



REPORT TO: Climate & Environment Advisory
Committee

LEAD CABINET MEMBER: Hazel Smith

LEAD OFFICER: Mike Hill

08/11/2019

Stock Modelling for Zero Carbon and Improvements to energy efficiency across SCDC Housing Stock

Executive Summary

1. The Business Plan 2019-24 under the heading “Housing that is Affordable for everyone to live in” has the action – Improve the energy efficiency of existing Council housing to reduce carbon impact and running costs.
2. The measures are:
 - Carry out an audit of energy efficiency of existing housing stock relative to zero carbon target by March 2020.
 - Establish the Investment needed and work programme for insulation measures over the next five years to close the gap on the zero-carbon target by March 2024.
 - Number of Council houses improved, and the energy saving achieved.
 - Feedback on the benefit of warmer and cheaper to run homes from tenants.
3. This report has been written in order to provide an update on actions taken so far.

Key Decision:

4. Yes. It’s likely the outcome of this decision will result in the Housing Revenue Account having to support various retrofit work programmes in order to significantly increase the energy efficiency and reduce carbon emissions in our stock.
5. This work will also have a significant impact on the wellbeing of many of our tenant that currently occupy the Councils housing stock and future generations.

Recommendations

6. To note the actions taken so far and provide any comments or advice.

Details

7. We have already heavily invested in capital projects to HRA assets to improve energy efficiency and reduce carbon emissions in recent years. In August last year our 5300 HRA homes had an average EPC rating of 75.89. Which placed the stock average in the green Band C.
8. We have set out a 5-year capital programme that describes how we intend to invest in our stock over the next few years. Measures include, heating system renewal, new doors and windows, topping up loft insulation and cavity wall insulation.
9. In order to take forward the Business Plan actions we produced a workshop briefing for members earlier this year. We then followed that up with an Asset Management Strategy Action Plan.
10. Stakeholder workshops were conducted in April and May this year and we have a draft of a new Asset Management Strategy that is close to completion.
11. In June we met with representatives from the Building Research Establishment (BRE) to seek expert advice on what the likely requirements were to achieve zero carbon. We shared several data sets with them from our Asset Management data base Keystone, these data sets focussed on energy efficiency. Once they looked at the data their initial response was that it was "very rich" with useful information, that they will need to carefully evaluate.
12. They came back to us recently to say they have concluded that it would be a major task to bring data as rich as ours into their modelling systems and model improvement scenarios. They do however see the value in undertaking such work as there is a market for this type of analysis, and with that in mind they have been seeking investment to deliver the level of service required. They said that they hoped to provide an update by the end of the year.
13. I have also spoken directly with senior officers from local housing providers. They are having similar conversations to ourselves, but I have struggled to find any landlord that is further ahead than us. This is supported by a recent article published by the Housing Quality Network which said "The social housing sector should be leading the way on climate change and not passively waiting to be told what to do".
14. More recently I came across some work being done in Manchester on this topic, they have agreed a "Zero Carbon Framework 2020-38" for the City which confirmed for domestic property that they hope to reduce energy demand, shift to lower carbon heat sources, lifting families out of fuel poverty and saving residents money on their energy bills, as well as reducing greenhouse gas emissions. They see retrofitting the housing stock as not only improving the wellbeing of their residents but also stimulating the retrofit market and boosting the local economy. I made contact with the Strategic Asset Manager at

Northwards Housing in Manchester to see what they are doing to support this work. He put me in contact with the consultancy firm Savills who have supported Northwards Housing to provide a suite of measures to incrementally improve both energy performance / fuel consumption and carbon emissions.

15. I spoke with John Kiely a Director at Savills and he agreed to produce a similar proposal for ourselves. I have attached a copy of that proposal for your information. I am in the process of checking procurement regulations before we proceed.
16. In addition to this proposal we are also pressing ahead with our own internal actions. These are as follows:
 - Complete a desktop exercise to review what we know about the 60 properties with an EPC rating of E and F by the end of November.
 - Once we have a definitive list of properties in these categories carry out a fresh stock condition survey (internally resourced) to be completed by March 2020
 - Work up a programme of investment to improve energy efficiency in these properties in 20-21
 - Prioritise further stock condition surveys to those properties in band D - to commence in Jan 2020.
 - Again, consider a programme of works to improve the energy efficiency of properties in EPC rating D focussing on the worst performing. Likely to be 21-22
 - Work with tenants to understand the barriers that have prevented us from investing in some properties in the past (it's likely this will require the support of members - with some tough decisions to be made)
 - Complete our refreshed Asset Management Strategy and publish in the new year.
 - Work with tenants to support education programmes around energy efficiency - energy tariffs, smart metering, energy saving lightbulbs, ventilation etc.
 - Work up a programme for 20-21 to increase supply of fitting new doors and windows which will increase SAP rating for many properties.
 - Continue with the current programme to replace boilers (313 in 2018/19) windows (101 in 2018/19) and loft insulation/ cavity wall (247 in 2018/19)
17. This report is to update the Climate & Environment Committee members on actions taken so far. Once we have the report from Savills which will show the implications for SCDC of meeting the zero carbon standard and the scope of work required, further options will be presented.

Options

18. Implications
19. It's likely there will be significant financial implications to achieve the zero carbon standard. Once we have details relating to the number of properties

requiring improvement, the measures required and the funding implications, risks, staffing, contract procurement and other key issues will need to be considered.

Financial

20. See above. The cost of the works Savills will provide will be in the region of £15k.

Legal

21. See above.

Staffing

22. See above.

Risks/Opportunities

23. See above

Equality and Diversity

24. See above

Climate Change

25. See above – We will need to ensure climate change improvements are captured as a result of the work programmes we will introduce.

Consultation responses

26. N/A

Growing local businesses and economies

27. As suggested by the model adopted in the City of Manchester there are likely to be opportunities to stimulate the local market through the award of retrofit contracts.

Housing that is truly affordable for everyone to live in

28. Increasing energy efficiency in our homes and fitting modern renewal technology will increase the opportunities for our tenants to reduce their energy bills making our properties more affordable.

Being green to our core

29. The retrofit programme we will adopt will help us move towards zero carbon in our housing stock.

A modern and caring Council

30. We will need to consider carefully how we approach conversations with our more vulnerable and elderly tenants that will not want to have the intrusion or inconvenience of contractors coming into their home to complete improvement works.

Background Papers

31. See report from Savills.

Appendices

Appendix A: Letter from Savills

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