

## GREENER HOUSING STRATEGY 2022-2032

### 1. RECOMMENDATIONS

1.1 That the Cabinet recommend to Council that:-

- (a) The proposed Greener Housing Strategy be approved; and
- (b) The potential financial implications of delivering the strategy to meet Government targets, be noted, to ensure it complements the corporate work that is ongoing to deliver the Council's Climate and Nature Change Action Plans, following the declaration of a Climate Change and Nature emergency in October 2021.

### 2. INTRODUCTION

- 2.1 This report proposes a new Greener Housing Strategy to cover all aspects of the work of the Council, in its capacity as the Housing Authority. The Government's pledge to reduce carbon emissions to zero by 2050 will place significant requirements on social housing landlords to provide a range of measures to create more energy efficient homes by 2030, and a complete housing stock with net zero carbon emissions by 2050.
- 2.2 A key priority in the strategy is to work with private sector landlords and owners and lever in funding to the District which facilitates the decarbonisation and improvement in energy efficiency of the private sector housing stock. This is a cross cutting priority for the Council as a whole.
- 2.3 This strategy has been developed in conjunction with the Greener Housing Task and Finish Group of Members over the last year, working closely with all Housing Service Managers and the Executive Head of Governance and Housing.

### 3. BACKGROUND

- 3.1 The Council owns 5,200 social housing properties of different build types, ages ranging from over 100 years old (66) to new builds built this year. Most properties were constructed in the post war period. Several hundred are off the gas network and have a variety of alternative heating types such as solid fuel and oil.
- 3.2 Locations of the stock vary from isolated rural communities to town centres and larger urban estates. Whilst the Council's properties meet the decent homes standard, there will be significant works required to retrofit each and every one with measures to reduce carbon emissions and make them considerably more energy efficient.
- 3.3 In accordance with Government Strategy and legislation, the Council's Housing Landlord function must:

- 3.3.1 Upgrade housing stock with an energy performance certificate rating (EPC) of D or worse to an EPC of C or better by 2030 (Sustainable Warmth Strategy 2021)
  - 3.3.2 End the installation of gas boilers in all new build social housing by 2025 (Future Homes Standard)
  - 3.3.3 Phase out the installation of gas boilers from 2035 (Heat and Building Strategy 2021)
  - 3.3.4 Meet net zero emissions from Council owned properties by 2050 (Climate Change Act 2008 as amended 2019)
- 3.4 The Council has already progressed a number of actions, which are highlighted in the strategy, to meet the above requirements. A Greener Housing Task and Finish Group was set up in 2021 to inform and shape the strategy. The Council received £287,500 of Government grant funding to support a new pilot scheme to replace solid fuel heating in 50 off-gas properties with low carbon Air Source Heat Pumps. This scheme, which is nearing completion, will provide the Council with valuable learning as this method of heating is expected to replace gas fired boilers in the coming years.
- 3.5 A full stock condition survey of the Council's owned properties is currently underway and is due to be completed by January 2024. As this data is collated, it will provide the Council with the detailed analysis to programme works and assess long term costs. The Council commissioned a report in 2021, based upon current stock data, to gain an initial baseline position and inform the Greener Housing Strategy of the key actions required to deliver on 3.3.1 above and to understand the scale of potential costs to meet 3.3.4.
- 3.6 The Strategy's priority to support Private Sector Housing Decarbonisation will involve working with, and supporting, owner occupiers and landlords and is likely to supplement the work of the Council's Climate and Nature steering Group (CNG) whereby key Housing Service representatives will be involved.
- 3.7 This strategy delivers actions to 2032 and is considered an interim strategy ahead of a longer term 20-year strategy to follow, once key milestones are met in Appendix 1.

#### **4. FINANCIAL IMPLICATIONS**

- 4.1 This financial year has seen a commitment to set an additional budget of £500,000 for specific greener housing initiatives to complement existing capital work budgets (which also deliver sustainable projects, such as new windows, roofs, insulation etc in council stock). It is envisaged that this additional budget will now feature year on year and will grow as retrofit programmes are further progressed.
- 4.2 The work required to deliver on the actions against the 4 priorities will require a dedicated resource which cannot be subsumed within Housing's current core day to day work. There is scope to off-set costs associated with any new resource through grant funding opportunities from the Government.
- 4.3 A new Project Manager post is proposed to work across the whole of the Housing Service to manage and coordinate the necessary actions set out in the Strategy, working closely with Service Managers. The postholder would also lead on establishing consortium-based projects with partner landlords. It is proposed that funding to create this role will be taken from the existing greener housing budget and supplemented from government grants which allow for management costs to be recovered.

