



Homes and Asset Management Strategy

2024 - 2027



Shropshire
Towns and Rural Housing



Incorporating our
8 STAR Strategies

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Welcome to our Homes and Asset Management Strategy

Introduction

Here we set out our key objectives at STAR for the next three years to enable us to build and maintain safe, sustainable and good quality homes for our customers that meet their diverse needs.

Between now and 2027 we aim to invest at least £30 million in delivering practical improvements to a minimum of 2,800 homes. This will improve the quality, safety and affordability of the homes we manage for over 8,000 people. Throughout the lifetime of this strategy, we'll continue to build our skills, tools, knowledge and capacity to put us in the strongest position to achieve even more in the future.

Customers are always at the heart of our vision. With our aim to make a tangible and positive impact on their lives we have:

- ▶ Listened to what our customers think about the quality of their homes
- ▶ Reviewed the data we hold about our properties and discussed our planned approach with all key stakeholders
- ▶ Designed plans to ensure both our homes and STAR remain fit for the future

With the changing landscape of the housing sector, new regulations and legislation, not to mention the enormous sector challenge of achieving net zero by 2050, we know achieving our asset aims won't be easy. But we're ready to embrace the challenges and, throughout the delivery of this strategy, safety will always remain our top priority.



As the housing sector undergoes transformation, we see this as an opportunity to create safer, modern, and more efficient homes, whilst also contributing to our broader vision to align to our Corporate Plan and the Shropshire Plan.

Our key goals lie in five areas that focus on accelerating progress towards quality, safe and sustainable homes that meet customer expectations, improving our asset management approach, effectively managing risks, and supporting long-term financial planning.

Introduction

Here's what we plan to achieve over the next three years

- ▶ **Safe, warm and quality homes**
by investing in our housing stock and keeping it in good condition
- ▶ **Energy performance improvements**
by bringing forward investment and plans to reduce our carbon footprint and make homes more affordable for our tenants
- ▶ **Asset data management improvements**
through increasing the volume and quality of our data and using it more effectively
- ▶ **Property safety**
through the design and implementation of robust property compliance processes that keep our homes safe and secure
- ▶ **Value for money and innovation**
to benefit our customers and the organisation, through continuously improving and developing our working practices in partnership with our staff, consultants, contractors, peers and customers





"...to give our customers
a safe place to
call home."



Background

The STAR story

Shropshire Towns and Rural Housing, known as STAR Housing, formed in 2013 to manage properties in the Oswestry and Bridgnorth areas as an Arm's Length Management Organisation (ALMO) of Shropshire Council. In 2023, this management agreement was renewed for a further 10 years.

We manage around 4,200 properties, representing around 25% of the social housing in the Shropshire Council-governed area of the county. Our properties generate around £20 million in rent, which we then reinvest back into their management and maintenance. This housing stock itself is made up of around 3,325 general needs homes, 295 supported housing properties, 40 shared equity/ownership properties, 330 affordable rent properties, 160 leasehold properties, plus 60 temporary accommodation properties. As well as residential assets, we also manage a commercial portfolio that includes 513 garages, 26 sewage treatment plants and pumping stations and 4 retail units.

Whilst most of our properties meet the Decent Homes Standard, significant work is required to ensure that our properties continue to meet current and evolving future standards. Furthermore, just under half the stock does not currently achieve EPC C or above. Whilst the majority of this underperforming stock achieves EPC D, with just 123 properties achieving E or below, the challenge of achieving EPC C across the portfolio should still not be underestimated.

STAR will need to put significant investment into improving the condition and sustainability levels of all our properties. The main challenge will be how best to invest the funds available, taking into account poor performing stock that are still much-valued homes of our customers. We'll make these decisions with consideration to the (often conflicting) demands and requirements of the wider operating, financial and legislative context, such as increasing unmet housing need, the loss of stock through Right to Buy, evolving property safety legislation, and limited public sector budgets. These constraints are further considered below.

Background

The STAR story

Operating environment

STAR needs to operate as an outward-looking organisation with the flexibility to respond to ever-changing and complex external factors. With the safety and welfare of social housing tenants receiving more coverage than ever before since the tragedies of the Grenfell Tower fire and the death of two-year-old Awaab Ishak due to damp and mould in his home, social housing providers now – quite rightly - face increased public scrutiny.

