



# **Business Plan 2022 – 2023**

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## **Foreword from the Chair of the Board**

I'm pleased and excited to have joined Unitas as Chair of the Board in 2022.

The outgoing Chair, Dr Simon Cupples, guided Unitas forward from its inception in 2018, ensuring delivery of high-quality services for the Shareholder. I now have the opportunity to work with my colleagues on the Board and with the Shareholder to take Unitas on to the next chapter of its development as a business. I will be working closely with the Director, Senior Leadership Team and staff across the organisation to ensure that Unitas delivers against this Business Plan and becomes a strong and well-renowned company in the maintenance sector.

This new Business Plan, covering 2022/23, comes on the back of one of the most challenging periods in recent times. No-one could have predicted the scale of the Coronavirus pandemic and the impact that it would have on our lives and the way in which we, and our supply chain partners, carry out our business. The development of this Business Plan has been influenced by the pandemic and how Unitas as a business, and the services it relies on, have adapted and risen to the challenges faced by the sector.

As a business we remain committed to driving Unitas's success in delivering quality services to our residents, partners and businesses in Stoke-on-Trent. We have also recently made our first steps into new areas of work in order to grow the business and generate new sources of income into the city.

Whilst we deliver against this business plan in 2022/23, I will be working with my colleagues and the Shareholder to develop the longer-term plan and vision for the business and mapping out our ambitions for growth.

Over the period covered by this Plan we will strive together to ensure we are successful in everything we do as a business.

Julie Lorraine

Chair of Unitas Board

## **Foreword from the Shareholder**

## 1. Introduction

- 1.1 Uritas Stoke-on-Trent Ltd was established in February 2018 to deliver property services to circa 17,700 council owned homes in Stoke-on-Trent alongside a portfolio of around 600 Public Buildings, shopping parades, garage sites and open plan land.
- 1.2 Uritas is a private limited company with the sole shareholder being Stoke-on-Trent City Council (the Council). The Shareholder sets Uritas's objectives for the period of its Business Plan. The strategic direction and governance arrangements to deliver against the Shareholder objectives is provided by the Board of Management which is comprised of three Independent Non-Executive Directors and two Non-Executive Directors appointed by the Council.
- 1.3 Day to day management of the business is headed by the Director of Uritas who is assisted by a Senior Leadership Team comprising of five Heads of Service. The company employs around 450 staff from a range of professional disciplines to translate the company's vision into plans and practical service delivery.
- 1.4 Uritas has delivered strongly against its Business Plan 2019 to 2022 which was focussed on Uritas establishing and consolidating its delivery of the core services to the housing stock and public buildings portfolio and looking to enhance and improve that service. Uritas has delivered against six strategic priorities:
  1. Understanding our asset base
  2. Working with our customers
  3. Enhancing the asset value through investment
  4. Ensuring cost effective and efficient service delivery
  5. Compliance with statutory obligations
  6. Social value
- 1.5 During the period of the Business Plan 2019 to 2022 there have been a number of challenges. The full economic impact of Brexit is still not known, the repairs and maintenance and construction sectors have been under significant inflationary pressure, there are ongoing material shortages leading to inflated prices and there are skills shortages in the sector with a lack of young people coming into the sector to replace an increasingly ageing workforce. In addition to these challenges it is very difficult to predict what decisions may be taken both nationally and locally to respond to any further threats of the Coronavirus.
- 1.6 During April to June 2022 Uritas's Board of Management (Board) has undergone significant change due to the former Chair, Dr Simon Cupples stepping down from the role. There is a new Chair in place and an additional Non-Executive Director, both of whom commenced their roles from 01 June 2022.
- 1.7 The Shareholder proposed new strategic objectives in December 2021. Uritas has accepted and agreed to deliver these Shareholder's objectives from April 2022 onwards and has developed this Business Plan for 2022/23. Work is also ongoing with the Shareholder to develop a longer-term Business Plan for 2023 to 2027. The new Chair, supported by the Board, will play an integral role in developing this long-

term Business Plan which will demonstrate how Unitas will deliver against the Shareholder's objectives and how the business will grow and bring new income streams into the City.

## **2. Strategic Context**

2.1 The Shareholder has set Unitas three key objectives to be delivered from April 2022. The strategic direction to deliver against the Shareholder objectives is provided by the Board of Management which is comprised of three Independent Non-Executive Directors and two Non-Executive Directors appointed by the Council. The Unitas Board, alongside the Director and Senior Leadership Team, set the company's mission, vision and values and determine the strategic aims for the business.

### **2.2 Shareholder Objectives**

#### **2.2.1 Objective 1**

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.

#### **2.2.2 Objective 2**

To offer a viable, competitive and successful commercial service offer that generates a sustainable financial return to the Council.

#### **2.2.3 Objective 3**

To provide a timely and value for money repairs and maintenance offer for the upkeep of the Council's non-housing estate.

2.2.4 The Shareholder expects that Unitas will achieve these objectives through:

2.2.5 **Working with customers** to ensure effective engagement and communication with customers regarding

- repairs and maintenance relating to their individual homes
- the service offer
- major works proposals and ultimately recognising and contributing to the building of healthy, strong communities

#### **2.2.6 Achieving a robust growth strategy**

- ensuring the delivery of additional services on a commercial basis
- contributing to the Council's objective to deliver a wide range of commercial services
- to enable the city to prosper and ensuring the sustainability of financial returns to the Council

#### **2.2.7 Adding Social Value**

- ensuring real local employment and training outcomes for the city's residents and communities
- 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

#### **2.2.8 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, both investment and divestment, to tackle historic disinvestment in properties and neighbourhoods that are found to fall short of the Council standard or exhibit other forms of obsolescence

#### **2.2.9 Maintaining accurate information about the HRA asset base**

- ensuring that programmes, interventions and investment decisions are timely, well informed and based on good quality asset intelligence

#### **2.2.10 Maintaining compliance with statutory obligations and emerging legislation** ensuring that

- all statutory compliance obligations are achieved
- 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
- the service model is able to respond to any newly arising regulatory requirements



### 3. Our Mission, Vision, Values and Strategic Aims

3.1 Unitas's mission, vision and values are closely aligned to the Shareholder's objectives:

#### Our Mission

*To maintain and improve our homes and properties through planned investment and efficient maintenance.*

#### Our Vision

*To create a positive local impact and provide opportunities within the communities that we operate in.*

#### Core Value

*We deliver with pride, professionalism and reliability in everything that we do*

#### Core Value

*We are passionate about making a positive difference to our community*

#### Core Value

*We are collaborative, trusted professionals*

3.2 In order to deliver the Shareholder's objectives Unitas has set out nine strategic aims to be delivered during this Business Plan:

1. We will provide a service that fits the needs and aspirations of our customers and engage with our customers in an effective and transparent manner
2. We will provide good quality, well maintained homes to our customers
3. We will create desirable and safe and secure homes and neighbourhoods by investing in our homes
4. We will grow the business to enable the city and communities to prosper
5. We will add social value to local communities through our investment
6. We will deliver value for money and efficient services
7. We will maintain compliance with statutory obligations and legislation
8. We will maintain and ensure compliance within the non-residential stock
9. We will develop and implement plans to achieve zero carbon housing stock by 2050

These strategic aims are considered in detail in Section 9 of this Business Plan.

3.3 The table below outlines what Unitas will deliver, in 2022/23, against the Shareholder's objectives:

<b>Objective 1</b>	<b>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</b>
<b>Unitas will:</b>	<ul style="list-style-type: none"> <li>• Aim to reduce the number of repairs per property through increased planned and cyclical maintenance</li> <li>• Expand estate-based investment in repairs to reduce the reliance on the responsive repairs model</li> <li>• Promote Digital Channel Shift – moving repairs reporting online</li> <li>• Work collaboratively with the Council to inform the review of the Repairs Policy and Void Standard</li> <li>• Develop and implement its Customer Engagement Strategy</li> <li>• Continue to achieve 100% compliance on annual gas servicing</li> <li>• Achieve 100% compliance on electrical servicing (5-year cycle)</li> <li>• Respond to new and emerging legislation (Fire Safety Act, Building Safety Bill and the Social Housing White Paper)</li> <li>• Reduce the number of homes failing to meet EPC C rating</li> <li>• Produce an annual value for money statement</li> <li>• Engage early in budget setting cycles with the Shareholder to inform budgets for the years ahead</li> </ul>
<b>Objective 2</b>	<b>Offer a viable, competitive and successful commercial service offer that generates a sustainable financial return to the Council</b>
<b>Unitas will:</b>	<ul style="list-style-type: none"> <li>• Review the interim Growth Strategy</li> <li>• Develop and agree, with the Shareholder, a long-term strategy for growth</li> <li>• Deliver growth and generate new income for the business without compromising on the core business</li> <li>• Become a viable commercial contractor able to compete in the market</li> </ul>
<b>Objective 3</b>	<b>Provide a timely and value for money repairs and maintenance offer for the upkeep of the Council’s non-housing estate</b>
<b>Unitas will:</b>	<ul style="list-style-type: none"> <li>• Work collaboratively with the Council to develop robust performance metrics and reporting capability on the asset base</li> <li>• Deliver safe and compliant premises and buildings</li> <li>• Maintain all servicing regimes across the assets</li> <li>• Continue to achieve 100% compliance (gas, electrical, water hygiene, etc)</li> </ul>

## 4. **Governance**

### 4.1 **Unitas Board of Management**

4.1.1 The Board of Management (Board) provides leadership for Unitas, operating collectively and concentrating on advising on strategic and operational issues affecting performance and scrutinising and challenging policies and procedures with a view to the long-term health and success of the company.

4.1.2 The Board is comprised of three Independent Non-Executive Directors and two Non-Executive Directors appointed by the Council. The Chair of the Board is an Independent Non-Executive Director. The Board meet every two months to receive reports from the leadership team, discuss issues of interest or concern and to undertake training.