- 4.4 The key actions listed in Annexe 1 will have significant financial implications for the Housing Revenue Account through to 2050. An assessment by external energy consultants established early estimated costs to meet the current decarbonisation targets to be a minimum of £15,000 average cost per property. Current estimates across the social housing sector vary widely, with some landlords predicting costs up to an average of £40,000 per property.
- 4.5 As the Council's data gathering journey is on-going, the Council considers that the current forecast to meet net zero (as of November 2021) is approximately £54m. This is based on the lower end of the cost scale set out in 4.4 above. Actual costs are likely to be greater than this figure, especially taking into account price rises and other increases since the above 2021 forecast figure. Assuming an average £40,000 cost per property the total bill could be up to £208m.
- 4.6 Nationally, each registered provider of social housing stock is facing the same financial and strategic challenges to meet the targets in para. 3.3 above. The Council along with many other social housing landlords and professional bodies continue to lobby Government for increased funding for the sector to meet these obligations. The latest Government grant scheme, to be awarded later in 2022, will award 50% of retrofit scheme costs, with landlords providing the remaining half.
- 4.7 The Council's own cost projections will be further refined in 2024/25 post the completion of the stock condition survey and will include updated building, material and energy costs. The Housing Service has also commenced an internal working group with specialist external support to lead on the creation of a robust long term business plan, which will model and inform the key strategic priorities over the next 30 years; combining the development programme with capital refurbishment and retro fit costs. As the Business Plan work progresses future financial implications for the housing revenue account will be reported back through the decision-making process in due course.
- 4.8 Also, based upon current analysis it is estimated that even after full retrofit works on the housing stock there is still likely to be residual emissions of 2,443 tonnes of CO<sub>2</sub> per year, resulting in additional measures and costs to offset carbon emissions to achieve net zero by 2050.

## **5. CRIME & DISORDER IMPLICATIONS**

- 5.1 There are none.

## **6. ENVIRONMENTAL IMPLICATIONS**

- 6.1 There will be significant benefits from the adoption and implementation of this strategy. Currently it is estimated that the Council's social housing stock emits 11,870 tonnes of CO<sub>2</sub> per year which will reduce to 2,443 tonnes of CO<sub>2</sub> per year by 2050. These residual emissions will require further off-setting measures which are referred to in the Strategy.
- 6.2 There are also several actions in the strategy which seek to reduce carbon emissions from the day-to-day operations in Housing Service and embodied carbon in materials and the supply chain, reducing carbon emissions from Council activities.

## **7. EQUALITY & DIVERSITY IMPLICATIONS**

- 7.1 This strategy is for the benefit of all the Council's tenants and residents of the District. All Council tenants will benefit from works to improve the energy efficiency of their homes delivering positive impacts on fuel and energy costs, particularly to the most vulnerable and those on low incomes.
- 7.2 The Council is working with private landlords in the district to facilitate retrofitting and energy improvements to the private rented stock of the district. Legislation such as the Minimum Energy Efficiency Standards (MEES) is being followed up by the Private Sector Housing Team, particularly where poorer quality housing has an impact on vulnerable residents.

## **8. HOUSING AND HOMELESSNESS OVERVIEW AND SCRUTINY PANEL COMMENTS**

- 8.1 The Panel expressed their support to the proposed Greener Housing Strategy and noted the potential financial implications in order to deliver the strategy. The Panel expressed support in relation to the proposed new Project Manager post to manage and coordinate the actions set out in the strategy. It was noted that an annual position statement would be produced to highlight the progress against the Strategy and that officers would provide more regular updates if considered necessary.

## **9. PORTFOLIO HOLDER COMMENTS**

- 9.1 I endorse the recommendations in this report and the actions contained within each of the four key priorities within the Strategy. This strategy is the culmination of joint work between Members and Officers involved in the Greener Housing Task and Finish Group which led the way in identifying the priorities the Housing Service must focus on in the next 10 years to deliver on Government energy targets. I am pleased the actions listed in the Strategy will have a long lasting positive impact on our residents and tenants.

## **APPENDIX**

1. Greener Housing Strategy

### **For further information contact:**

Richard Knott  
Service Manager – Housing Options, Rents, Support and  
Private Sector Housing  
Tel: 023 8028 5242  
E-mail: [richard.knott@nfdc.gov.uk](mailto:richard.knott@nfdc.gov.uk)

### **Background Papers:**

Public documents

Grainne O'Rourke  
Executive Head of Governance & Housing  
Tel: (023) 8028 5076  
E-mail: [grainne.orourke@nfdc.gov.uk](mailto:grainne.orourke@nfdc.gov.uk)