

Information / Discussion Paper

Overview & Scrutiny Committee

4 September 2023

Cheltenham Borough Homes Carbon Footprint Report

This note contains the information to keep Members informed of matters relating to the work of the Committee, but where no decisions from Members are needed

1. Why has this come to scrutiny?

- 1.1 Since the Council declared a Climate Emergency in 2019 CBH and Council officers have joined forces supporting the ambition to become a net zero Council and Borough, with CBH aligning its efforts with the Council's Corporate Plan 2023/2027 and the Climate Emergency Action Plan (CEAP) through delivering aims set out in the Council's HRA Business Plan 2023-2028.
- 1.2 CBH's annual report on greenhouse gas emissions for the financial year 2022/23 is presented in Appendix 1 to offer an oversight of CBH's carbon footprint and carbon reduction activities. Input and scrutiny of the approach by this committee is welcomed.

2. Summary of the Issue

- 2.1 CBH recognises the need to work in close alignment with the Council to mitigate its impact on climate change. This requires an organisational cultural shift from CBH and our partners together with support for our customers and the communities in which they live to enable and encourage change.
- 2.2 To date CBH has made significant progress towards understanding the scale of the net zero challenge and adopting plans to deliver more sustainable homes and stronger and more resilient communities through carbon reduction actions. In 2020 CBH commissioned a Carbon Impact Assessment and Reaching Carbon Neutrality report which set out how reaching net zero will be incredibly challenging and provided options to reduce CBH's carbon impact with a focus on the existing housing stock, CBH operations and the approach for new housing supply, together with an assessment of the impact on affordability within the Housing Revenue Account (HRA). This concluded that whilst we must continue to be ambitious to maximise the chances of getting as close as we can to the stated ambition, that the delivery of carbon reduction measures

would need to be at a pace and scale viable for the HRA. This approach has been adopted, as defined in the aims set out in the Council's HRA Business Plan 2023-2028.

- 2.2 Homes in the UK account for almost 40% of total carbon emissions and for CBH the homes we manage account for over 90% of our carbon emissions. Reducing the level of carbon emissions from homes across the country is a significant challenge facing Government, and in relation to social homes, the biggest carbon reduction challenge for all social housing providers. To reduce carbon emissions across the sector Government has set a minimum standard for all social homes to be a minimum of EPC band C by 2030. CBH has adopted a carbon reduction plan that exceeds this standard, being aspirational towards the net zero goal and targeting an EPC band B+.
- 2.3 In conjunction with the minimum EPC band C standard, Government has provided housing providers with the opportunity to compete for funding to install energy performance measures, through the Social Housing Decarbonisation Fund (SHDF). Working with housing providers in the County, and Council officers over the last 3 years, CBH have been successful in all 3 bidding rounds so far, maximising the level of funding support against the criteria to achieve an additional £3m (supported by HRA match funding) improving circa 250 homes (through to 2025). Whilst the government has pledged £3.8bn in SHDF funding up to 2030, this is subject to spending reviews, so a watching brief remains on the levels of funding and the eligibility criteria attached, to enable successful progression towards the target. CBH has engaged with the Department for Energy Security and Net Zero (DESNZ) to make available additional funding to reach net zero, however, at present there is no indication that Government will change the funding criteria to support a move towards a net zero target.

3. Summary of evidence/information

- 3.1 The annual report on greenhouse gas emissions: financial year 2022/23 (Appendix 1) provides the annual emission trend through comparison with previous years and compared against the 2019/20 baseline. The baseline report was developed by SUSS Housing, carbon industry experts in the social housing sector, supported by CBH knowledge. Subsequently CBH and Council colleagues have worked to improve and refine the data collection process resulting in improvements year on year in emissions considered in scope and the accuracy of the data. The standard methodology of data collection/reporting is also shared to ensure an aligned approach. This analysis provides a key part of the evidence base showing the progress CBH is making towards the net zero target.
- 3.2 The assessment of CBH's carbon footprint for 2022/23 is 8,782.40 tCO₂e per annum representing a 15% reduction in total emissions between 2021/22 and 2022/23. Of note, the assessment highlights the high proportion of carbon emissions from existing homes (94% of all CBH emissions).
- 3.3 Strategic decisions have been made to reduce CBH's future carbon emissions such as delivering carbon net zero homes on 100% of CBC owned land-led for example at sites such as 320 Swindon Road and former garage sites. CBH have worked with private developers to maximise carbon emission performance in the specification of Section 106 affordable homes demonstrated for example, in the provision of 9 net zero homes at Kidnappers Lane.
- 3.4 Improvements to existing housing, such as the installation of PV at 800 homes to date, 37 cornish type homes recently upgraded with external wall insulation (EWI) and roof

insulation, homes benefitting from loft insulation, the installation of more energy efficient high heat retention storage heating, replacement of double glazed windows, exceeding building regulation requirements for energy performance and more thermally efficient exterior doors across the Borough and around 290 blocks fitted with low energy LED lighting, all delivered as part of the capital improvement programme, improve the energy performance of existing homes, lower fuel bills for customers and reduce carbon emissions.

- 3.5 To achieve value for money and maximise the benefit of existing procurement arrangements and component lifecycles some activities such as decarbonisation of the CBH fleet of vehicles, or component replacements to existing housing as part of the capital investment programme such as moving away from fossil fuels to greener forms of heating, are programmed in line with existing replacement cycles.
- 3.6 CBH also recognises that supporting customers and the communities in the way in which they live is critical in moving towards net zero. Benefits from carbon reduction activities, through improved homes with high levels of energy efficiency result in lower fuel bills for customers, a reduced risk of fuel poverty and improved health and wellbeing. CBH have started to support customers to adopt sustainable practices resulting in long term behavioural change through the specification of products, engagement in neighbourhood works programmes and community engagement activities, however we recognise the considerably higher levels of effort, together with whole society buy-in required to support the necessary cultural shift.

4.0 Next steps

- 4.1 The need to maintain a careful balance between carbon reduction ambitions and other investment priorities within the HRA, such as new housing supply, services, and the maintenance of existing properties, including regeneration efforts continues to be highly important. CBH is closely monitoring the level of SHDF funding and other funding opportunities to maximise the levels of external carbon reduction funding, which are essential in delivering the minimum EPC band C requirement for the existing housing.
- 4.2 Meeting the governments minimum EPC band C requirement, will require consideration of the levels of CBH staffing resource to deliver these technically complex projects, given the logistics of installing different levels of fabric improvements, low carbon heating and PV installations improvements across 700 homes of different archetypes over a six-year time frame together with the support required for our customers to encourage engagement and embrace change. The impact for customers has been considered, as moving to new electric heating and hot water technologies without fabric improvements and decarbonisation of the grid would increase running costs and result in more customers being in fuel poverty. To mitigate these impacts new technology is programmed to be installed after fabric first (insulation) improvements are completed. A programme of option appraisals will be undertaken for properties identified as unviable for achieving EPC C.
- 4.3 CBH will continue to work collaboratively with Council and partners to deliver carbon reduction actions and support a whole business cultural shift. The position of where CBH is now and the carbon reduction plan to reduce emissions up to 2030 and beyond is in place. Engagement with customers will assist them to understand more about carbon reduction and work to change behaviours will become an increasing part of CBH's work. For example, working with customers to understand the benefit of energy reduction improvements will increase the uptake of future retrofit work. Ensuring the

best use is made of new technologies to improve the internal environment in homes, supporting community initiatives to reduce waste and increase recycling and assisting community groups to bid for funding to support local initiatives aimed at reducing carbon emissions and tackling the climate emergency will support customers and deliver stronger and more resilient communities.

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