4.1.3 The Board advises on three main areas

#### Strategic clarity

- ensuring that Unitas delivers against the Shareholder's objectives
- setting the vision and mission for the company and ensuring that all activities, either directly or indirectly, contribute towards it
- using outside perspective to ensure that Unitas is challenged on its outcomes

#### Commercial sense

- ensuring sound financial management
- scrutinising the allocation of financial and human resources to fulfil the objectives of the Business Plan
- ensuring controls are in place to mitigate risk

#### Performance

- monitoring and steering performance against the Business Plan
- scrutinising performance and setting the company's standards and values
- ensuring clear, consistent, comparable performance information is used to drive improvements

4.1.4 During April to June 2022 Unitas's Board of Management (Board) has undergone significant change due to the former Chair, Dr Simon Cupples stepping down from the role. There is a new Chair in place and an additional Non-Executive Director, both of whom commenced their roles from 01 June 2022

4.1.5 The new Chair, Julie Lorraine brings a wealth of public sector and commercial experience to the Board. With a sound understanding of social housing, repairs and maintenance and the management and maintenance of public assets, alongside significant expertise in capital financing arrangements and the delivery of a range of strategic objectives to secure growth whilst enabling continued investment in core activities Julie will play a vital role in the development of the Business Plan 2023 to 2027.

4.1.6 In addition to the new Chair, the new Non-Executive Director, Nicky Fiedler, brings an experienced commercial and corporate director to the Board with in depth experience of delivering step change in organisations by taking a commercial approach to meeting customers and community's needs, through modernisation of services to reduce the bottom line, better market management and procurement, and largescale investment in infrastructure and place to create jobs, homes and grow the local economy.

4.1.7 It is important that the Board, with its newly appointed Chair and Director, drives forward the Business Plan for 2022/23 and has the opportunity to engage with both the business and the Shareholder in forming the long-term Business Plan and exploring in detail the wider opportunities for growth for Unitas. Through this involvement and engagement, the Chair and the Board will take full ownership of the long-term Business Plan – a plan that sets out how Unitas will deliver the Shareholder's objectives and clearly maps out the direction of travel and the aspirations of the business for the coming years.

## 4.2 **The Shareholder**

4.2.1 Stoke-on-Trent City Council is the sole shareholder of Unitas and has formalised its governance arrangements in relation to all entities that it owns by establishing a Shareholder Group, Commercial Board and Customer and Client Liaison Group.

## 4.3 **Shareholder Group**

4.3.1 This group, chaired by the Leader of the Council, provides direction and consistency in the execution of the shareholder function for Unitas. This is a single corporate Shareholder Group to hold the council's companies to account and safeguard the council's interests.

4.3.2 The role of the Shareholder Group is:

- To provide Unitas with clear strategic direction and support in its role as sole shareholder
- To provide the necessary oversight from a shareholder's perspective that the parameters, policies and boundaries that the council has established are being adhered to
- To provide a mechanism to communicate the shareholders' views to the company
- To provide a means to evaluate the effectiveness of the company board and the delivery of the company performance against strategic objectives and the business plan
- Reviewing business plans and strategies of the entities to ensure alignment with the Council's strategic direction

#### 4.4 **Commercial Board**

4.4.1 This board is responsible for the council's commercial relationship with Unitas with a strong focus on procurement and contract management including the review and oversight of all commercial undertakings. The Commercial Board is accountable to the Shareholder Group.

4.4.2 The role of the Commercial Board is:

- To own commercial risk for the council
- To review the implementation and development of the Council's commercial approach including the entities it influences and owns
- To review how successfully Unitas supports the Council's policies and strategies
- To review that the current delivery mechanism offers value for money to the Council
- To consider wider opportunities and growth for Unitas

#### 4.5 **Customer and Client Liaison Group**

4.5.1 The Council has established a client/customer role for each entity it owns with a designated council representative having primary responsibility for liaison with each company in relation to the service they provide.

4.5.2 The role of the Customer and Client Liaison Group is:

- To manage the Council's operational relationship with Unitas
- To ensure the efficient and effective delivery of services to the Council and its tenants
- To ensure that service level agreements and performance standards are created, met reviewed and formalised

## **5. Asset Management and Stock Condition**

### **5.1 Strategic context**

5.1.1 In April 2022 the council approved the HRA Asset Management Strategy and HRA Business Plan. These two documents form the strategic direction for the housing stock and determine the priorities for investment.

### **5.2 Asset Management and Investment Priorities**

5.2.1 The council has identified the following key strategic asset management priorities for maintaining and investing in the stock:

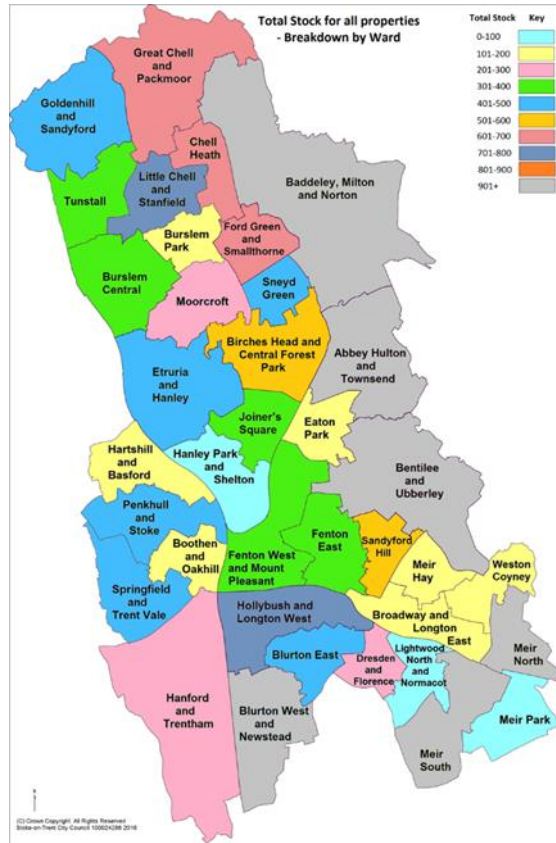
1. Developing new Council/customer standards for all asset groups
2. Completing the process of determining the future investment requirements of 10 tower blocks that have been identified as requiring substantial remedial works
3. Future proofing older persons accommodation
4. Developing the approach to neighbourhood regeneration
5. Reducing the carbon footprint of the asset portfolio
6. Better use of technology
7. Building Safety

5.2.2 The Asset Management Strategy will be supported by an action plan that is managed through the Strategic Asset Management Group which includes officers from both the council and Unitas. This group has responsibility for managing and monitoring progress against the action plan.

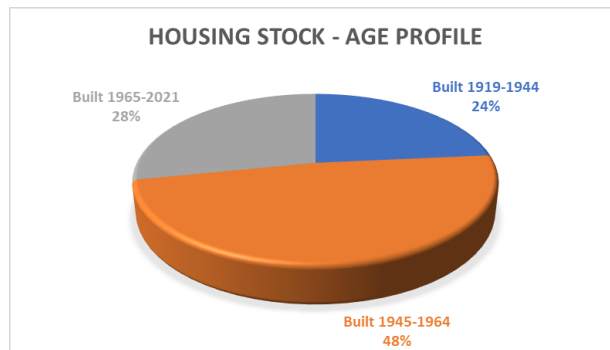
### **5.3 Stock Condition**

5.3.1 Council housing represents one of the Shareholder's 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 Shareholder's focus is to ensure that the council's housing stock is fit for purpose.

5.3.2 The council's housing stock is dispersed broadly across the six towns that comprise the Potteries conurbation (Stoke, Tunstall, Burslem, Hanley, Fenton and Longton) and their surrounding areas.



5.3.3 The average age of a council house in Stoke-on-Trent is 71 years with almost a quarter of the stock built in the inter war period and almost three quarters built before 1965.



5.3.4 Council housing stock in Stoke-on-Trent has seen significant investment through decent homes component renewal programmes and has further benefitted from multi-million pound investment, through the completion of market leading, energy efficiency refurbishment projects. Houses, which make up 63.3% of the stock, are generally regarded as being in a satisfactory condition. Historic investment has helped to ensure that the majority of our homes are viable and lettable.

5.3.5 Stock condition information identifies that there are a number of issues within the housing stock that need to be addressed. Unitas has supported the council to address issues within the stock through a series of surveys, options appraisals and pilot projects, including:

- 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
  - cross-wall cladding with new insulated cladding

5.3.6 Stock condition surveys demonstrate that 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 contained within the council's HRA Asset Management Strategy. The 3.3% are made up of properties that are not in a reasonable state of repair and those that are without reasonably modern amenities and services.

#### 5.4 **Stock Asset Grading**

5.4.1 The council and Unitas have undertaken stock asset grading which classes the stock into three asset classes (A, B and C).

#### 5.5 **Asset Class A – Long Term Sustainable Assets**

5.5.1 These assets are considered long term sustainable, provided appropriate levels of investment and sound housing management and maintenance principles continue to be applied.

5.5.2 Long term sustainable assets comprise 14,149 units which equates to 79.8% of the stock.

5.5.3 The council's financial HRA Business Plan modelling indicates that estimated average planned spend over 30 years for stock in Asset Class A is £1,198 per unit per annum.

#### 5.6 **Asset Class B – Sustainable Assets which need to be kept under review**

5.6.1 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.

5.6.2 There are 2,389 units in Asset Class B which equates to 13.5% of the stock.

#### 5.7 **Asset Class C – Stock recommended for an option appraisal and a clear re-investment strategy**

5.7.1 Assets in the class potentially demand more immediate consideration and clearly defined strategies of investment.

5.7.2 There are 1,195 units in Asset Class C which equates to 6.7% of the stock.



5.8 Key observations from the stock asset grading are:

- Bedsits/studios and one and two-bedroom flats (2,814 units) perform poorly with only 57% in 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
- 26.5% of Class C units are in 10 tower blocks

5.9 **Asset Management and Investment Priorities**

5.9.1 The council has identified the following key strategic asset management priorities for maintaining and investing in the stock:

8. Developing new Council/customer standards for all asset groups
9. Completing the process of determining the future investment requirements of 10 tower blocks that have been identified as requiring substantial remedial works
10. Future proofing older persons accommodation
11. Developing the approach to neighbourhood regeneration
12. Reducing the carbon footprint of the asset portfolio
13. Better use of technology
14. Building Safety

5.9.2 The Asset Management Strategy is supported by an action plan that is managed through the Strategic Asset Management Group which includes officers from both the council and Unitas. This group has responsibility for managing and monitoring progress against the action plan.

