

MAY 2024 – MARCH 2026 SUSTAINABILITY STRATEGY

Issue date: May 2024	Next Review: Dec 2025
Author Name: Matthew Platt	Owner Name: Charlotte Grover
Author Title: Director of Homes	Owner Title: Chief Experience Officer
Directorate: Homes	Parent Document: July 2023 to March 2026 Asset Management Strategy
Approved by	Date approved:

1 Executive Summary

- The Sustainability Strategy sits under the parent document of the Asset Management Strategy and has 6 principles for delivery that reflect the national context in which sustainability is currently approached to provide sustainable homes and assets that are safe, efficient and healthy.

- We recognise that an effective Sustainability Strategy holds the customer voice at its heart, and this is a key principle of the overarching Asset Management Strategy.
- This Sustainability Strategy provides a framework to build on the work we have already completed across our stock so that we can respond appropriately to changing priorities and the developing national and local framework, whilst continuing to make decisions and deliver investment into our homes that supports our customers as we continue to face a cost of living crisis and rising energy costs.

2 Introduction

Providing homes that are sustainable is one of our priorities, and we want to play our part in safeguarding a sustainable future for our customers and colleagues. One Manchester will positively contribute towards climate change and alongside improving the efficiency and carbon output of our customers' homes we want our business to operate in a way that is sustainable, efficient and minimises our impact on the environment.

In the last seven years we have successfully externally insulated and installed efficient heating systems to 17 high rise buildings, we have also completed insulation works to 3300 homes.

In the last 12 months we have retrofitted 90 properties with external insulation and renewable heating as part of a wider regeneration project and we are utilising monitoring equipment to test the outcome of this work for our customers.

During 2024/25 we will complete work to almost 100 homes as part of the Social Housing Decarbonisation Fund to improve the energy efficiency of these properties.

Whilst we recognise this progress there remain a number of challenges we need to meet externally:

- The Government has set legally binding targets to meet net zero carbon by 2050 and Manchester set the objective for the city to be net zero carbon by 2038, 12 years before the UK wide 2050 target requiring emissions to be reduced by 15% every year until 2038.
- Housing providers have already seen standards of new build housing steadily increase and it is expected that net zero carbon homes will become a requirement over the next decade.
- The Government has proposed phasing out gas boilers and achieving world leading levels of energy efficiency in new builds from 2025.
- The Government's Clean Growth Strategy sets out an ambition to increase the energy performance of all homes to an EPC rating of 'C' by 2030, with the potential for standards to rise further in the future.

Against a backdrop of competing pressures for capital investment including an ongoing review of the Decent Homes Standards and the introduction of Awaabs Law this Strategy dovetails with our Asset Management Strategy focusing on consolidating our data, developing our internal expertise, and trialling solutions which will help us address the scale of the challenge in the future. At the end of this period, we will enter a phase of delivery, ready to address the challenge ahead.

3 Strategy

Aim

The aim of this strategy is to outline One Manchester's approach to sustainability over the next two years. It sets out our strategic ambitions, objectives and the key milestones which need to be achieved to help us to become a more sustainable landlord.

Principles

This Sustainability Strategy is centred around 6 key principles. These principles reflect customers priorities following consultation with customers in April and May 2023 as part of our wider Asset Management Strategy consultation and in February 2024 with our customer scrutiny panel.

Our sustainability standards and understanding our retrofit solutions

Through our Asset Management Strategy, we have committed to developing our One Manchester homes standard, this will include reviewing our lettable standards and ensure that materials and specifications used across investment, repairs and maintenance and development achieve key components lifecycles. We recognise that our products used to achieve sustainability standards follow this commitment.

Our approach to improving the energy performance of our stock must be through a fabric first and clean heat approach. This means that we will prioritise improving the thermal efficiency of the building components either ahead of or alongside the installation of renewable heating to support minimising the cost of heating the home.

To help us target accurate retrofit solutions we will enhance our asset data to develop a more sophisticated understanding of the property archetypes we own across our portfolio. We will develop retrofit solutions designed to reduce carbon and increase energy efficiency for each property archetype, which will be piloted, to assess the cost and suitability of each solution. We will also monitor these solutions well after their installation to understand the true cost to our customers.

For our new homes, we want to ensure that we are building properties that are fit for the future and meet national climate targets. This means building low carbon, resource-efficient new homes which

will not require substantial investment to bring them up to higher sustainability standards in the future.

We recognise that sustainability is wider than our homes and offices and that our work and projects within our communities plays a significant part to improve environmental sustainability. We will continue to manage our greenspaces and carry out targeted projects to improve the sustainability within our communities based on feedback from our customers, this includes leveraging and maximising our social value commitments through our contracts.

What we will do:

- ✓ Complete 100% EPC assessments by end 2025 aligned with our stock condition surveying programme.
- ✓ We will update our asset performance evaluation tool to help us appraise our properties based on moving closer to zero carbon.
- ✓ Create a minimum specification for a fabric first approach for each archetype within our stock and assess our performance against it.
- ✓ Review market opportunities and best practice to identify new technologies (IoT) for implementation in 2024/25.
- ✓ Define our sustainability standards for new homes.
- ✓ Monitor the sustainability performance of new build properties.
- ✓ Monitor and report on projects within the community aimed at improving environmental sustainability.

