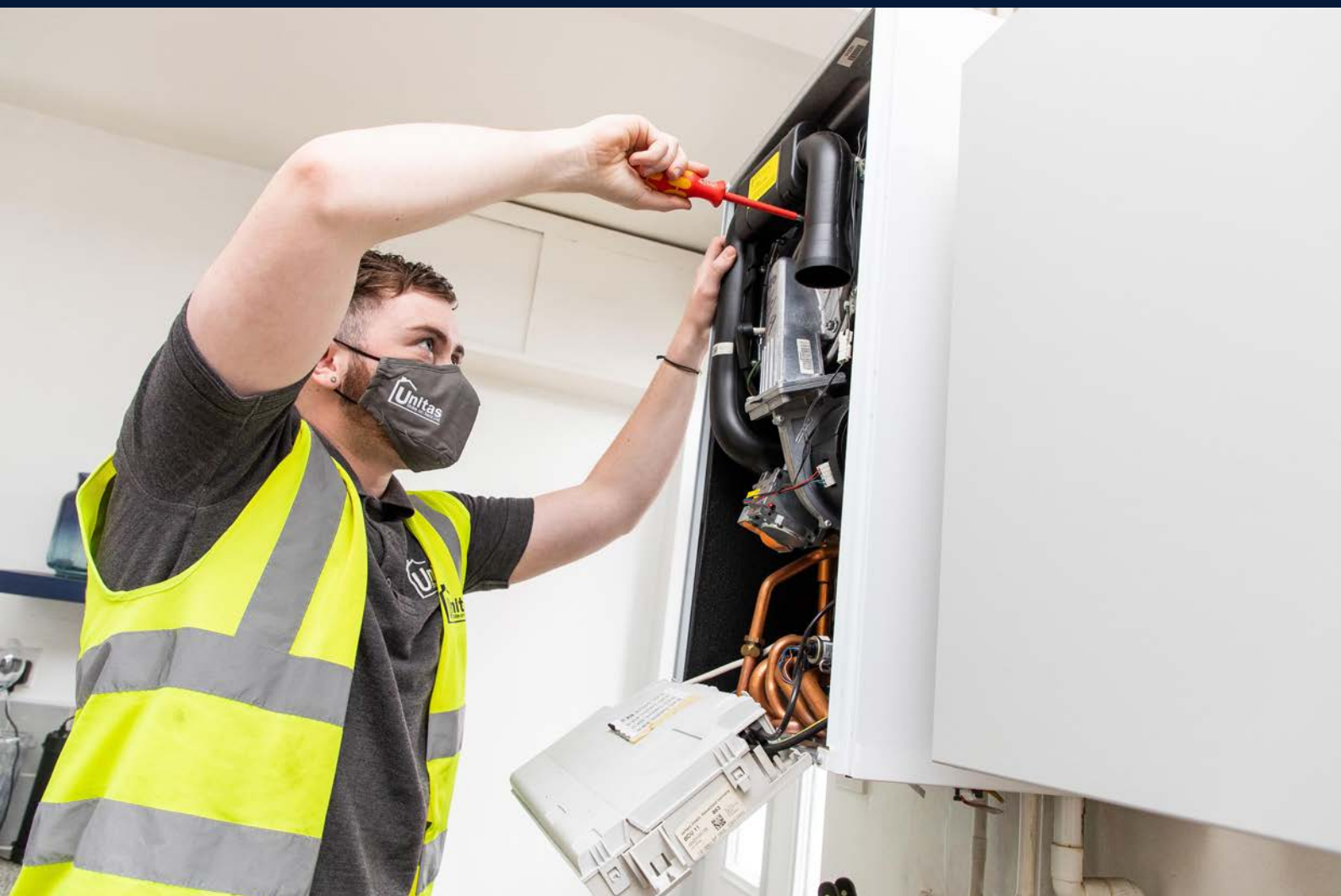
# 4

## AIMS AND OBJECTIVES OF THE HRA ASSET MANAGEMENT STRATEGY

As highlighted previously, the aim of this HRA Asset Management Strategy is designed to build on the success of the 2017-2022 Strategy. Continuing to maintain the council's housing stock to a high standard ensures effective investments, while meeting legislative requirements and meeting the need of tenants, leaseholders and residents of your city.

### THE KEY OBJECTIVE OF OUR STRATEGY

To provide a reliable, trusted and timely repairs and maintenance service for the council's retained housing stock, based on agreed service standards, and in doing so ensure that the asset base is safe and in good condition, achieving service models that deliver both value for money and good customer satisfaction.



## Delivering Our Asset Management Strategy

To achieve our strategy aims and our objective, at the heart of the strategy will be a time-bound and prioritised action plan that will be developed with key stakeholders and customers.

As a plan for action, this strategy purposely takes account of changes in our operating environment and sets out the priorities for the next five years. These priorities are applicable to the specification, physical care and improvement of our property related assets.

We will deliver the strategy aims and objective by:



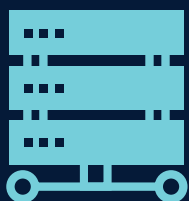
**Working with our customers** - ensuring effective engagement and communication with our customers, both about repairs and maintenance relating to their individual homes and more widely.



**Adding social value** - ensuring real local employment and training outcomes for the city's residents and communities and ensuring investment programmes and other asset management related interventions are delivered in a cost-effective manner and in accordance with sound procurement principles, including significant contribution to meeting the needs of young people, and particularly those in care and care leavers.