## 6. Finance

6.1 Unitas's main source of income comes from Stoke-on-Trent City Council in the form of a management fee to deliver the core repairs and maintenance services to council properties in the city. Unitas also undertakes grant works with Disabled Facilities Grant (DFG) and Safe and Warm Homes (SAWH) funding. Alongside this Unitas will, over the term of this business plan, be targeting new business growth and generating new income streams (3<sup>rd</sup> Party works).

6.2 The income from the council is split across the following areas of activity:

- Housing Revenue Account (HRA) Revenue Income (e.g. responsive repairs and voids)
- HRA Capital Income (planned capital works)
- Public Buildings (repairs and maintenance to public buildings portfolio)
- Aids and Adaptations (HRA stock)
- Other Council (additional projects delivered for service areas)

### 6.3 **Financial Performance 2018 to 2022**

6.3.1 Unitas has built a successful track record with four years trading history demonstrating strong financial results. Unitas has diversified its revenue streams over the three years in order to achieve sustained growth but like many businesses was impacted by the coronavirus pandemic in 2020/21. Despite these challenges Unitas remains a viable and growing business that saw strong recovery in 2021/22 with a turnover of circa £63 million resulting from the delivery of projects carried forward from 2020/21 alongside delivery of the 2021/22 programme.

6.3.2 One of the key shareholder objectives for Unitas is to generate surpluses to return to the Shareholder, through the mutual trading model. Between February 2018 and March 2021, Unitas returned £9.2m to the Shareholder with a further circa £3.1m (unaudited) for the 2021/22 Financial Year. Unitas is able to operate within allocated budgets and deliver the expected surpluses through pro-active budget management and cost control.

Year	2018/19*	2019/20	2020/21	2021/22**
Turnover	£ 57,079,000	£ 56,289,000	£ 53,718,000	£ 62,877,000
Net Surplus	£ 2,602,000	£ 3,406,000	£ 3,163,000	£ 3,100,000

\* 14 months to March 2019

\*\* Unaudited

6.3.3 Unitas operates in a flexible manner to meet client requirements. As a business we are able to mobilise new activity at very short notice which helped maintain revenues at healthy level during the pandemic in the 2020/21 financial year with new projects implemented to support the council's pandemic response. This continued into 2021/22 with the catch up of capital works and growth in the Place Directorate which alone generated over £5 million in income.

## 6.4 2022/23 Budgeted Income and Surplus projections

6.4.1 The total income budget for 2022/23 is £55,500,000. The following table breaks this down by workstream and illustrates the anticipated surplus that will be generated against each workstream. Surplus in future years is expected to be similar to 2022/23.

<b>Workstream</b>	<b>Income</b>	<b>Surplus</b>
	<b>£,000</b>	<b>£,000</b>
HRA Revenue	25,307	1,572
HRA Capital	23,526	1,488
Public Buildings	2,300	145
Aids & Adapts	1,050	66
Other Council Works	500	32
3 <sup>rd</sup> Party via Council	1,300	66
3 <sup>rd</sup> Party Growth	1,119	56
<b>Total</b>	<b>55,500</b>	<b>3,426</b>
<b>SCC</b>		<b>3,303</b>
3 <sup>rd</sup> Party		122

## 6.6 HRA Revenue Budget

6.6.1 The HRA Revenue budget is set by the council. Whilst providing certainty in revenue streams, the budget for 2022/23 has not grown in line with inflationary cost pressures and will therefore present challenges to Unitas. During the course of 2022/23 Unitas will generate efficiencies and savings alongside new income streams through the Growth Strategy in order to absorb the cost of inflation and the rising cost of labour and materials.

6.6.2 The revenue budget is subject to very close budgetary control and scrutiny. The budget for 2022/23 has been allocated across the following sub-budgets:

<b>Budget by key line</b>	<b>Income</b>	<b>Surplus</b>
	<b>£,000</b>	<b>£,000</b>
Responsive Repairs	7,856	496
Voids	3,529	223
Predatory Solicitors	248	16
Planned Revenue	474	30
Overheads	10,742	679
Cyclical Servicing	2,023	128
<b>Total</b>	<b>24,873</b>	<b>1572</b>
Inflationary pressure	434	0
<b>Revised Budget net of Current Pressure</b>	<b>25,307</b>	<b>1,572</b>

6.6.3 The overhead area of Unitas is treated as a revenue centre generating surpluses consistent with the other workstreams. These costs are predominantly fixed costs with minimal discretionary expenditure. In 2022/23 the spend breakdown on overheads is projected as follows:

<b>Budgeted spend by category</b>	<b>22/23 £,000</b>
Personnel costs (net of overhead / prelim recharges to other workstreams)	5,829
Service Level Agreement with Stoke Council	2,105
Surplus to council	679
Building repairs and refurbishment	480
IT / Comms	397
Finance / Professional	253
Waste disposal	252
Rent & Rates	150
General fixed overhead	184
Additional Stores / Logistics costs	136
Depreciation	119
Training	117
Occupational Health / welfare	42
<b>Total</b>	<b>10,742</b>

6.6.4 The following table illustrates the cost pressures that Unitas faces in 2022/23 and the savings and efficiencies that Unitas aims to deliver in order to remain within the HRA revenue budget set by the council:

<b>Key Budget movements</b>	<b>£,000</b>
FY21/22 budget	25,307
<b>Cost Pressures</b>	
Inflationary pressure	1,051
Social Care Levy impact	166
Broadening scope of solar inspections	50
<b>Total Cost pressures</b>	<b>1,266</b>
<b>Increased Cost initiatives</b>	
Premises	150
Training	50
Additional overhead	170
<b>Total Cost Initiatives</b>	<b>370</b>
<b>Cost Savings initiatives</b>	
Targeted reduction from 3.9 repairs per property to 3.7	(426)
Restricting Out of hours to policy	(200)
Gas & Electrical Servicing insourcing initiative	(304)
Policy reviews and preventative maintenance	(689)
<b>Total Cost Savings initiatives</b>	<b>(1,619)</b>
<b>Other net movements</b>	<b>(18)</b>
<b>FY22/23 Budget</b>	<b>25,307</b>

## 6.7 HRA Capital Budget

6.7.1 In 2019, the council approved an additional £30m capital investment (SHIP capital) in the housing stock. Circa £7.5 million investment was delivered during 2020/21 and 2021/22 with a further £20 million to be delivered over the next four years. The table below shows the split between core capital and SHIP capital for 2022/23:

Capital split by funding stream	£,000
Core Capital	18,580
SHIP Capital	4,946
<b>Total</b>	<b>23,526</b>


6.7.2 The table below shows the how our targeted capital investment programme will be profiled in 2022/23 to invest in the city to the greatest effect and improve the housing stock and reduce repairs:


Category	£,000
Decent Homes	10,153
Energy Efficiency	710
Environmental Schemes	406
Apartments, Communal & Fire safety	2,855
Garages, Estates and Bungalows	8,252
Staff and Asbestos Capitalisation	1,150
<b>Total</b>	<b>23,526</b>

## 6.8 Risk Management and Sensitivity Analysis

6.8.1 Unitas has a strong financial control framework in order to identify, assess and mitigate the risks facing the business. Unitas identifies risks that are present within the business and takes mitigating actions to balance risk and return. Where risks cannot be eliminated they are managed and mitigated.

6.8.2 The most significant financial risks Unitas faces at the outset of this one-year business plan are inflation and staff absence.

Risk	Detail	Impact
<b>Inflation</b>	<ul style="list-style-type: none"> <li>• budgeted at 4.9% in revenue workstreams</li> <li>• however, there is upward pressure on pay levels and recent events and continued pressure in the markets now indicate inflation could be as high as 7.4%.</li> <li>• the impact on the cost base would be significant if extrapolated across all workstreams.</li> </ul>	Impact of 7.4% inflation across all workstreams: <ul style="list-style-type: none"> <li>• Increased costs</li> <li>• lower surplus <b>£1,245,000</b> </li> </ul>

<p><b>Sickness</b></p>	<ul style="list-style-type: none"> <li>• budgeted and built into the labour rate at 4%</li> <li>• in 2021/22, partly due to Omicron in Q4, sickness exceeded the target averaging 6.3% over the course of the year</li> <li>• if continued into 2022/23 and future years this level of sickness would have significant impact on budgets</li> </ul>	<p>Impact of sickness at 6.3%</p> <p>Direct employees:</p> <ul style="list-style-type: none"> <li>• Surplus down by £270,000 per year</li> </ul> <p>Indirect employees:</p> <ul style="list-style-type: none"> <li>• Surplus / lost productivity - £203,000 reduction per year</li> </ul> <p><b>Total impact £473,000</b> </p>
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## 7. Budgetary Pressures

- 7.1 There are a number of ongoing budgetary pressures that have a significant impact on the core business. Not only do these pressures have an impact on 2022/23 but they have a significant impact in developing the long-term Business Plan for 2023 to 2027.
- 7.2 Demands on the service and cost pressures are becoming increasingly challenging in terms of how Unitas operates within the current budgets whilst continuing to deliver the service and generating profit and surplus for the Shareholder.
- 7.3 The core essential services (repairs and planned maintenance/investment) carried out by Unitas are funded by the Housing Revenue Account. Unitas delivers the services to the agreed standards and returns a surplus back to the Shareholder.
- 7.4 The revenue budget assigned by the Council to Unitas comprises two elements:
- Budgeted Cost Base – Inputs required to deliver the services of Unitas
  - Budgeted Surplus – Amount returned to the Council resulting from actual costs incurred being lower than the total budget
- 7.5 Since 2018, when Unitas became operational, the annual revenue budget has reduced year-on-year, however, the expected surplus has increased by £319,000 to £1,572,000 resulting in a £1,345,000 reduction in the budgeted cost base to deliver the service.