Pilot projects

We will start to develop and shape what our retrofit programme will look like in the longer term, beginning with scoping and delivering targeted pilots to test the retrofit solutions developed for each of our property archetypes. Pilot projects will test suitability of retrofit solutions, predicted cost and practicality of wider roll out and will be properly measured and evaluated so that we can maximise learning from our investment. At the end of this period, we will enter a phase of delivery, ready to address the challenge ahead.

What we will do:

- ✓ Collate the energy efficiency data and cost profile evidence from our Grey Mare Lane retrofit scheme to support scoping our future pilot projects.
- ✓ Complete our Social Housing Decarbonisation Fund project to 85 homes and evaluate the outcomes.
- ✓ Identify further suitable pilot projects across our archetypes mapped against our EPC information and develop solutions for these.

Our programme

We appreciate that new technology is very different to use than conventional heating systems, we will work closely with our customers highlight the benefit of making our homes more sustainable whilst recognising the impact on customers lives. Through our programme we will ensure that we have appropriate familiarisation, training and aftercare for our customers to support the take up of our programmes. Our use of monitoring equipment will help us support our customers in maximising new technologies and preventing conditions in the home that will promote mould growth.

We will use the insight from our stock condition surveys, tenancy experience visits and pilot projects completed so far to develop our long-term programme of work. We will need to carefully cost and plan for these improvements to ensure we achieve value for money.

It is likely that accessing the right skills through contractors will be difficult at a time when other providers are likely to be accessing the market at the same time. We will consider our approach to procurement and contract delivery to ensure that we can deliver our programme.

What we will do:

- ✓ Review the Business Plan with Finance colleagues to accurately model the level of appropriate funding required to support meeting our 2030, 2038 and 2050 sustainability commitments and develop a programme of work that meets these commitments.
- ✓ Create a customer engagement plan that has been developed with the customer scrutiny panel.
- ✓ Review our procurement methods to deliver future programmes of work considering options such as a DPS and an inhouse framework.

Green skills

With the installation of new technologies we recognise that we need to build our internal skills, capacity and knowledge. We will assess and train the necessary skills to ensure we achieve our sustainability targets each year.

We will develop our customer services and repairs knowledge to help our customers better understand the new technologies and approaches we will be using to meet our sustainability objectives.

Knowing that the labour market in this area is likely to be challenging over the coming years we will review our approach to green skills apprentices within our Homes directorate.

What we will do:

- ✓ Develop a training matrix for our in-house colleagues to manage and maintain new technologies.

- ✓ Review our approach to include green skills apprentices.

Our business operations

Our offices, waste management and vehicles create an environmental impact and through the life of this strategy we will review this impact and look to introduce measures that reduce that, including at our workplaces Lovell House and Quattro House.

We will support our colleagues to deliver the objectives of this strategy by delivering carbon literacy training to encourage environmental stewardship and to engage people on our sustainability journey. We will also look to develop a cohort of sustainability champions representing teams from across our organisation.

We will engage with and support partners in our current supply chain to understand and reduce their own environmental impact through improved emissions monitoring and sharing of waste management and will make sustainable practices and added social value key requirements of appropriate future tender opportunities.

What we will do:

- ✓ Review our waste management, energy and water consumption at our office sites introducing measures to improve this.
- ✓ Deliver carbon literacy training to all colleagues.
- ✓ Engage our supply chain to set minimum environmental requirements through future tendering opportunities where appropriate.

Key Performance Indicators

The following are the operational metrics which will provide Board and Place Committee with assurance of the delivery of the Sustainability Strategy, the strategy is supported by a detailed action plan;

- ✓ 100% EPC data completed by end 2025 and 20% completed annually thereafter.
- ✓ 90% customer satisfaction with the planned investment programme by 2025.

4 Strategic risk

Strategic risk refers to the events and circumstances that may make it difficult, or even impossible, for One Manchester to achieve the objectives and goals set out within this strategy. It also refers to the danger of One Manchester's strategic choices being incorrect.

To mitigate the latter, this strategy has been through a number of stages before being approved including;

- Customer consultation;
- Colleague consultation;
- Leadership Team approval.

The strategy will also be subject to frequent review and, if necessary, rescoped depending on those reviews and the changing operational environment. The strategy will be monitored every six months by the Investment and Growth Committee and annually by Board.

Examples of events or circumstances that could prevent the achieving the objectives set out within this strategy and which should form part of the risk management/monitoring of this strategy include;

- Strategic decisions that are unclear or poorly made;
- Government changes to sustainability standards;
- Changes in senior management and leadership;
- The introduction of new products or services;
- Sector changes, such as a shift in the needs or expectations of customers;
- Problems with suppliers and other stakeholders;
- Financial/funding challenges;
- Failure to adapt to a changing environment.

The following process will be used and will form part of the reports to Leadership as part of the monitoring process as per One Manchester's risk policy;

1. Identify the risk;
2. Conduct a strategic risk assessment to determine the likelihood of risks occurring, and the impact they might have;
3. Agree a method for dealing with each risk;
4. Monitor each risk over time to keep on top of any changes;
5. Report at each stage of the strategic risk management process.

Action Plan

A detailed Action Plan has been developed and is appended to this strategy.