**Enhancing the value of the HRA asset base** - ensuring the achievement of value for money to maximise the return on investment; operating within the context of wider regeneration and new build schemes, so that investment is complementary; identifying proposals to tackle, by way of investment, disinvestment, or divestment, those properties and neighbourhoods that are found to fall short of the council standard or exhibit other forms of obsolescence.



**Maintaining the availability of accurate information about the HRA asset base** - ensuring that programmes, interventions and investment decisions are timely and well informed, being based on good quality asset intelligence. other forms of obsolescence.



**Maintaining compliance with statutory obligations and emerging legislation** - ensuring that all statutory compliance obligations are achieved, that plans are in place to respond to anticipated legislative and regulatory changes, including those stated in the Social Housing White Paper 2020 and the Carbon Zero agenda, and that the service model is able to respond to any newly arising regulatory requirements.



# 5

## SOCIAL HOUSING (MARKET) CONTEXT

Asset management in the affordable housing sector has been going through a significant transformation in recent years. This is described as the sector moving from 'doing maintenance' to becoming strategic managers of assets.

The Decent Homes Standard was for many years the key sector driver, using stock condition data to drive timely programmes of elemental replacements, whilst providing repair services. Established as a 'trigger point for action' it was often viewed as the actual aspirational standard.

Decent Homes dealt with historic underinvestment issues and maintaining that standard has been important for residents. However, now there are wider considerations:

- An asset management strategy must consider investment in the immediate environment as well as the home within which it is located.
- Building and customer safety is key, with new emerging legislation and best practice.
- Achieving a zero-carbon housing stock by 2050 is now a key target – but very much a new one for the sector.
- Government proposals to implement a Decent Homes Plus standard that extends the existing standard into the environment within which property is located.





To respond to the above property and environment related challenges and wider aspirations confirmed by the council in its Housing Strategy Direction of Travel and emerging Housing Strategy 2022-27, there is now more of an imperative to ensure our asset management strategy and underlying regeneration and investment plans accommodate all of these new demands, so as to continue to give residents good quality, safe, energy efficient and well-maintained homes in attractive places to live.

This means that our financial planning must make adequate provision for all known and expected investment needs and we must also be prepared not to invest in inadequate assets, where design, quality, construction type or energy efficiency will not be addressed by capital investment.

We are much clearer about our core assets, and can plan for investing in and improving these, but for any less well performing stock we must be prepared to be more visionary, to secure best overall returns on our investment.

This may involve remodelling, demolition, change of use or more significant regeneration. We will continue to use our financial capacity to create the very best housing assets from our existing homes as well as through regeneration and new development.





# 6

## LEGISLATIVE DRIVERS FOR CHANGE

This new HRA Asset Management Strategy has had to be cognisant of an unprecedented amount of legislative and regulatory change that, when fully outlined and implemented, will have a material impact on the resource we deploy on managing the asset base.

For example, emerging legislation including the Building Safety Bill, Fire Safety Act, the Social Housing White Paper 2020 (including Decent Homes Plus) and decarbonisation targets will all have a lasting impact on how we demonstrate compliance with more exacting building, building safety, consumer and environmental standards.



# 7

## STRATEGIC DRIVERS

Directed by this Strategy's directives, the council's key asset management priorities, set out in section 10, are heavily influenced by the following drivers for change:



### AGEING ASSETS

Maintaining the performance and safety of an ageing asset base.



### MORE EXACTING CUSTOMER EXPECTATIONS

Keeping our assets relevant by ensuring they are aligned with the reasonable expectations of new and existing residents.



### TECHNOLOGY

Exploiting technological advances in property management and ensuring our homes can be adapted to accommodate the increase in use of electric vehicles and are digitally connected.



### CLIMATE CHANGE

Responding to climate change by decarbonising our homes and providing homes and services in a sustainable way.



### FINANCIAL CONSTRAINTS

Becoming more efficient in the way we manage finite financial resources and seeking opportunities for inward investment.



### LEGISLATIVE AND REGULATORY CHANGE

The Social Housing White Paper 2020 (including new Decent Homes Plus proposals) and further significant changes to building safety standards.



# 8

## ASSET MANAGEMENT COMPONENTS, TOOLS AND INFORMATION

The council has developed a range of sophisticated analytical tools to assist in the process of responding to our drivers for change.

These include:

- An asset grading system supported by extensive stock condition data, which is regularly updated through ongoing surveys, collected using statistically reliable and verifiable stock survey techniques. In addition, the system utilises a wide range of other related data, including qualitative, financial and market information.
- Maintenance planning, building safety and repairs scheduling systems.
- The expertise of Unitas to plan and deliver projects effectively.
- An HRA Business Plan to support programmes of work including:
  - A planned maintenance programme, achieving economies by replacing components just before they would otherwise require responsive repairs, anticipating changes in minimum acceptable standards, and reducing future requirements for demand driven maintenance.
  - Regularised maintenance programmes with a primary focus keeping residents safe in their homes.
  - Cyclical maintenance to prevent deterioration in the physical condition of the stock.
  - A responsive maintenance service to address unforeseen episodic repairs and to prevent unplanned deterioration in its condition.
  - An efficient and effective voids repair service, helping to protect the council's revenue and minimise the number of rejected offers on the grounds of poor condition.
  - Demolition or other forms of divestment of selected property, to remove obsolete provision or to permit replacement with dwellings that respond more effectively to changing requirements and represent a sounder economic and social investment.
  - Provision within the HRA Business Plan for 'holding repairs' to maintain the fitness of stock which is undergoing review.