	18/19	19/20	20/21	21/22	22/23
	£,000	£,000	£,000	£,000	£,000
Budgeted Cost Base	25,080	24,326	24,114	23,707	23,735
Budgeted Surplus	1,253	1,642	1,628	1,600	1,572
<b>Revenue Budget</b>	<b>26,333</b>	<b>25,968</b>	<b>25,742</b>	<b>25,307</b>	<b>25,307</b>

- 7.6 Whilst there has been a £1,345,000 reduction in revenue available to deliver the services there has been no reduction in the level and standard of service required, indeed, there are some areas in which higher levels of service have been required by the Council. Ultimately, this level of reduction is not only challenging for 2022/23 but also for planning in the longer-term and needs to be considered during the current year to inform the financial basis for the Business Plan 2023 to 2027.
- 7.7 In developing the long-term Business Plan the budgetary pressures that need consideration include:

### 7.7.1 Voids

Often parts of the housing stock are deemed to be unattractive and difficult to let when the property becomes void. The council's response when these challenges

have arisen has often been an instruction to Unitas to do void works that are over and above the current void standard.

This results in a significant pressure on the voids budget. During the first six months of the 2021/22 financial year this was the case and the result was that void works had to scaled back in the final six months of the year in order to meet the budget.

In order for Unitas to manage its voids budget during the 2022/23 financial year, Unitas proposed that £240,000 of the budget will be ringfenced for the council to manage and use at its discretion on works over and above voids standard where deemed appropriate. This is not a long-term solution to the cost of voids and the budget available but in the short-term will support Unitas to deliver on budget and give some accountability to the council for void costs that are over and above the council's voids standard.

### 7.7.2 Predatory Solicitors

There is currently an industry wide issue with predatory solicitors looking to exploit landlords for disrepair claims. Unitas budgeted £150,000 in 2021/22 for remedial works to mitigate approaches to tenants from Predatory Solicitors and potential disrepair claims. The out-turn in the year was £253,000 representing an overspend of £103,000. This work enables the council to mitigate the risk from legal claims and disputes which is becoming an increasingly industry wide trend. The reduction in repairs and refurbishment budgets is likely to have an adverse effect on the volume of claims and therein the budget required to undertake the works to mitigate such claims.

### 7.7.3 Staffing pressures

As a result of continued growth and changes in government legislation and compliance, Unitas is under pressure and under resourced in certain areas which need strengthening and have been identified as a risk to the budget. These include Governance and Quality, Health and Safety, Asset Management and Finance.

A key feature of the Shareholder's objectives is for Unitas to grow the commercial side of the business and generate new income into the City. In order to be competitive as a commercial organisation, there are certain industry standards and accreditations including PAS 2035, ISO 9001 and ISO 45001 that are expected of a contractor in the construction industry. These quality management systems and accreditations need investment and resourcing as there is not currently the resource available in Unitas to deliver this.

Unitas prides itself on its strong Health and Safety record. The penalties for breaches of Health and Safety and intervention from the HSE are significant. It has been recognised that additional support is needed to strengthen the team in order to manage the risks inherent from the company activities and to consider succession planning within the team when the current SHE Manager retires.

With regards to asset management, compliance and environmental standards are becoming increasingly more complex with responsibilities falling on Unitas to ensure building safety is maintained. This places resource pressure on Unitas at a time of reducing budgets.



There is a need to upskill the Finance team to improve the quality of information provided across Unitas and enable Unitas to deliver its long-term Business Plan. The regulatory environment is becoming ever more complex with the introduction of the DRC tax for sub-contractors and complying with IR35. The findings of the KPMG Tax Audit have created additional processes and controls which all need resourcing. If Unitas is not able to draw this support from the Council, as is currently the case, there will need to be investment to acquire the skills and knowledge to manage the tax risks in-house

#### 7.7.4 Materials

Unitas operates a Stores and Logistics service supplying materials to the in-house operations teams. The supply of materials was procured on a 4-year framework which is due to expire in November 2022. Unitas is in the process of evaluating the options for material supply and managing the replacement of the frameworks. Regardless of the purchasing arrangements put in place current prices indicate that the cost of any new contract or framework for the supply of materials could be in excess of what is currently being paid. Unitas is therefore in a position where the budget will decrease but the basic cost of materials required to carry out the work will rise.

#### 7.7.5 Sub-contractors / labour only sub-contractors

Unitas bridges the gap between demand and in-house resource through the procurement of sub-contractors and labour only sub-contractors. Wage pressure driven by external factors has led to a shortage of skilled labour and resulting cost pressure on Unitas.

#### 7.7.6 Social Care levy

The Social Care Levy, announced on 7 September 2021 was introduced in April 2022 and will impact on the Unitas budget as an increase in Employer NI contributions. The impact on the revenue budget is calculated as £166,000.

#### 7.7.7 Premises refurbishment

Unitas's premises have received very limited investment over the last 10 to 15 years and the site is now very dilapidated and in need of essential refurbishment and modernisation. The central heating system is out-dated and in need of replacement and the layout of the building which has poor air flows and no ventilation / extraction does not provide adequate accommodation for staff post-pandemic. The car parks and driveway areas have become a serious Health and Safety concern and in need of re-surfacing. It is estimated that a rolling 3-year programme of £150,000 per year would be required to ensure the building becomes and remains fit for purpose. There is no allowance for refurbishment within the current budgets from the council.

#### 7.7.8 Training

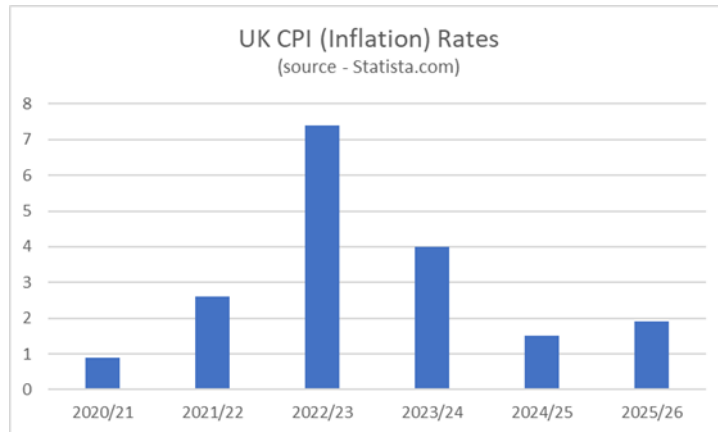
The training budget available has, to date, been inadequate for a business of Unitas's size and complexity. Very little has been spent on staff development or management training which has a negative impact on staff retention and driving productivity gains and efficiency improvements. The training budget has been limited to necessary compliance training totalling circa £40,000 p/a.

There is a proposed programme of training costing circa £400,000 over 3 years. This includes a wider scope of training such as leadership / management training and training of staff to deliver PAS 2035 decarbonisation works which is an essential part of Unitas's growth ambitions and opportunities.

This cost is based on current prices and could escalate as Unitas undertakes the tender process for suitably qualified training companies. Unitas has already seen the cost of essential asbestos training rise from £20 per head to £60 per head which is an indicator of where the market is going.

## 8. Wider Financial Pressures

- 8.1 There are a number of unavoidable financial pressures that Unitas will face during the course of both this one-year business plan and the longer-term plan.
- 8.2 Inflation has become a significant pressure facing Unitas and the wider construction sector. Within the revenue budget, an assumption of 3% has been allowed for, however, current projections are for inflation to spike in 2022/23 at 7.4% before reducing in 2023/24.



- 8.3 Rising inflation will place pressure on a number of cost inputs for Unitas which include:
- **Labour** - retention of staff has become a challenge due to higher salaries being offered elsewhere in the market along with the 1.25% Social Care Levy introduced from April 2022, adding further pressure
  - **Materials** - material price rises are already impacting on the business and many supplier contracts end in 2022 which will place increased pressure on budgets
  - **Sub-contractors** - tender rates are rising and with a number of high value tenders going to the market during the course of this business plan it is likely that inflated tender prices being returned will impact the delivery programmes

## 9. Our Strategic Aims

9.1 In order to deliver the Shareholder’s objectives Unitas has set out nine aims for the current year. These aims address the Shareholder’s objectives and will also form the basis of the long-term Business Plan for 2023 onwards. They are summarised in the table below:

Ref	Aim	Shareholder Objective		
		1	2	3
AIM 1	We will provide a service that fits the needs and aspirations of our customers and engage with our customers in an effective and transparent manner	✓		✓
AIM 2	We will provide good quality, well maintained homes to our customers	✓		
AIM 3	We will create desirable and safe and secure homes and neighbourhoods by investing in our homes	✓		
AIM 4	We will grow the business to enable the city and communities to prosper		✓	
AIM 5	We will add social value to local communities through our investment	✓		✓
AIM 6	We will deliver value for money and efficient services	✓	✓	✓
AIM 7	We will maintain compliance with statutory obligations and legislation	✓		✓
AIM 8	We will maintain and ensure compliance within the non-residential stock			✓
AIM 9	We will develop and implement plans to achieve zero carbon housing stock by 2050	✓		

Each aim is considered in more detail in the following sections.

### 9.2 AIM 1 – We will provide a service that fits the needs and aspirations of our customers and engage with our customers in an effective and transparent manner

#### 9.2.1 Engagement

9.2.2 Understanding the needs and aspirations of our customers is essential and Unitas will be developing a new Customer Engagement Strategy so that we have a clear

focus on how we intend to engage with customers. Unitas understands that engagement with customers is not achieved by one method alone and we will implement a range of engagement opportunities tailored to meet our customers varied needs.

