

<b>Subject:</b>	<b>HRA Energy Strategy</b>		
<b>Date of Meeting:</b>	<b>3, 4, 5 &amp; January January 2018</b>		
<b>Report of:</b>	<b>Executive Director Neighbourhoods Communities &amp; Housing</b>		
<b>Contact Officer:</b>	<b>Name:</b>	<b>Alex Fox</b>	<b>Tel: 01273 290773</b>
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<b>Ward(s) affected:</b>	<b>All</b>		

## **FOR GENERAL RELEASE**

- 1.1 The Housing & New Homes Committee is asked to consider the attached HRA Energy Strategy that outlines the current energy efficiency performance of the stock and sets out approaches for future improvement.

## **2. RECOMMENDATIONS:**

- 2.1 That the Housing and New Homes Committee approve the HRA Energy Strategy as Appendix 1.

## **3. CONTEXT/ BACKGROUND INFORMATION**

- 3.1 The Property & Investment (P&I) team has been successful in continually improving energy performance in council owned homes to date – improving housing quality by meeting the Decent Homes Standard and installing measures to reach an above national average for energy efficiency.
- 3.2 However, there are risks and opportunities that the Energy Strategy aims to identify and tackle. Primarily, these are around:
- Fuel poverty alleviation;
  - Understanding and responding to resident priorities;
  - Transformation of the energy sector;
  - New (2020) repairs and maintenance contract procurement; &
  - Short to long-term business planning, to ensure we invest in the assets in the most effective way.
- 3.3 The Energy Strategy provides the basis for detailed consultation with residents and housing leaders to make informed choices about how we can modernise and be more energy efficient.
- 3.4 The overarching aim is to reduce fuel poverty. The Energy Strategy does, however, take account of the Energy Trilemma on the basis that acting on energy

efficiency produces multiple positive outcomes. That is, by mitigating fuel poverty through energy efficiency, we will subsequently improve security of supply and reduce Carbon emissions (amongst other drivers).

3.5 A twofold approach follows the aims:

- Approach 1. **Technical Energy Efficiency** – to work towards compliance with legislation such as the Fuel Poverty regulations via repairs & maintenance; construction and infrastructure works & projects.
- Approach 2. **Lifestyle Energy Efficiency** – to mitigate the impacts of the cost of energy through access to fair pricing and energy saving advice.

3.6 This will be delivered by:

1. The HRA Asset Management, energy efficiency leads and finance colleagues, to incorporate energy efficiency risks and opportunities into business planning;
2. Any new repairs and maintenance contracts to incorporate and/or enable opportunities to increase technical compliance;
3. Technical Major Projects to be developed holistically, in-keeping with long-term asset business plan for the particular stock. Projects could potentially be cross-directorate, through officer and/or external partnerships. Such project solutions may include energy generation and the deployment of a Special Purpose Vehicle where appropriate;
4. Continue to support and develop lifestyle home energy efficiency projects & schemes where they provide value for money. Links with wider council financial inclusion work-streams also to be supported;
5. Work towards home energy efficiency advice (services, contacts, referrals etc.) to be fully incorporated into current and any developing council communications, as a permanent fixture, where value for money;
6. Work with residents to incorporate their priorities on energy performance wherever possible.

3.7 The body of the report describes:

- Opportunities that officers are currently developing and/or delivering;
- Next steps and timings to take the strategy forward and support business planning and delivery;
- Key findings from the research undertaken, which forms the evidence base;
- Multiple drivers, or benefits, that energy efficiency measures and advice bring;
- National and local strategic context, including duty and compliance;
- The current performance of the HRA and what can be done.

3.8 Specific projects relating to achieving the aims & objectives will be brought to committee as required.

## **4. ANALYSIS & CONSIDERATION OF ANY ALTERNATIVE OPTIONS**

- 4.1 Our future HRA Business Planning needs to understand and integrated all of the possible risks and opportunities related to energy and managing the HRA homes.
- 4.2 A holistic, planned approach to property management is required to modernise the stock within potential financial constraints on the HRA and to achieve value for money.
- 4.3 Not adopting the strategy raises the risk that the HRA would not achieve our aims & objectives, including national targets.
- 4.4 Confirmation of the expected trajectories for energy efficiency (mitigating fuel poverty); costs of works (measures); Carbon targets; etc. are to be sought through a procurement for external consultancy, as outlined in the 'next steps' of the report. This piece of work will be commissioned to inform and support business planning of the Asset Management Strategy.

## **5. COMMUNITY ENGAGEMENT & CONSULTATION**

- 5.1 The following consultation has been carried out with tenants;
  - Service Improvement Group 25<sup>th</sup> July 2017
  - Tenant focus group 1<sup>st</sup> November 2017
  - Tenant Rep focus group 7<sup>th</sup> November 2017
  - Email survey to Senior Housing Action Group is being carried out at time of writing
  - Agenda item on all Area Panel meetings set for early January 2018.A consolidated report of the focus groups is available as appendix 2.
- 5.2 The opportunity to feedback and discuss the draft strategy was offered to all Councillors via a circular email on 15<sup>th</sup> November 2017.