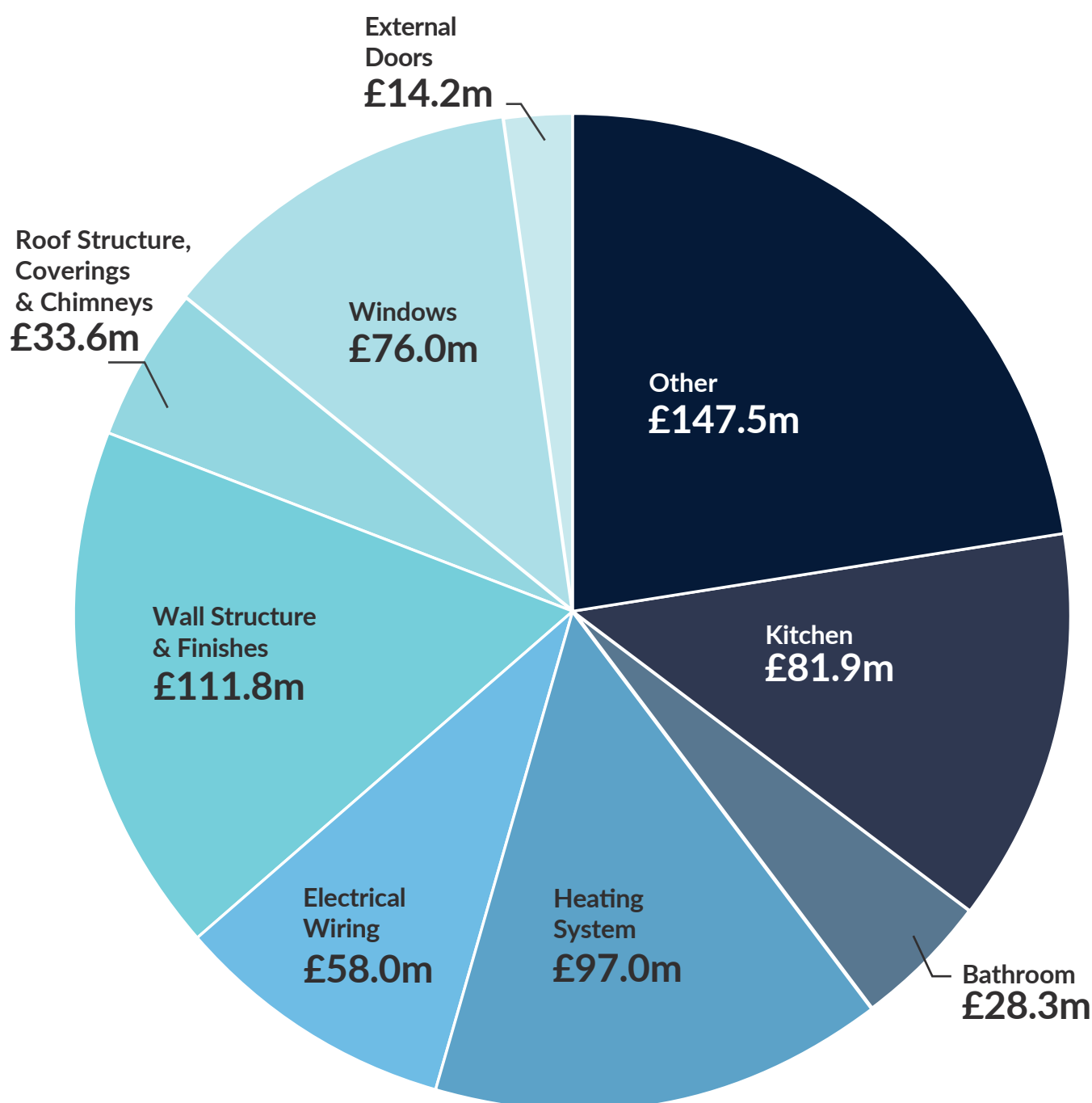


The projected planned investment requirement, based upon current stock condition survey data, of around 80% of our housing stock, is predicated on the expectation that components of our properties – essentially the fabric of the building - have a limited lifespan, this being:

- Boilers are no more than 15 years old;
- Kitchens are no more than 20 years old;
- Bathrooms are no more than 30 years old;
- Heating distribution systems are no more than 30 years old;
- Windows are no more than 40 years old;

The cost of replacing these major components over 30 years is set out below:

### Stock Condition Survey Data - 30 year Cost Replacement Elements





We have continued with significant investment in decent homes component renewal programmes, the housing stock has further benefitted from multi-million pound investment, through the completion of market leading, energy efficiency refurbishment projects. Our houses in particular, which make up 63.3% of our stock, are generally regarded as being in a satisfactory condition. This historic investment has helped to ensure that the majority of our homes are viable and lettable.

However, we still have some difficult issues that need to be addressed, including:

- We have over 3,600 bungalows, many of which have issues including poor layout and space, poor access (up or down external stairs) and poor geographical location in relation to local amenities;
- We have 10 nine-storey apartment blocks requiring investment that need to be option appraised;
- We had 140 units of sheltered accommodation across seven schemes, but following an options appraisal all but one scheme has been decommissioned. We have also built a new facility at QEII Court and a second scheme will be completed in Spring 2022.