### **9.2.3 Communicating with Tenants**

9.2.4 In 2021 the business received 64,860 telephone calls from customers reporting new repairs and an additional 21,820 calls regarding existing repairs. Reducing this number of calls will drive efficiencies and reduce costs.

9.2.5 In respect of reporting repairs, customers have historically contacted Unitas via a call centre. During 2020 Unitas introduced an online Customer Portal to enable tenants to report a repair and select a suitable appointment. Uptake has been gradual and at the end of 2021 there were about 10% of customers registered with and using the Customer Portal.

9.2.6 Offering additional channels to register a repair means that a customer can log their repair 24-7 and is not restricted by call centre hours and waiting times - thus enabling tenant choice.

9.2.7 Unitas will continue to promote the advantages of the Customer Portal to customers during the course of this Business Plan with a view to shifting the balance from telephone reporting to online reporting and appointment booking. A system upgrade to the portal will be implemented in 2022 which will provide an improved customer experience and more effective account creation for portal users. Unitas is working collaboratively with the council to review the customer repairs journey and will implement improvements being recommended through this work.

9.2.8 Unitas will continue to explore other methods of communication with customers across the range of services the business provides.

9.2.9 Unitas wants to ensure that customers have efficient and effective ways of communicating with us.

### **9.2.10 Dealing with complaints promptly and fairly**

9.2.11 Our aim is to resolve every complaint to the customers satisfaction.

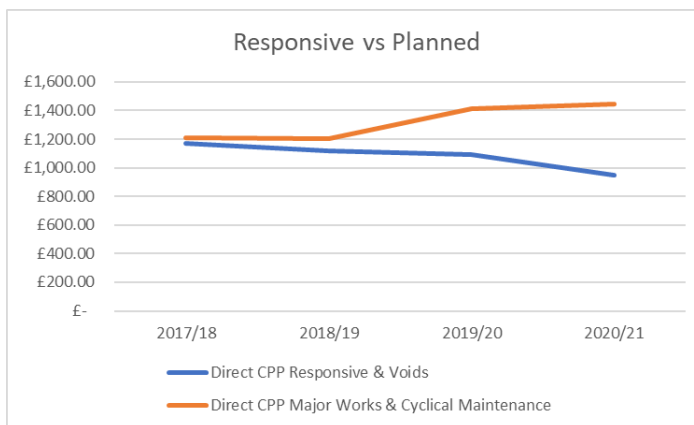
9.2.12 Unitas understands that complaints will be received. Unitas is committed to having a clear complaints procedure for customers so that they know how to make their complaint and understand clearly what the timescales are for every stage of the process. Within this Unitas is committed to dealing with complaints as promptly, transparently and comprehensively as possible whilst keeping the customer engaged and informed at every step of the process.

### 9.3 **AIM 2 – We will provide good quality, well maintained homes to our customers**

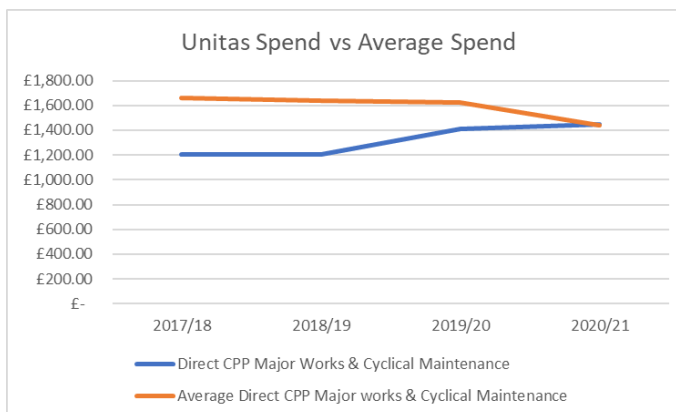
#### 9.3.1 **Estate-based and Responsive Repairs**

9.3.2 Unitas has a well-established responsive repairs service providing in the region of 300 repairs a day to circa 17,500 homes in the city.

9.3.3 Since its inception in February 2018 Unitas has been working to change the balance of investment from a heavily responsive repairs model to one that is focussed on planned maintenance, investment and improvement. Significant progress has been made in this respect and HouseMark data over the period 2017/18 to 2020/21 illustrates the positive shift with planned works spend increasing and responsive and voids spend decreasing.

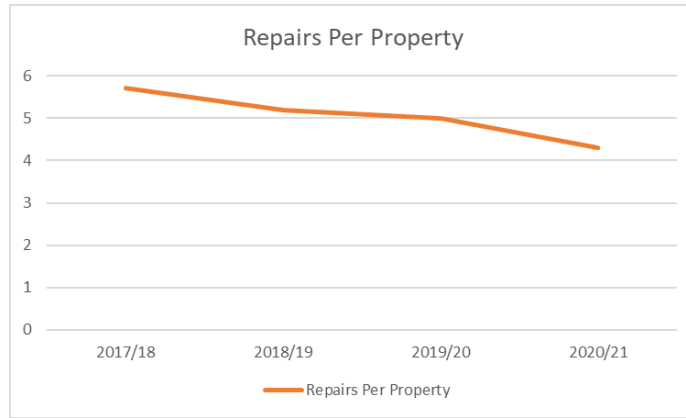


9.3.4 Overall in the period spend per property on responsive and voids reduced by 20% whilst spend on major works and cyclical maintenance increased by 19%. Whilst planned works spend increased over the four-year period spend was still at lower levels than Unitas's peer group, with the exception of 2020/21.



9.3.5 The graph above demonstrates that, despite the impact of the coronavirus pandemic in 2020/21, Unitas performed better than the peer group increasing its average spend marginally in 2020/21 whilst the peer group average spend decreased by 11.3%.

9.3.6 Alongside the increase in planned programmes of investment Unitas has reduced the number of repairs per property by 27%.



9.3.7 During 2020 and 2021 Unitas took the proactive step of implementing an estate-based approach to repairs alongside its response repairs service. Utilising repairs data we identified the areas with highest demand for repairs and put a team into the estate to liaise with customers, local housing officers and councillors in order to identify properties in need of repairs. We then undertook the repairs in a wholistic way, bringing the property into good condition for the future. Early results show that, with this approach, the demand for repairs after the estate-based approach reduces significantly.

9.3.8 Unitas monitors repairs spend and the profile of repairs being undertaken and implements investment plans to further reduce spend on responsive repairs. Current data indicates that focus during this business plan should be on:

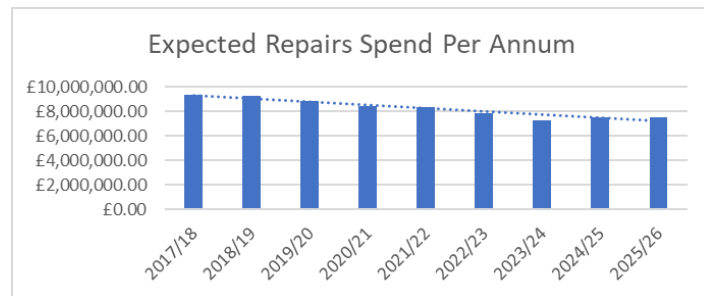
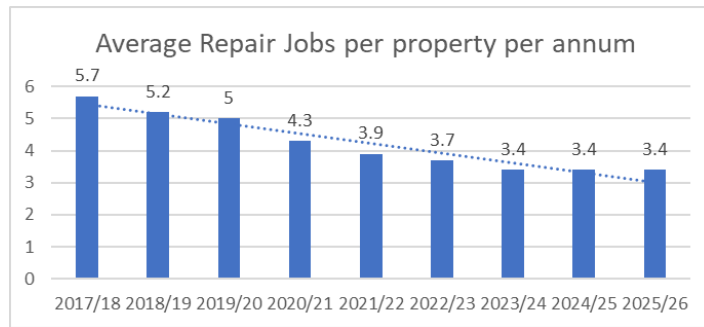
- Roof renewals (whole streets and small estates)
- Continuation of boiler replacement programmes
- Removal of gas space heating appliances (circa 1,900)
- Commencement of retrofit programme to improve thermal insulation of properties

9.3.9 We firmly believe that this is the future to delivering sustainable repairs to homes in the city and Unitas intend to expand this approach in 2022/23 and beyond. This will drive repairs investment in homes in a planned way and shift the service away from being responsive focussed.

9.3.10 The modelling in the table below illustrates the anticipated direction of travel of this approach over the coming years:

Year	Total Repairs	Repairs per property	Cost per repair	Total cost	Direction of travel	Commentary
2017/18	101,312	5.7	£ 92	£ 9,320,686	↑	Pre-Unitas
2018/19	92,425	5.2	£ 99	£ 9,150,055	↓	Unitas Year 1
2019/20	88,870	5.0	£ 101	£ 8,975,870	↓	2019 to 2021 - Increase in planned investment and proactive estate based repairs driving a reduction in responsive repairs
2020/21	76,428	4.3	£ 94	£ 7,184,251	↓	
2021/22	69,319	3.9	£ 125	£ 8,664,825	↓	
2022/23	65,764	3.7	£ 120	£ 7,891,656	↓	Flat line in level of planned investment from 22/23 will result in corresponding plateau in number of responsive repairs
2023/24	60,432	3.4	£ 120	£ 7,251,792	↓	
2024/25	60,432	3.4	£ 125	£ 7,553,950	↔	
2025/26	60,432	3.4	£ 125	£ 7,553,950	↔	

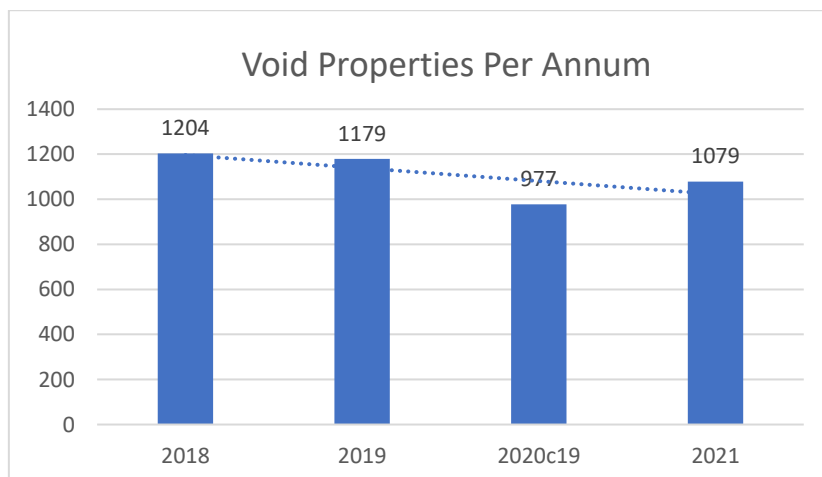
9.3.11 The modelling shows that both the average number of repairs per property and the repairs spend per annum will reduce.