## **6. CONCLUSION**

- 6.1 Previous energy efficiency measures have been carried out via cyclical works programmes and as part of major repairs. This level of approach has been successful to date, but we now need a broader, consistent approach to deliver on the aims and objectives the strategy sets out.
- 6.2 The Energy Strategy represents a positive, forward-thinking opportunity through early planning and better integration of the risks and opportunities brought by improving energy efficiency. This will enable sound future investment in the quality of our homes.

## **7. FINANCIAL & OTHER IMPLICATIONS:**

Financial Implications:

- 7.1 There are no direct financial implications arising from the recommendation made in this report. The external consultancy referred to in Section 4.4 will be met from existing budget resources.

Specific projects requiring funding in support of the Energy Strategy will be assessed for financial implications prior to implementation and reported as part of the budget monitoring process or separate report to Committee as necessary.

*Finance Officer Consulted: Name Michael Bentley Date: 30/11/17*

Legal Implications:

- 7.2 The Housing & New Homes Committee has delegated power to discharge the council's functions in relation to the council's Housing Strategy. It is appropriate for the Committee to review the HRA Energy Strategy as it supports the Housing Strategy.

*Lawyer Consulted: Liz Woodley Date: 05/12/17*

Equalities Implications:

- 7.3 The strategy has been developed with reference to the Housing Strategy, Asset Management Strategy and the Fuel Poverty & Affordable Warmth Strategy. Relevant equalities issues have been drawn from those to inform its content.
- 7.4 Equalities Impact Assessments will be carried as appropriate, to inform future review of this strategy and specific projects related to achieving strategy objectives.
- 7.5 The Energy Strategy notes the transformation taking place in the energy sector, and in particular the move to digital services (both at a system operation level and at the consumer experience). It is, therefore, important to note that this has potential impact on those without internet services and/or those that experience difficulty in making the most of internet services.

Sustainability Implications:

- 7.6 Health & wellbeing will be positively impacted by mitigating fuel poverty; continued improvement in the quality of the HRA's homes; improved air quality through the removal of combustion processes (decarbonising heat supply).
- 7.7 Energy efficiency will be at the heart of the strategy and this will mitigate the Energy Trilemma. A positive impact of particular note is that the HRA's Carbon emissions will be reduced, playing a vital local role in the international effort to combat climate change.
- 7.8 Business viability, i.e. sustainability of the HRA will be improved through thorough business planning and potentially taking financial opportunities associated with generation potential.

- 7.9 Some projects will potentially deliver across many sectors e.g. economic development; transport; public health; land use and supporting communities.

Any Other Significant Implications:

- 7.10 None at this time.

## **SUPPORTING DOCUMENTATION**

### **Appendices:**

1. Housing Revenue Account Energy Strategy
2. Energy Strategy Consultation 2017 - tenants feedback

### **Documents in Members' Rooms**

- 1.
- 2.

### **Background Documents**

Numerous background / supporting documents are referred to within Appendix no. 1 the HRA Energy Strategy.

#### Crime & Disorder Implications:

- 1.1 None identified.

#### Risk and Opportunity Management Implications:

- 1.2 Risk and opportunities will be appropriately assessed as appropriate to specific projects following on from the strategy are developed and delivered.

#### Public Health Implications:

- 1.3 Strategically addressing cold homes and fuel poverty in vulnerable groups will contribute to the prevention of ill health and excess winter deaths, reduce health and social inequalities, and improve wellbeing and quality of life.
- 1.4 The decarbonisation of heat will be achieved by reducing energy demand of buildings and also by reducing combustion processes used to generate heat. As a result, the longer term impacts of greater energy efficiency and the drive to remove Carbon and other pollutants from heat generation will contribute to vastly improved air quality for the city, consequently mitigating related health outcomes for citizens.

Corporate / Citywide Implications:

- 1.4 This Energy Strategy has been commissioned to support the HRA's Asset Management Strategy and therefore, the sound management of the council's housing stock across the city.
- 1.5 It supports the Housing Strategy 2015, Priority 2: Improving Housing Quality, for 'Decent, warm and healthy homes'.
- 1.6 It supports the Fuel Poverty & Affordable Warmth Strategy, where the HRA (and potentially through mixed-tenure projects both):
  - Increase the energy efficiency of the City's housing stock;
  - Support residents struggling to pay their energy bills;
  - Improve awareness and understanding of fuel poverty for residents in all tenures;
  - Work together to tackle fuel poverty through partnership and learning;
  - Increase effective targeting of vulnerable, fuel poor households; &
  - Maximise resources and opportunities for tackling the causes of fuel poverty.
- 1.7 It will support citywide energy strategy and policy as necessary.