To address these issues we have undertaken a series of surveys, options appraisals and pilot projects. These included:

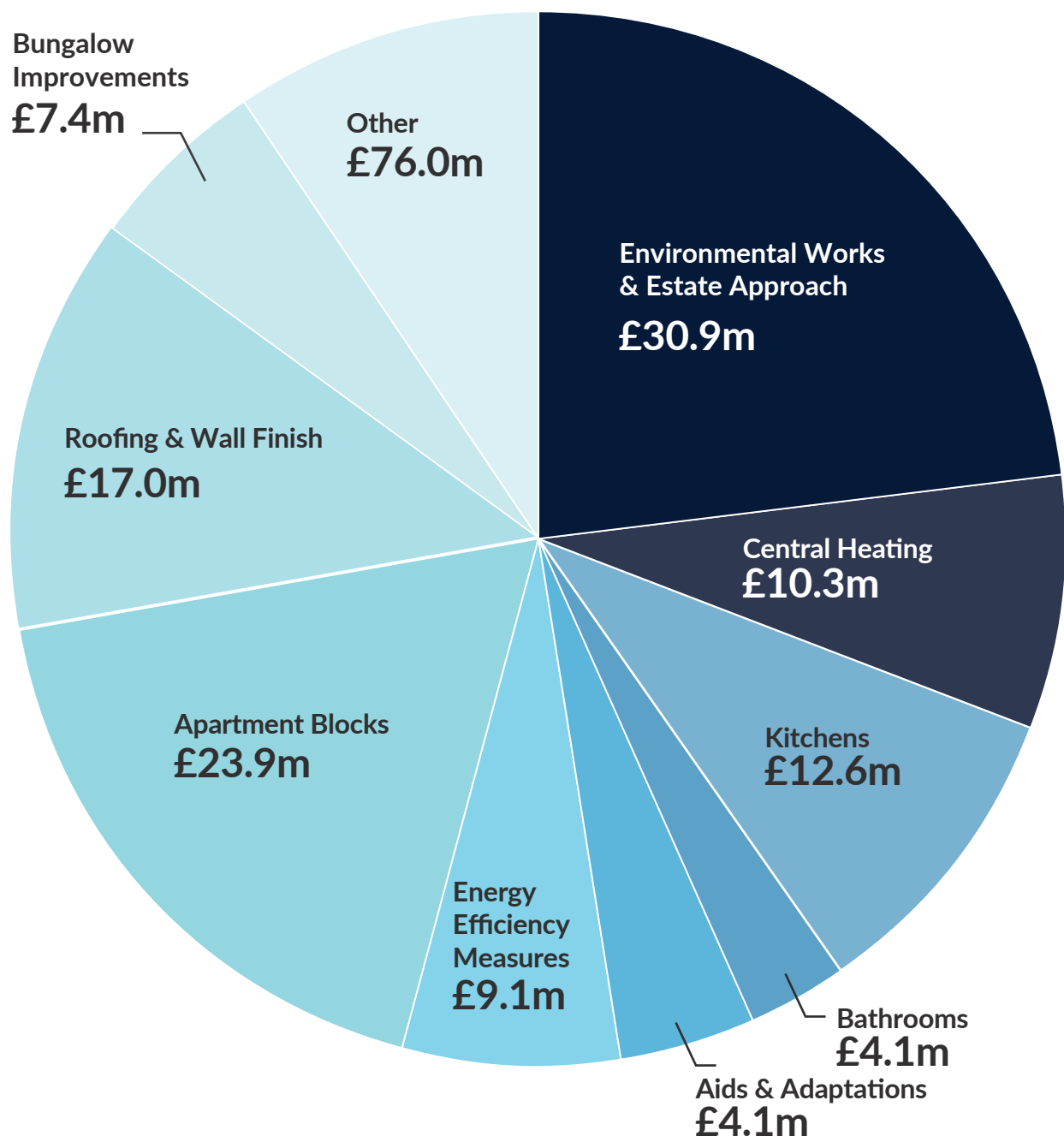
- Commercial property surveys and investment plans;
- Sheltered housing option appraisals and refurbishment;
- Structural and viability reviews of maisonettes;
- Pilot projects on estate environmental improvements;
- Pilot programmes for the replacement of UPVC cladding on bungalows, tile and timber cladding to properties and cross-wall cladding with new insulated cladding.

The data from these surveys has then been extrapolated to determine the investment need of the housing stock as a whole. This is £648m over 30 years, at current prices, including backlog works of £1.6m. The expenditure required is equivalent to an average of £1,181 per property per year.



The stock condition information from the Surveys and the stock grade modelling provides the basis for the capital programme which also includes expenditure on aids and adaptations, energy efficiency, the refurbishment of apartment blocks and our estate improvement approach, bringing increased investment into the external environment. The core capital programme over the next five years is summarised in the following chart.

**Stock Investment 2021/2022 to 2025/2026**





## 9

## ASSET PROFILE AND GRADING

As demonstrated through stock condition surveys, the current portfolio of homes is well maintained with 96.7% of the stock meeting the Decent Homes Standard, having benefitted from significant previous investment, with the remaining 3.3% featured in investment plans within this draft strategy. The 3.3% are made up of properties that are not in a reasonable state of repair or are without reasonably modern amenities and services.

Overall rented homes in the council's ownership are shown in the table below:

Number of Bedrooms	Bedsit	1	2	3	4	5	6	Total
Bungalow	0	3,324	300	12	1	0	0	3,637
Flat	55	687	1,972	18	0	0	0	2,732
House	0	19	4,826	6,230	154	1	9	11,239
Non-Self-contained	0	0	0	0	0	0	0	0
Sheltered Schemes	14	63	62	0	0	0	0	140
<b>Totals</b>	<b>69</b>	<b>4,093</b>	<b>7,160</b>	<b>6,260</b>	<b>155</b>	<b>1</b>	<b>9</b>	<b>17,748</b>
<b>Percentage</b>	<b>0.4</b>	<b>23.1</b>	<b>40.2</b>	<b>35.3</b>	<b>0.9</b>	<b>-</b>	<b>0.1</b>	<b>100</b>

The majority of stock is comprised of houses (63.3%) and bungalows (20.5%) with a relatively small proportion of flats (15.4%), when compared to other large social housing landlords.