**9.3.12 Voids**

9.3.13 When a property becomes empty Uritas ensures it is brought up to the void standard agreed with the Council before being let. This includes carrying out safety checks, cleaning the property and repairing any defects. Void costs and expenditure are a key measure for Uritas and to ensure cost-effective and efficient delivery of voids we have re-engineered our work processes and embedded multi-skilled labour into the workforce. This has improved turnaround times significantly and we benchmark very favourably with our peers.

9.3.14 The chart below illustrates a clear downward trend in the number of void properties Uritas is dealing with. To extract further value and opportunity from this trend during the course of this business plan we will work closely with the council’s Housing Teams to manage the condition of properties, before they become vacant as this is a major factor driving void costs down. Proactively working with the Housing Teams in this way will significantly reduce work such as cutting back gardens and clearing domestic rubbish and belongings from the property during the void period. This work is typically costly and ultimately reduces budgets for improving the asset.





9.3.15 Unitas is an active part of the council's 2022 Service Review for Voids and we will look to embed steps such as pre-term visits back into the voids policy and look at how we can use the Void Period of a property to improve thermal efficiency issues

### 9.3.16 Decent Homes

9.3.17 At the end of 2017/18 non-decency stood at 8.8% of the housing stock. Since maintaining the housing stock Unitas has targeted non-decency and by March 2021 had reduced this figure to 3.3%.

9.3.18 The Charter for Social Housing Residents (November 2020) announced a review of the Decent Homes Standard to explore and understand whether or not the current standard is right for the social housing sector today. The first phase of the review ran from Spring to Autumn 2021 and sought to understand the case for changes to the criteria within the Decent Homes Standard. The second phase of the review runs until Summer 2022 and will consider how decency should be defined. It is expected, therefore, that during the first year of this business plan that a revised Decent Homes Standard will be launched. With non-decency now being below 3.5% Unitas is well placed to respond to any changes to the criteria within the standard.

9.3.19 Unitas will continue to tackle non-decency in the housing stock during the course of this business plan, embracing and responding to changes brought in following the government review. The reduction in non-decency in 2022/23 will be small, however, over the longer term (three to four years) Unitas aim to reduce non-decency within the housing stock to below 2%.

### 9.3.20 Policy

9.3.21 In 2022/23 the council will be reviewing its Repairs and Voids policies. Unitas will actively engage with the council in shaping these policies so that they reflect the direction of travel and support Unitas in maintaining homes through planned investment and area-based repairs enabling the shift from a responsive focussed service.

## 9.4 **AIM 3 – We will create desirable and safe and secure homes and neighbourhoods by investing in our homes**

9.4.1 During the last two years Unitas has invested in and implemented new IT systems which has included Keystone Asset Management. Keystone allows Unitas to continue to improve its asset data with an ongoing programme of property surveys – circa 75% of properties have been surveyed in the last 5 years.

9.4.2 Unitas has played a key role in the development of the Council's Housing Revenue Account Asset Management Strategy and this combined with the asset data held in our systems enables Unitas to plan effective and efficient programmes of investment in the residential housing stock.

9.4.3 There are significant drivers in relation to asset management and investment that will have a key impact during the course of this Business Plan – these include Social Housing Decarbonisation, Fire Safety Act, Building Safety Bill and the Review of the Decent Homes Standard.

9.4.4 Unitas is well placed to adapt to and meet any new standards and directives arising out of these drivers and is already working with the Council to develop a Building

Safety Action Plan. Unitas will continue to prioritise safety of homes and neighbourhoods and putting residents at the heart of building safety.

9.4.5 Unitas meets regularly with the city council to discuss the strategic direction of asset management, and these discussions have helped shape the Asset Management Strategy.

9.4.6 Unitas has developed the Asset Management Strategy into a 5 year investment plan. This 5 year investment plan, is developed using asset data to arrive at a worst first approach, all with the view of maintaining high levels of decency in the housing stock. Regular visits from asset assessors inform our investment decisions, all with the long term aim of maintaining and improving the value of the stock portfolio.

9.4.7 By using this approach Unitas has been able to increase, year on year, the levels of decency in the stock and reduce reliance on expensive and inefficient responsive repair works. This puts Unitas in a strong position to respond to customer demand and potential legislative changes in the compliance and repairs sector.

#### 9.5 **Aim 4 – We will grow the business to enable the city and communities to prosper**

9.5.1 Unitas was established by the council in order to deliver high quality repairs and maintenance services to the housing stock and public buildings portfolio. The council established Unitas in such a way that Unitas is able to undertake work for other customers and generate new sources of income into the city. Having seen Unitas embed and improve the core service provision under the Business Plan 2019 to 2022 the Shareholder is now keen to see Unitas expand into new commercial areas as reflected in **Shareholder Objective 2: *To offer a viable, competitive and successful commercial service offer that generates a sustainable financial return to the Council.***

9.5.2 Alongside the work on the new long-term Business Plan Unitas has developed an interim Growth Strategy and has already made some inroads into new areas of business including:

- Fire safety assessments and associated works for private companies
- Repairs and maintenance for other local social landlords and in the private rented sector
- Project Management

9.5.3 Unitas's growth ambitions and the interim Growth Strategy have been guided by the previous Chair and Board membership. With new expertise on the Board and an increased drive from the Shareholder for Unitas to deliver growth it is important that Unitas reviews its aims for growth and considers other models for generating new income. It is the intention that, alongside the development of the Business Plan, the Unitas Board works with the Shareholder to agree a long-term growth strategy for the business.

#### 9.6 **AIM 5 – We will add social value to local communities through our investment**

9.6.1 Unitas is committed to its social, environmental and economic responsibilities. We are a value-led business and we are clear about our role within the community of Stoke-on-Trent and beyond. We are dedicated to improving the quality of life for

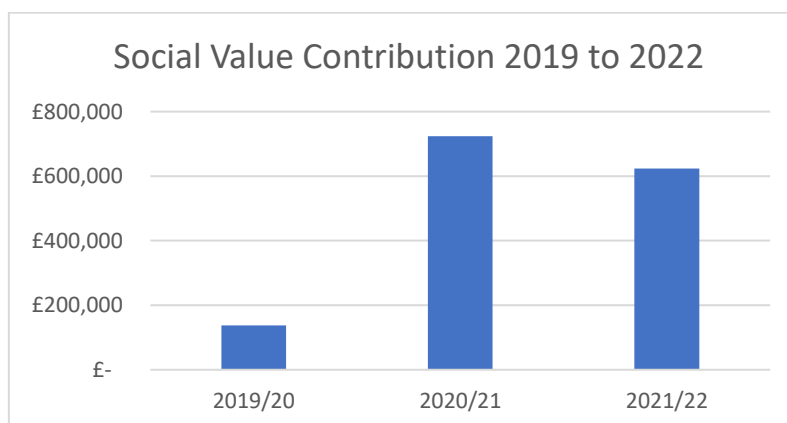
people and the communities in which they live. In order to deliver on this Unitas has a Corporate Social Responsibility (CSR) Strategy and associated action plan to drive the agenda forwards.

9.6.2 Year on year Unitas invests millions of pounds improving housing assets and neighbourhoods across the city through which we engage with local communities, a range of contractors and our own direct workforce.

9.6.3 The CSR Strategy commits Unitas to the following core areas:

- Workplace
  - Valuing and investing in our staff
  - Developing employees through training
  - Investing in the wellbeing of our workforce
- Community
  - Building thriving communities
  - Raising money for local charities
  - Providing career opportunities to local people
- Marketplace
  - Responsibly managing our supply chain
  - Supporting and encouraging local suppliers
  - Combining ethical procurement with value for money
- Environment
  - Encouraging the protection of our environment
  - Improving recycling and waste management
  - Respecting our responsibilities

9.6.4 From 2019 to 2022 Unitas successfully delivered circa £1,500,000 social value within Stoke-on-Trent.



9.6.5 Unitas has delivered this through a range of projects including:

- Delivering an emergency food parcel service to Stoke-on-Trent residents during the coronavirus pandemic
- Providing staff time, skills and materials to turn a former warehouse into a homelessness unit with individual sleeping pods, catering kitchen and shower units
- Working with partners to provide materials and labour to decorate rooms at Hanley Park Lodge and providing an opportunity for a service user to learn painting skills

- Working with partners to provide 640 school lunches during half term holidays to support low income families

9.6.6 Uritas raises money to support it's Helping Hands Fund. This fund supports local community groups and has awarded circa £8,000 to groups between 2019 and 2022.