The sector is still dealing with the impacts of covid, with inflation and cost of living increases having a dramatic impact on customers and service delivery. Further challenges come with increased construction costs and a labour resource shortage. STAR is addressing these challenges through stress-testing our approach to asset management; identifying ways to help our most vulnerable customers, horizon scanning, and peer working.



Regulatory and legislative requirements

All registered social housing providers must meet consumer and economic standards set out by the Regulator of Social Housing (RSH). The RSH is proposing new consumer standards supported by codes of practice that set out outcomes and expectations. STAR took part in the RSH pilot assessment of these new standards which gave us a good understanding of what is required, and what we need to put in place to achieve them. We've built this knowledge into this strategy so that its aims align and contribute to RSH requirements.



Background

The STAR story

As part of the Decent Homes Standard (DHS), the government is introducing changes to the Housing Health and Safety Rating System (HHSRS), the tool used to assess residential safety hazards.

The standard has been under review for several years, with the 2022 Levelling Up White Paper stating that the number of non-decent rented homes will halve by 2030. In June 2023 a relaunched review by the government set out a range of changes, including updated lists of items, services and facilities that must be present and kept in a reasonable state of repair for a home to be considered 'decent'. The changes aim to make the process easier to understand and implement; reducing the number of hazards from 29 to 21 and publishing clear baselines to assess a hazard against.

Awaab's Law entered the statute book in July 2023 following the tragic death of Awaab Ishak caused by severe damp and mould. In January 2024 the government started consultation on the legal requirements that will set out how the law must be complied with. It is likely that housing providers will need to investigate a report of any one of the 29/21 hazards within 14 days, produce a report within 48 hours of the investigation, carry out repairs within 7 days, whilst emergency repairs must be addressed within 24 hours. These are

challenging requirements for STAR and the sector, pulling on financial and technical resources that are already in short supply.

Responding to current and emerging requirements, STAR will continue to manage hazards efficiently, keeping tenant safety a number one priority. Key is preventing potential hazards from happening in the first place through an effective planned programme of works. STAR currently achieves 99% Decent Homes Standard for its stock. The 1% that does not is actively managed, with provision made to achieve 100% DHS by financial year end 24/25. By bringing our compliance functions together to operate as one team, we can successfully manage and maintain safety standards across our portfolio.

Whilst the government recently axed the policy for all homes to achieve EPC C by 2028, it still encourages landlords to invest in making homes more energy efficient and improve EPC ratings. We recognise the need for our tenants to have warm and affordable homes, so STAR is committed to achieving EPC C across all properties by 2030. This strategy will help the organisation achieve that objective and also move towards the longer-term goal of net zero carbon emissions.

Background

The STAR story

Financial viability

STAR's 30-year property investment plan was refreshed in 2023 and externally validated to check that the assumptions about our stock are correct and appropriate. This enables us to accurately forecast the cost of maintaining it at a suitable level. However, inflation, increased construction costs, and the social rent cap (which at 7% is significantly lower than inflation) have a huge impact on our overall business plan and ability to fund the investment needed.

We've adopted a more in-depth long-term business planning approach to help us better understand how these risks impact our current financial position.



Along with regular reviews and by continuously improving our practices and procedures such as procurement and contract management, we can operate at maximum efficiency, increase our financial resources, and seek out opportunities to reduce costs.

With a wide range of internal and external challenges, to succeed in its aims this Homes and Asset Management Strategy must work as an integral part of STAR's organisational strategies:

- ▶ Corporate Plan
- ▶ Customer Engagement Strategy
- ▶ Development and Investment Strategy
- ▶ IT and Business Transformation Strategy
- ▶ People Strategy
- ▶ Finance, Audit and Risk Strategy
- ▶ Neighbourhood and Community Strategy
- ▶ Customer Strategy

We've streamlined our organisational structure and resourced the relevant areas. We are setting out clear aims and objectives to meet the needs of our customers now and in the future. We're now in the strongest position to collaborate creatively, be innovative and maximise potential future opportunities.

"Our new homes will be sustainable and meet current housing needs."