The portfolio generally benefits from high demand in most areas, although for a variety of design issues and changing service user expectations there is a growing body of evidence that 10 of the 16 council owned tower blocks are unsustainable in the medium to long term.

In addition to rented accommodation, the portfolio includes a range of miscellaneous built assets, including 1,100 garages and garage plots and 52 commercial units.

Following the adoption of a stock performance-based asset management model, the council is now able to grade and track improvements in operational performance of the stock.

The table below compares and contrasts the per unit per annum averages for the whole stock for some key tests between the 2015 and 2020 asset appraisal outputs (ASAPs), at which point the stock totalled 17,733 units.

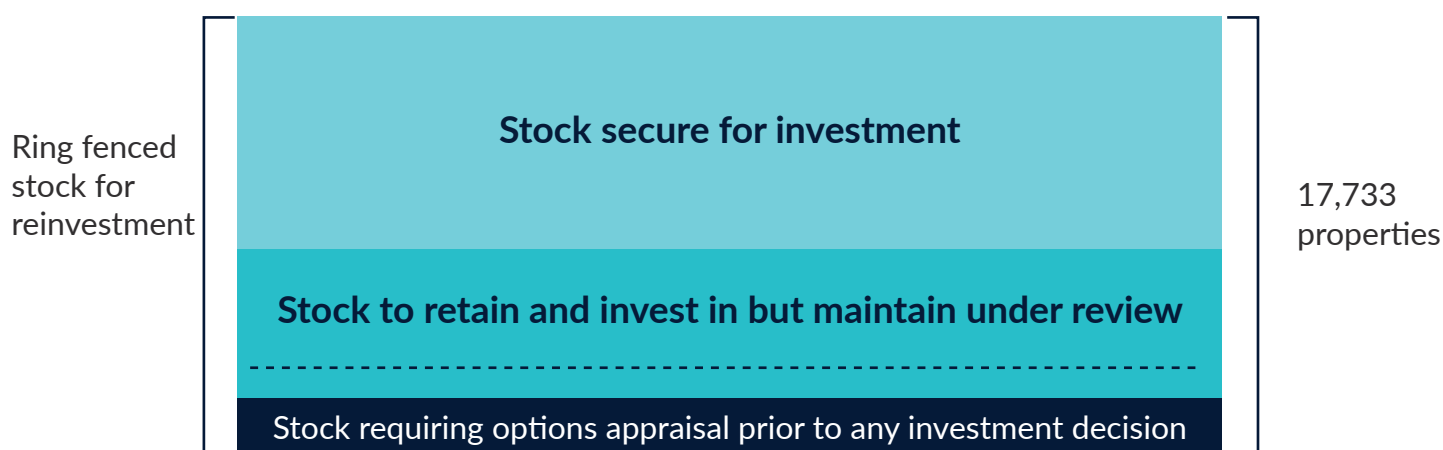
Test	ASAP 2015	ASAP 2020	Trend
Stock turnover	10.90%	8.50%	Trend Upward
Mean time to relet (days)	51.2	39.2	Trend Downward
Length of current tenancy (years)	10.7	12	Trend Upward
No. of responsive repairs per annum	2.7	1.9	Trend Downward
Average energy rating (SAP)	no data	67.4	No Change
Refusals	0.73/void	0.57/void	Trend Downward
Anti-social behaviour	14.50%	5.80%	Trend Downward
Void rent loss	1.52%	0.92%	Trend Downward
Rent collect	£3,943	£3,956	Trend Upward
Void works costs (pupa)	£213	£247	Trend Upward
Responsive repair costs	£410	£310	Trend Downward
Gas repairs & servicing costs	£64	£63	Trend Downward
Management resource costs (OH)	£988	£924	Trend Upward
5 year planned costs	£1,992	£1,590	Trend Downward
10 year planned costs	£1,314	£1,540	Trend Upward
30 year planned costs	£1,130	£1,219	Trend Upward
Contribution to overheads	£2,120	£1,996	Trend Downward
Profit	£771	£696	Trend Downward
Loan interest	£361	£376	Trend Downward

It is apparent from the table above that there have been several improvements since the previous asset management strategy including:

- Reduced numbers of voids and relet times resulting in lower rent loss.
- Increased rent collection despite the rent reductions.
- Responsive repair costs have reduced.

Despite planned costs being higher, they are still in the normal (sector) range of £1250 to £1400 per unit/year over the 30-year period.

Asset grading of the stock is achieved by sub-dividing the stock into three asset classes, A, B and C, and these are described in more detail in the following sections and below chart:





## **ASSET CLASS A – LONG TERM SUSTAINABLE ASSETS**

These schemes require on-going rolling programmes of elemental renewal and repair, cyclical maintenance and investment, to maintain to current standards. There may be one off investment requirements from time to time in addition to the elemental investment, where service needs of residents change. Overall, these assets are considered long term sustainable, provided appropriate levels of investment and sound housing management and maintenance principles continue to be applied.