9.6.7 During 2022/23 Uritas will aim to secure £1,000,000 social value contribution within Stoke-on-Trent. Key targets for delivery include:

- Developing and implementing a volunteering policy
- Offering at least one apprenticeship to a Care Leaver
- Offering one-month work experience placements for Care Leavers
- Providing 12-month Supported Internships placements
- Complete our own DIY SOS for a local family in Stoke-on-Trent

## 9.7 **AIM 6 – We will deliver value for money and efficient services**

9.7.1 Uritas will look at new strategies and good practice for reviewing services on a value for money basis, looking at where we spend money, how much we spend and whether we can make efficiencies across our business on the delivery of services. We will produce an annual value for money statement to confirm what we are doing and how we are doing things. The statement will include:

- Information on the contracts tendered and the potential savings made
- Feasibility studies to improve services and properties
- Preparing for new legislation and regulations
- Social value projects delivered
- Community benefit opportunities through our tender process to bring additional benefits to local people
- Growth projects delivered and income generated

### 9.7.2 **Procurement**

9.7.3 Critical to value for money is how Uritas procures its materials, sub-contractors and services. We have an established procurement and commercial team and have developed a comprehensive and flexible procurement strategy enabling us to utilise the appropriate and most cost-efficient method of procurement dependent on the project. Methods of procurement available to Uritas include:

- Uritas frameworks
- External frameworks
- Long-term contracts
- Measured-term contracts
- Open market tendering

### 9.7.4 **Short, medium and long-term financial planning**

9.7.5 Uritas makes continual, on-going robust assessments of all our costs starting with our budget process. We will take financial and investment advice as required and continue with a robust approach to identify and mitigate against the risks we face or potentially face. We will work with our external auditors to improve our financial controls and strengthen our business.

## 9.7.6 Support services

9.7.7 Unitas does not have in-house support services for all functions that the business requires (e.g. Human Resources, Payroll and IT) and therein pays suppliers for these services. These services are currently subject to review in order to assess value for money and Unitas will, where appropriate, procure new suppliers that can offer improved value, efficient and cost-effective services.

## 9.7.8 IT Implementation

9.7.9 Unitas has invested in new IT systems since its inception in 2018 many of which are already showing benefits in terms of efficiency and value for money.

9.7.10 Unitas has implemented new systems for the responsive repairs service which includes Dynamic Resource Scheduling (DRS) enabling the service to plan operatives' workloads by geography and post-code ensuring shortest travel times between jobs, therein increasing the time available for each operative to undertake repairs, reducing fuel spend and in turn reducing carbon emissions in the City.

9.7.11 We have also implemented a Sub-contractor Portal which provides efficiencies in terms of sub-contractors receiving jobs and invoicing jobs through the portal. This is particularly beneficial with sub-contractors where there is a high level of invoices as they can be consolidated. During the course of this Business Plan Unitas will continue to roll the portal out to sub-contractors so that it becomes the normal way of doing business, replacing more manual and lengthy processes.

9.7.12 From April 2022 we will implement the Keystone Servicing and Inspection model across our gas servicing regime. This will provide efficiencies for the gas servicing team and once embedded will be rolled out across all servicing regimes that Unitas undertakes.

9.7.13 Future IT developments will include implementation of a voids module to manage the voids process, financial interfaces to reduce the number of manual financial processes, and non-residential property maintenance and servicing moving over to the new systems.

## 9.8 **AIM 7 – We will maintain compliance with statutory obligations and legislation**

9.8.1 Unitas has performed strongly on compliance during the first four years of business consistently achieving 100% compliance across both gas servicing and electrical servicing (10-year cycle). Even with the impact of the pandemic in 2020, and as a result of customers shielding, gas compliance only dropped below 100% in May, June and July 2020 (99.8% compliance during this period).

9.8.2 During 2022/23 Unitas is committed to continuing its performance on compliance and is well positioned to respond to changing legislation and the outcomes of the Fire Safety Act, Building Safety Bill and the Social Housing White Paper.

9.8.3 Compliance is essential to ensuring resident safety and Unitas will continue with its robust servicing regimes, internal and third-party audits, fire risk assessments and fire door inspections.

9.8.4 Unitas has an ongoing programme of Fire Safety Investment Schemes which will continue during this Business Plan.

- 9.8.5 Unitas has brought both the gas and electrical servicing functions in to a direct delivery model. Work has already commenced to integrate the servicing regimes into the new IT systems within the business which will deliver improvements and efficiencies through more effective programming and invoicing of works, scheduling and monitoring of servicing requirements, monitoring of compliance and reporting on the workstream.
- 9.8.6 There are a wide number of compliance activities undertaken on the housing stock and it is imperative that our duty holders, managers and technicians are trained accordingly. Continual staff training and supply chain development will support this activity during this business plan.
- 9.8.7 Through this next period of the business plan technologies will start to change and with a shift to more sustainable fuels our compliance and service teams will be developed to reflect this as the industry changes.
- 9.9 **AIM 8 – We will maintain and ensure compliance within the non-residential stock**
- 9.9.1 Alongside the housing stock Unitas is responsible for repairs and maintenance of the non-residential portfolio which includes a range of buildings (offices, libraries, leisure centres, etc). Unitas aims to ensure that it provides a responsive and value for money service in relation to the non-residential properties at the same time as ensuring all servicing and compliance is maintained.
- 9.9.2 During 2022/23 Unitas will continue to deliver compliance and high-quality services to the non-residential portfolio. In the longer term Unitas intends to move the non-residential work onto the new IT systems within the business which will deliver improvements and efficiencies through more effective programming and invoicing of works, scheduling and monitoring of servicing requirements, monitoring of compliance and reporting on the workstream.
- 9.9.3 Unitas will look to resourcing this work alongside our responsive repairs service to give a broader understanding of the stock to our wider resource of technicians and enabling a wider resource pool to undertake this work.
- 9.9.4 Unitas is proactively seeking to improve this service with the client team and streamlining the approach to service delivery by establishing a service level agreement, developing process maps to satisfy the requirements of the service level agreement and a suite of metrics to inform the areas of improvement and development.
- 9.9.5 Furthermore, Unitas aims to become the preferred partner for larger projects on the non-residential estate and over the term of this plan will work towards being a trusted supply chain partner and build relationships to facilitate this status.
- 9.10 **AIM 9 – We will develop and implement plans to achieve zero carbon housing stock by 2050**
- 9.10.1 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.

9.10.2 In common with all other social housing providers, the 2050 and 2030 targets represent major challenges for Unitas and will require significant upskilling and financial resources over the short, medium and long term. In order to support our progress in meeting these targets Unitas will seek to maximise opportunities for accessing Government funding such as the Social Housing Decarbonisation fund, ECO 4 and other grant funding that becomes available during the term of the business plan.

9.10.3 With the official number of households in fuel poverty in England set to rise from 3.16 million to 8.5 million by the end of 2022, this poses some risks to all landlords. It is vitally important for the future viability of the housing stock that the homes we maintain are well insulated to protect our customers from fuel poverty risks. We also recognise when customers are struggling to pay their energy bills they may reduce or stop using their heating, which can lead to issues with damp, mould and condensation. In turn, this can put additional strain on the repairs and voids budgets.

9.10.4 Analysis of the asset data we hold indicates that circa 3,500 of the homes we maintain will require further investment in order to hit the interim EPC C rating target by 2030. We have implemented the Sava Intelligent Energy module which works alongside Keystone Asset Management. It is a powerful tool that will enable the Asset Management Team to understand how energy efficiency and carbon objectives can be met in the housing stock. Intelligent Energy will allow Unitas to efficiently and effectively develop improvement plans, automatically assessing the plan in terms of carbon savings and cost efficiency. These improvement plans will move us towards zero carbon housing whilst supporting tenants in dealing with rising fuel bills and reducing the risk of fuel poverty.

9.10.5 In order to support these improvement plans and progress towards the 2030 target on EPC ratings Unitas has committed the following level of investment from across the HRA capital budgets:

Year	£
2022/23	7,000,000
2023/24	6,900,000
2024/25	6,900,000
2025/26	6,000,000

9.10.6 With this capital funding Unitas will continue to focus on

- targeting non-traditional construction which is commonly known to be of low thermal efficiency
- installation of low carbon heating
- installation of energy efficient boilers
- installation of external wall insulation (EWI)
- insulation of properties
- solar PV

9.10.7 Unitas will also use opportunities during the void process to retrofit and further improve the energy efficiency of homes. When a property is empty this is often the best time to carry out intrusive works to a property, thus minimising inconvenience to our customers and making the homes more energy efficient for the new tenant.

## **10. Investment in Our People**

10.1 The principle of investing in Unitas staff is embodied in the “workplace” priority of the Corporate Social Responsibility Strategy in which Unitas commits to:

- Valuing and investing in our staff
- Developing employees through training
- Investing in the wellbeing of our workforce

### **10.2 Apprenticeships**

10.2.1 Unitas has actively promoted and encouraged the development of apprentices in the business taking on 21 apprentices since February 2018. Apprenticeships have been offered across the business including in plumbing, joinery, plastering, electrics, painting and decorating, health and safety, accountancy and business administration.

10.2.2 Unitas has worked in partnership with local colleges to offer apprenticeships and in 2021, at the request of the Board, Unitas worked closely with the council’s Care Leavers Team to actively offer apprenticeships to young people leaving care. In January 2022 the first care leaver joined Unitas as a Business Administration Apprentice. Unitas will grow this and develop the relationship with the Care Leavers Team further.

10.2.3 Unitas is continually assessing the workforce, looking at the age demographic and considering succession planning. Apprenticeship is a vital part of this and in 2022/23 the business will be targeting an intake of electrical apprentices to grow the in-house electrical teams.

10.2.4 Unitas will continue to develop apprenticeship opportunities and consider where they can support the development and futureproofing of the workforce and business.

### **10.3 Workforce Profiling**

10.3.1 Unitas has a large proportion of the workforce aged over 50 and a much smaller number aged 30 and under. This is not uncommon in the sector with traditional construction, craft or maintenance related trades not seeming to appeal to the younger demographic as once was the case. This age profile poses some challenges from a point of business continuity and succession planning.

10.3.2 Unitas recognises the experience and role that older employees have to offer and works proactively across the business to make best use of the experience and expertise by offering redeployment and reduced hours. The business reviews the skills available and encourages older employees to provide mentoring and support to colleagues in the early stages of their career.

10.3.3 In order to futureproof the business Unitas will, during the course of this business plan, continue to monitor the workforce demographic. This will ensure that as a business we invest in the workforce accordingly in order to maintain a diverse range of employees, bring in new skills to support both the core business and business growth (e.g. the decarbonisation agenda) and offer opportunities to both new and existing employees to develop their careers with Unitas. We believe as a business that this will build on the experience and stability that the current workforce has given



Unitas in its first four years and position Unitas well to grow and develop as a business under this business plan.