Aims

Safe, warm and quality homes

Our aim

We want our tenants live in safe, warm and quality homes that are efficient to run and maintain. We'll ensure all our stock meets current Decent Homes Standards (DHS) and meet any changes to these standards over the life of this strategy.

How we'll achieve this:

- ▶ Deliver a rolling 5-year planned maintenance programme that meets DHS across the stock and is flexible to meet changing needs, risks and opportunities
- ▶ Develop a STAR housing property standard that clearly sets out what we will provide and maintain over and above DHS requirements. This will be built into both our planned maintenance programme and 30-year investment plan
- ▶ Develop our responsive repairs service so that we address problems quickly and effectively



- ▶ Put a quality assurance process in place that ensures works are completed to the right standard, at the right cost and the right time
- ▶ Deliver a development and disposal programme that ensures our stock meets current and future standards and that our investment is targeted effectively

How we'll measure success:

- ▶ Decent Homes Standard achievement rate, and any new emerging standards
- ▶ Customer satisfaction with the quality of their home (TSM)
- ▶ Development and adoption of a STAR Housing property standard by autumn 2024
- ▶ Implementation of a 5-year rolling capital programme by spring 2025
- ▶ Repairs service with performance levels in line with medium quartile when benchmarked against similar peer organisations by spring 2026

Aims

Energy performance

Our aim

Our homes will be efficient to operate and maintain so that that our customers can enjoy warm homes economically. We'll increase the proportion of our housing stock achieving EPC C from 52% to at least 75%. These improvements will contribute to our aim for all our stock to achieve EPC C by 2030, and our longer-term goal of carbon net zero by 2050.

How we'll achieve this:

- ▶ Create a dedicated team to oversee and manage our sustainability activities
- ▶ Use EPC surveys and retrofit assessments to improve our understanding of stock performance across our portfolio
- ▶ Design and deliver a 5-year sustainability delivery plan
- ▶ Maximise external funding to support our capital investment
- ▶ Identify and act on opportunities to invest in innovative technologies that improve energy efficiency



- ▶ Work with our customers to ensure that together we understand the impacts of our investment

How we'll measure success:

- ▶ Implement a new EPC energy performance data system by spring 2025
- ▶ Ensure 75% of our homes have an EPC rating of C or above by spring 2027
- ▶ Develop a sustainability plan to get all stock up to EPC C by 2030
- ▶ Secure at least £2m of external funding to support our sustainability plans



Aims

Asset data management



Our aim

With a clear understanding of our stock and appropriate maintenance and investment plans in place, we'll manage our properties strategically. We'll use our data intelligently to help us meet required housing standards and compliance levels and we'll do this with reference to our peers. This way we can identify and build on areas of high performance as well as address any areas for improvement.

How we'll achieve this:

- ▶ Accurately manage and monitor all elements, we'll implement a data hierarchy in line with best practice across the sector
- ▶ Develop and maintain our 30-year property investment plan and use external validation to keep it accurate and appropriate
- ▶ Continue to collect stock condition data of 100% of our homes on a 5-year rolling basis for an accurate picture of our key components and their condition

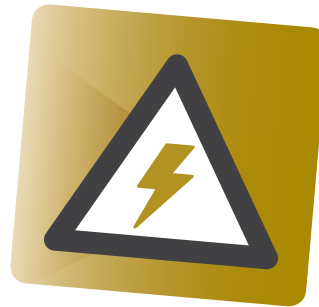
- ▶ Increase the scope of our stock condition surveys with a wider assessment of property condition that will better inform our investment plans
- ▶ Use enhanced system interfaces and software developments to improve the efficiency of our data collection, analysis and sharing
- ▶ Use our data to actively manage the performance of our staff, consultants and contractors, so that we can target investment and improvement plans where needed
- ▶ Learn from our peers by sharing data so we can collectively develop and improve our service delivery

How we'll measure success:

- ▶ Triennial review and assessment of the quality and depth of stock condition data
- ▶ Maintain an up-to-date 30 year investment plan
- ▶ New stock data hierarchy in place and in use by winter 2024
- ▶ Complete a Housing Net Present Value (NPV) and portfolio review by spring 2025

Aims

Property safety



Our aim

We will ensure that our properties are safe for our customers to live in. We'll continue to meet all legislative requirements and achieve compliance in the 'big six' - asbestos, water, fire, gas, lift and electrical safety. We'll standardise and automate our compliance activities for a consistent, robust and efficient approach.