Since 2015 there has been an increase of 123 schemes in the Class A assets. There is a slight reduction in the profitability per unit per annum, which is primarily the consequence of the increased 30 year projected planned investment spend and the 4 years' annual 1% reduction in rents. This is a good performance, especially as an allowance for cyclical decorations of £120 per unit per annum is made in the 2020 stock grading model which was not present in the 2015 model.

The council's better performing assets now comprise 14,149 units, in 1,421 schemes, some 75.6% of rented stock, around 6% more homes than in 2015.

Over 30 years, and as a result of improved performance, Asset Class A stock – stock secure for investment - is projected to make a total surplus of just over £12 million.

Estimated planned spend over 30 years for stock in Asset Class A is £1,198 per unit per annum (up from £1,102) on average and is in line with sector benchmark figures for planned investment over 30 years.

## **ASSET CLASS B – SUSTAINABLE ASSETS BUT WHICH NEED TO BE KEPT UNDER REVIEW**

These assets may require additional investment or intervention in the medium term, over and above repetitive elemental investment. A review of data related to these assets needs to be undertaken to determine the exact level of investment required. The outcomes of this data review will determine whether a more detailed option appraisal is needed, in order to determine the long-term future of the asset.

There is a significant reduction in units in Class B – stock to retain and invest in but maintain under review - but a similar level of schemes. There are now 2,389 units in 250 schemes (3,381 units in 246 schemes in 2015) and the average scheme size for Class B assets has reduced from 13.7 to 9.6 units. The average 30-year projection for planned cost for this asset Class is £1,159 per unit, which is again in line with sector benchmarks.

There is a reduction in profitability in the Class B homes since 2015, from £625 per unit per annum to £406 per unit per annum. These schemes are still making a reasonable return for the Housing Revenue Account, but their performance will need to be kept under review. Option appraisals and consideration for the future of the less well performing schemes may become necessary in the medium term (5 to 10 years).

## **ASSET CLASS C - STOCK RECOMMENDED FOR AN OPTION APPRAISAL AND A CLEAR RE-INVESTMENT STRATEGY**

These lower scoring schemes potentially demand more immediate consideration given their lower performance.

Positively, evidencing continued investment, there are 208 schemes in Class C – stock requiring options appraisal prior to any investment decision -compared with the 316 in the previous assessment in 2015 and positively, there is also a significant reduction in the number of homes, from 2,797 to 1,195.

The projected planned investment for the 2020 asset Class C stock is £1,588, which is much higher than the benchmark and a £375 per unit per annum increase on the 2015 budget. As this is an average figure, it will have been heavily influenced by the additional planned investment included in the council's high-rise stock, which include sprinklers.

Consequently, there is a significant reduction in asset Class C's average overall financial performance, with a loss of £581 per unit per annum. This is partly explained by the increased planned works costs, additional essential tower block works, rent reduction and cyclical decorations allowance. It will also be partly due to the change in the thresholds; in the previous model the profit threshold was less than £300 profit for asset Class C and the current model is £100 – this is a more nuanced approach to the grading of assets, with the requirement of £400 per unit per annum to be Class A.

The key observations that flow from the latest review are that:  
Bedsits/studios and one and two-bedroom flats comparatively perform poorly (2,814 units – 15.9% of overall stock). Only 57% of are Class A.

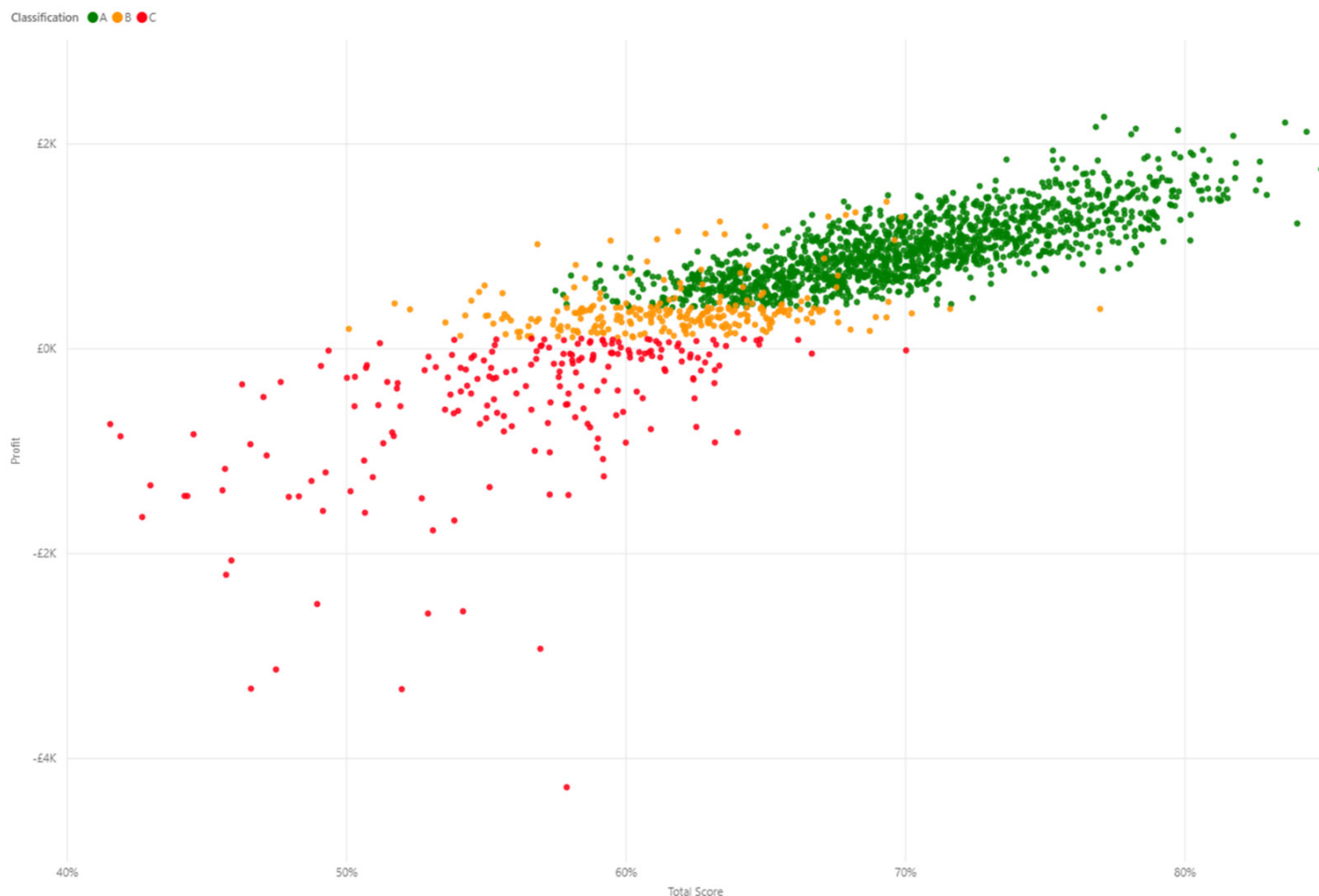
49.2% of Class C units are smaller flats and one-bedroom bungalows, despite these archetypes comprising only 34.5% of overall stock. The bungalows in this category are a particular challenge, as despite the absolute need for this type of accommodation in the city, they exhibit a number of characteristics that affect their desirability and adaptability. These include poor or difficult access into the bungalow and between rooms within the bungalow and to a lesser extent poor layout, bedroom numbers, room sizes and property location relative to local services.