#### **10.4 Employee Development and Training**

- 10.4.1 In 2021/22 Unitas focussed on implementing a robust internal staff appraisal process. The PLAN (Progress, Learning, Action Nurture) appraisal enables line managers across the business to have structured conversations with their staff about their personal and professional development. These conversations will help manage staff ambitions and inform succession planning and staff training and development throughout the business.
- 10.4.2 During 2022/23 these appraisals will be embedded into the culture of Unitas and will be further supported by the introduction of a new Learning Management System (LMS) which will be able to track the professional development and training requirements of the workforce.
- 10.4.3 In 2021/22 Unitas doubled the staff training budget to help enable the business to deliver on staff training requirements and ambitions. The business will keep this under review and following the introduction of the LMS system will be able to understand more clearly the budget requirements for delivering training across the business.
- 10.4.4 Historically the business has been good at internal promotion, but this promotion has not always been backed up with structured learning and development and has relied on informal, internal training from people working in the role. In order to address this Unitas has worked with Staffordshire University to develop a leadership training program for the business. This will be rolled out in 2022/23 and will provide the training and development for the next generation of leaders within Unitas. Unitas will build upon this further, developing links with local universities and colleges to ensure training and development opportunities are available to staff to prepare individuals and the business for the challenges that lie ahead

## 11. Risk Management

- 11.1 Unitas proactively manages risks. The risk register is managed and maintained by the Senior Leadership Team and is reviewed by the Unitas Board at each meeting.
- 11.2 Risk management has never been more important to Unitas and it is vital that we consider and identify risks on a regular basis so that we can put in place measures to control current risks and mitigate against potential future risks. Identification and management of risk is a fundamental element of our business planning process.
- 11.3 Risks are an accepted element in all areas of our business activity and the measures to manage identified risks successfully are included within reports considered by the Senior Leadership Team and the Board.
- 11.4 As Unitas enters into this Business Plan the main risks facing the company and how they will be managed are detailed in the table below:

Risk	Management of Risk
Loss of business continuity due to further impacts of the coronavirus pandemic	Unitas has a well-established Business Continuity Plan (BCP) which is reviewed annually.  The BCP has been reviewed and updated during the course of the coronavirus pandemic and is scenario tested to ensure it is robust.
Failure to manage the safety of staff working for the company through the pandemic	Unitas has a comprehensive suite of Health and Safety standards, risk assessments and safe systems of work  Health and Safety documentation is regularly reviewed to respond to the implications and impacts of the coronavirus pandemic
Impact of Brexit and the pandemic on supply chain, material prices and labour availability	The Procurement Team is responding to the impacts by reviewing procurement options and contractual arrangements to ensure value for money and continuity of supply
New regulatory guidance and legislation	Unitas reviews and implements new guidance as it emerges  Unitas works with the council in order to develop the business to respond to changing legislation (e.g. Fire Safety Act, Building Safety Bill and the Social Housing White Paper)
Loss of skills and expertise from the business to competitors	Unitas will review the market to ensure that staff receive a competitive employment package with employee benefits.  Unitas will work to ensure that there are sufficient career development opportunities for staff.
Workforce training	Unitas is committed to staff development and training  Unitas considers the personal development of each member of staff through the PLAN (Progress, Learning, Action, Nurture) process
Workforce capacity and age profile	Unitas is actively monitoring the workforce demographic.  Unitas will invest in the workforce accordingly in order to maintain a diverse range of employees, bring in new skills to the business and offer opportunities for career development.

Lack of tenant representation and engagement	<p>Development of the Customer Engagement Strategy</p> <p>Unitas works collaboratively with the Council to engage with tenants and customers</p>
Failure to demonstrate value for money	<p>Unitas will produce an annual value for money statement</p> <p>Utilisation of benchmarking (e.g. HouseMark)</p>
Political change	<p>Unitas will work closely and collaboratively with the Shareholder to ensure that this business plan and the companies activities remain closely aligned to the Shareholder objectives</p>

## 12. Quality Management

12.1 Unitas has a number of quality management systems in place to ensure delivery of its services and during 2022/23 Unitas intends to bring its systems in line with ISO 9001.

12.2 ISO 9001 sets out the criteria for a quality management system and there are over one million companies and organisations worldwide certified to the standard.

12.3 ISO 9001 is based on seven quality management principles that are already core principles of Unitas's business. The seven quality management principles are:

### 12.3.1 Principle 1 – Customer Focus

Our primary focus of quality management is to meet customer requirements and to strive to exceed customer expectations. Key benefits:

- Increased customer value
- Increased customer satisfaction
- Enhanced reputation of the organisation
- Expanded customer base
- Increased revenue and market share

### 12.3.2 Principle 2 – Leadership

Leaders at all levels in our business are to establish unity of purpose and direction and create a culture in which people are engaged in achieving the organisations objectives. Key benefits:

- Increased effectiveness and efficiency in meeting our objectives
- Better coordination of our organisational processes
- Improved communication between all levels and functions in our business
- Development and improvement of the capability of our business and our people to deliver our objectives

### 12.3.3 Principle 3 – Engagement of People

Competent, empowered and engaged people at all levels in our business are essential to enhancing our capability to create and deliver value. Key benefits:

- Improved understanding of our objectives by people in the business and increased motivation to achieve them
- Enhanced involvement of people in our improvement activities
- Enhanced people satisfaction within our business
- Enhanced trust and collaboration throughout our organisation

### 12.3.4 Principle 4 – Process Approach

Consistent and predictable results are achieved more effectively and efficiently by our business when activities are understood and managed as interrelated processes that function as a coherent system. Key benefits:

- Enhanced ability to focus effort on key processes and opportunities for improvement
- Consistent and predictable outcomes through a system of aligned processes

- Optimised performance through effective process management, efficient use of resources and reduced cross-functional barriers

#### 12.3.5 Principle 5 – Improvement

Successful businesses like Unitas have an ongoing focus on improvement. Improvement is essential to maintain our current levels of performance, to react to changes and to create new opportunities. Key benefits:

- Improved process performance, organisation capability and customer satisfaction
- Enhanced ability to anticipate and react to internal and external risks and opportunities
- Use of learning to improve our business
- Enhanced drive for improvement

#### 12.3.6 Principle 6 – Evidence-based Decision Making

Decisions that we base on the analysis of data and information are more likely to produce the desired results. Key benefits:

- Improved decision making
- Improved assessment of process performance and ability to achieve our objectives
- Increased ability to review, challenge and change our opinions and decisions

#### 12.3.7 Principle 7 – Relationship Management

For sustained success our business needs to manage its relationships with all stakeholders and partners. Key benefits:

- Enhanced performance
- Common understanding of our values and goals among stakeholders and partners
- Well managed supply chain that provides a stable flow of goods and services

### **13. Health and Safety**

13.1 Unitas is committed to the health, safety and welfare of its employees recognising they are its key resource and that maintaining their optimum health, safety and welfare reduces the risk of losses and liabilities on the business whilst raising employee morale.

13.2 Unitas further recognises it owes a duty of care to the customers it serves and the contractors which may be used to help deliver that service and will endeavour to deliver the highest quality having regard for health and safety.

13.3 Unitas recognises that accidents and incidents can be caused by management failures, not necessarily by an individual and has implemented a health and safety management system with sufficient financial and physical resources and time to encourage a positive health and safety culture within the organisation. All employees are required to comply with the management system and work towards improving the health and safety culture.

13.4 The Board has established health and safety priorities that can be measured. These currently include:

- Adequate control of the health and safety risk arising from our work activities
- Consultation with our employees, trade unions, partners and customers on matters affecting their health and safety
- Provision and maintenance of safe plant and equipment
- Safe handling and use of substances
- Information, training and supervision to ensure competence of all employees and partners
- Prevention of accidents and incidents and causes of work-related ill health
- Emergency and fire precautions
- Managing contractors

13.5 Unitas has robust health and safety systems and an excellent track record, with only three RIDDOR reportable incidents (09.18, 10.18 and 06.21) in the 47-month period from February 2018 to December 2021. Unitas continually works to improve its approach to health and safety and in doing so is committed to achieving ISO 45001 Occupational Health and Safety standard in 2022/23. ISO 45001 sets the minimum standard of practice to protect employees worldwide. Achieving ISO 45001 will bring Unitas's systems in line with this worldwide standard and ensure management of health and safety risks. Benefits of ISO 45001 include:

- Reduction of workplace incidents
- Reduced absenteeism and staff turnover leading to increased productivity
- Reduced cost of insurance premiums
- Further development of our already established health and safety culture whereby employees are encouraged to take an active role in their own health and safety
- Reinforced leadership commitment to proactively improve health and safety performance

- Ability to meet legal and regulatory requirements
- Enhanced reputation

## **14. Summary**

- 14.1 The Board, the Director of Unitas and the Senior Leadership Team are committed to delivering this Business Plan during 2022/23 and developing a new long-term Business Plan for 2023 to 2027. This plan has been developed in collaboration with the Shareholder and sets out our plans to meet the objectives set by the Shareholder.
- 14.2 The sector, and all aspects of the economy and life, have been impacted on by the coronavirus pandemic in the last two years but Unitas has shown resilience and the ability to adapt. On the back of this, we will enter into this new Business Plan with the confidence and enthusiasm to tackle whatever challenges lie ahead in order to move this business forward and become a stronger business that is well-respected in the maintenance sector for its high-quality services and its ability to deliver.
- 14.3 As a business we remain committed to driving Unitas's success in delivering quality services to our residents, partners and businesses in Stoke-on-Trent. We also intend to grow as a business and provide high quality services to an expanding client base within a wider geographical area.
- 14.4 This Business Plan sets out the direction of travel for Unitas in 2022/23 and in delivering against it we will strive together to ensure we are successful in everything we do as a business.