How we'll achieve this:

- ▶ Centralise our compliance reporting and management, through a dedicated team with standardised procedures and reporting methods
- ▶ Invest in new technology to generate efficiencies and improve accuracy in our reporting and management activities
- ▶ Put updated policies and management plans for all key asset compliance areas into place
- ▶ Include damp and mould issues in the 'big six' areas of property compliance; making sure to effectively manage and monitor this on a regular basis

- ▶ Ensure all current and emerging statutory, regulatory and policy requirements are known and complied with, through a culture of safety embedded throughout the organisation
- ▶ Collaborate with our peers to share and learn best practice, so that our compliance activities comply with emerging government legislation
- ▶ Take a 'compliance plus' approach to identify and act on safety issues that are important and valuable to our customers, even if not required by law

How we'll measure success:

- ▶ Ensure we are top quartile in relation to compliance performance when benchmarked against our peers via TSM survey
- ▶ All property safety policies and procedures updated and in place by summer 2024
- ▶ Undertake annual external audit of compliance management framework
- ▶ Improved reporting and monitoring across all 'compliance plus' activities through implementing a new compliance system by summer 2025
- ▶ Annual review of our approach to managing damp and mould

Aims

Value for money and innovation

Our aim

We will maximise value and benefit to our customers and the organisation. We'll assess the value for money of every activity, continuously improve and develop our working practices, and create a culture of innovation for our staff, consultants, contractors and customers.

How we'll achieve this:

- ▶ Collaborate with organisations across the sector and beyond, growing positive partnerships that will help us to learn and develop innovative approaches to service delivery
- ▶ Use robust procurement and contract management procedures to achieve the right quality for the best price
- ▶ Regularly consult with all our stakeholders to capitalise on opportunities to grow and develop
- ▶ Seek out, bid for, and win external funding opportunities that can support our investment programmes



- ▶ Develop our commercial portfolio to offer maximum return and benefit for our customers
- ▶ Invest in our local economy and communities; using procurement approaches that attract local suppliers, and apprenticeships that give opportunities to the local workforce

How we'll measure success:

- ▶ 0.5% of the investment budget allocated and invested in the design and delivery of innovative service delivery
- ▶ Introduce a new procurement and contract management framework by spring 2025
- ▶ Reprocure all our investment contracts by summer 2025
- ▶ Create a framework to measure the additional community and social investment resulting from our investments and work with external organisations by summer 2025
- ▶ Complete a review of our non-housing assets by summer 2025
- ▶ Secure at least £2m of external funding to complement our asset investment by 2027

Delivery

Delivering the strategy and measuring success

We will measure success using key performance indicators (KPIs) that relate directly to the aims and the objectives of the strategy. The management of these KPIs will be embedded into the heart of STAR, informing and shaping all our activities and decision making.

The details of each KPI, along with the measures that we will use to assess their progress over the life of the strategy are set out in our Homes and Asset Management Strategy Delivery Plan. Every KPI and associated measure has a clear target, timescale and definition of success. Whilst the ultimate aims and objectives of this strategy are fixed, the plan is an active and dynamic management tool. With it we can respond to changing and emerging strengths, weaknesses, risks and opportunities from both within and beyond the organisation.



STAR will deliver regular progress reports on target achievement and an assessment of overall current and projected achievement of the strategy. Progress will be formally reported:

- ▶ Quarterly to Senior Management Team
- ▶ Bi-annually to the Development, Sustainability and Strategic Investment Committee
- ▶ Annually to the Board and Asset Assurance Board

Any changes to the plan, along with any emerging exceptions and issues will be reported at the appropriate level, depending on the potential impact to the strategy.

STAR Strategies

All our STAR Strategies that specifically outline our objectives in key areas of our organisation, can be found and downloaded from the website at starhousing.org.uk

- ▶ Homes and Asset Management
- ▶ Customer Engagement
- ▶ Development and Investment
- ▶ IT and Business Transformation
- ▶ People
- ▶ Finance, Governance and Risk
- ▶ Neighbourhood and Community
- ▶ Customer

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Delivering vibrant communities in a changing world



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