The 7% of stock that sits within Grade C is in part populated by the 317 rented properties located in 10 tower blocks across four areas. A full option appraisal of the blocks has been completed and the council is now considering and preparing how best to respond to the significant challenges identified.

Similarly, there are challenges and opportunities arising from our garage sites, where 40% of garage blocks are financially unviable. Option appraisals have been started for the under-performing garages and preparatory work has already commenced in exploiting the redevelopment opportunities these present.



Despite the challenges identified above, it is clear that most of the stock benefits from high demand and a corresponding robust financial performance. The graph below shows the total score out of 100% on the horizontal axis (high score to the right) and financial performance on the vertical access (better financial performing schemes are higher up the graph). The green dots are the better performing schemes overall, the red are those that score least well and the amber is where performance is variable:



From the above we can identify that 79.8% of the council's rented housing stock is considered to be sustainable in the long term, whilst a further 13.3% of schemes are sustainable, but may require some additional investment or intervention in the medium term and should be kept under review. The Strategic Asset Performance Appraisal therefore indicates that almost 90% of schemes are longer-term sustainable, subject to sensible levels of ongoing and regular investment, and that the forecast for planned investment works is workable and in line with sector benchmarks.

# 10

## ASSET MANAGEMENT PRIORITIES

The council has identified some initial key strategic asset management priorities which are heavily influenced by the drivers for change and respond to the council's six key objectives. The priorities and the most significant challenges of these are summarised below and will be developed further within the 5-year action plan.

### 1. DEVELOPING NEW COUNCIL/CUSTOMER STANDARDS FOR ALL ASSET GROUPS

The council's portfolio currently exhibits a range of standards that have been improved and applied from time to time and from neighbourhood to neighbourhood. During the life of this strategy, we will work with residents and other stakeholders to develop the standards which are appropriate to the customer demographic.



### 2. COMPLETING THE PROCESS OF DETERMINING THE FUTURE INVESTMENT REQUIREMENTS OF 10 TOWER BLOCKS THAT HAVE BEEN IDENTIFIED AS REQUIRING SUBSTANTIAL REMEDIAL WORKS

The recently completed appraisal of the 10 tower blocks has produced options that include opportunities to further improve the housing offer in Stoke-on-Trent but also poses a major logistical challenge that needs to be well planned and managed sensitively. Execution of this aspect of the strategy will undoubtedly span more than one HRA Asset Management Strategy planning period and will need significant planning and project management input.



### 3. FUTURE PROOFING OUR OLDER PERSONS ACCOMMODATION

The council's portfolio of purpose-built older persons sheltered schemes, and bungalows has received significant investment in recent years and the worst of the underperforming schemes replaced with high quality accommodation funded through a variety of funding routes including the Private Finance Initiative (PFI). There remain, however, several older schemes and self-contained properties designated as older persons accommodation that are exhibiting several accessibility issues and this challenge could leave individual properties failing to be sufficiently adaptable to respond to changing mobility needs. During the life of this strategy, we will review the extent of the accessibility challenge and bring forward a costed and prioritised plan for its resolution.





## 4. DEVELOPING OUR APPROACH TO NEIGHBOURHOOD REGENERATION

In addition to investment in individual homes, we intend to pre-empt any changes to the Decent Homes Standard, which is expected to see for the first time, environmental considerations to be included. As part of this strategy, we will take a wider view of place and community investment requirements in our estates and neighbourhoods.

Developing a model that will facilitate informed decisions on what kind of intervention is required and at what point in a neighbourhood's evolution will be a key building block of the Council's approach in this area.



## 5. REDUCING THE CARBON FOOTPRINT OF THE ASSET PORTFOLIO

In June 2019, the UK became the first major economy to legislate to achieve net zero emissions by 2050 and recent research indicates that over 90% of a typical Registered Provider's operational carbon emissions come from existing homes. Interim targets have also been set including the requirement for all fuel poor homes to achieve an Energy Performance Certificate (EPC) standard of band C by 2030. In common with all other social housing providers, the 2050 and 2030 targets represent major challenges to the council and will require significant upskilling and financial resources over the short, medium and long term.

Analysis of the energy performance we hold indicates that circa 3,500 of our homes will require further investment in order to hit the interim EPC C rating target by 2030.

During the life of this strategy, we will develop a short, medium, and long-term plan for energy efficiency and initially focus on the delivery of the 2030 requirement. To avoid the risk of expensive re-work after 2030 we will adopt a fabric first approach which means that the emphasis will be placed on improving insulation and reducing heat demand.



## 6. MAKING GARAGES A BETTER OFFER

During the life of the strategy we will finalise our proposals for ensuring we have a clear exit route for our underperforming garage sites and in ensuring retained garages and sites are to a good standard and fit for the future, e.g., are secure, in a good environment and have a provision for electric vehicle charging.

We are expecting significant technological and government energy policy changes over the life of this strategy. We will continue to monitor changes and adapt our strategy as required and we will also work with the wider housing sector and the Government to help shape national policy in this area.



## 7. BETTER USE OF TECHNOLOGY

To take full advantage of the social value of the asset base, we need to harness significant technological based opportunities that are emerging and that will allow our properties to become digitally connected and available to residents regardless of age or disability. E-learning for children, telehealth and other forms of Smart Home technology are becoming common place and provide a valuable opportunity to reduce digital exclusion and provide access to services not always available to our residents.

The gradual migration to electrical vehicles will also, over time, affect the desirability of some of our stock which we need to plan for now.

Technological advances will also allow us to move to a more predictive form of property maintenance and if exploited will allow us to monitor asset performance remotely and more cost effectively.



## 8. BUILDING SAFETY

The safety of residents is of paramount importance to the council and substantial resources are directed at this aspect of managing the property asset portfolio.

We were swift in our response to address sector-wide concerns following the Grenfell tragedy by quickly carrying out enhanced safety programmes. Robust inspection and maintenance regimes are in place, as are reporting mechanisms that provide the oversight and assurance that safety actions are being prioritised and completed to time and quality.

During the life of this strategy, it is expected that further substantial legislative and regulatory tightening will take place and we will need to ensure we have the suitably skilled and trained expertise within our Unitas subsidiary to respond accordingly.



## 9. PROCUREMENT

The council operates a mixed market approach to the delivery of repairs, maintenance and stock investment works. There is an organisational commitment to growing the amount of work undertaken by Unitas where the work is commensurate with the skills and abilities possessed by the workforce and where pursuing this route demonstrably delivers excellent customer service and Value for Money.

Over time, we plan to increase the proportion of work undertaken by Unitas and we will need to ensure the company is supported in this objective by the establishment of a robust plan that provides the long-term visibility of future workstreams.



# 11

## CUSTOMER INVOLVEMENT

The council is committed to involving residents and ensuring they play a meaningful part in shaping services and setting standards. This strategy complements the council's Housing Customer Engagement Strategy and ensures residents and communities – tenants, leaseholders, their families and carers - are at the heart of the decisions we need to make to ensure the strategy is a lasting success.

# 12

## MANAGING RISK

The council is acutely aware that evaluation of risk is an essential part of an effective asset management approach. Major decisions taken about the future and utilisation of the asset base in the absence of a risk assessment may have a long-term detrimental effect on the sustainability of communities and financial health of the HRA.

The council has a systematic approach to managing asset-related risks. This involves the regular review of impact and probability of specific risks materialising and an evaluation of the control arrangements that are in place for managing and minimising current and emerging risks. These are updated in light of changing circumstances.





# 13

## FUNDING THE STRATEGY

The council has a healthy HRA 30 Year Business Plan which is being reviewed during 2021. The plan continues to provide for the necessary maintenance regimes that are necessary to maintain the stock to a good standard and to keep residents safe. Prudently, the plan also takes account of the proposals to tackle the tower block challenge by making provision for the identified essential remedial works and ongoing repairs that will be necessary to be undertaken whilst the options for the future of the blocks are being evaluated.

Moving forward, and as part of its annual review of sensitivities, the HRA Business Plan will need to make full provision for all of priorities highlighted above, where investment needs will be established to:

- Estimate the cost of dealing with accessibility and potential obsolescence in the older persons portfolio.
- Estimate the cost of implementing any new standards Including proposed Decent Homes Plus and Building Safety Standards.
- Make provision for regeneration schemes that are likely to crystallise over the life of the strategy.
- Make provision for the regeneration/upgrading of garage sites.
- Start the process of achieving a better understanding of the investment required to be fully carbon neutral by 2050.

All of the above are highlighted as priorities within this Asset Management Strategy.





# 14

## RESPONSIBILITY AND REVIEW

Whilst the responsibility for executing many aspects of the strategy will sit with Unitas, as custodians of the asset base on behalf of the council, overall responsibility for the ongoing development and delivery of this strategy sits with the council's nominated lead officer for strategic housing matters.

The strategy will be formally monitored on a regular basis as part of existing governance arrangements and will benefit from the meaningful involvement of customers at key stages in its development and delivery.





City of  
**Stoke-on-Trent**