

FAREHAM

BOROUGH COUNCIL

Report to Housing Scrutiny Panel

Date **09 February 2023**

Report of: **Deputy Chief Executive Officer**

Subject: **GREENER MEASURES & INSTALLATIONS ON COUNCIL OWNED HOMES**

SUMMARY

This report provides Members with an update on the greener measures undertaken on Council owned housing. This includes work carried out as part of Government funding as well as future initiatives.

RECOMMENDATION

It is recommended that the Panel considers the contents of this report and comment or raise any points for further clarification.

INTRODUCTION

1. On 16 December 2019 the Executive approved the Fareham Housing Greener Policy. On the 7 June 2021 the Executive approved the Fareham Borough Council Climate Change Action Plan. Both documents set out actions to invest in the energy efficiency of our social housing stock, with the aim of ensuring our tenants can afford warm homes whilst maximising grant funding opportunities.
2. This report details the actions undertaken since these documents were approved. It also introduces how greener measures in future developments are designed.

THE LOCAL AUTHORITY DELIVERY PHASE 2 (LAD2) SCHEME

3. At the 11 October 2021 Executive meeting it was agreed that the Council would enter into a contract of works to facilitate LAD2 funding. LAD2 was the second phase of the Government Local Authority Delivery scheme. The intention of LAD was to improve the household energy efficiency for those on low incomes. The scheme was aimed at properties with poor energy efficiency; stipulated as homes with an Energy Performance Certificate (EPC) of D or lower. The Government set a cap of £30,000 combined income per household to ensure the works targeted those who need the most help.
4. The LAD2 funding was a relatively simple process; a managing agent (City Energy) was responsible for confirming works, overseeing delivery, arranging procurement, and submitting funding audit information. The Neighbourhood Officers liaised with tenants to ensure that they understood the improvements taking place. As with all the LAD schemes, the Council was required to contribute a third of the costs.
5. Under this grant the Council was able to implement a total of 177 improvements to some of its less energy efficient stock. Several properties benefitted from more than one measure, for example, they had improved loft insulation as well as solar panels. In total, 159 properties were improved. The following table details the costs and the measures installed. It also details the stipulated financial contribution the Council had to make as part of the funding rules:

| Total Cost of LAD2 Works | Total FBC Contribution to LAD2 Works Cost | Total Funding Received |
|--------------------------|---|------------------------|
| £1,028,988 | £385,664 | £643,324 |

Figure 1: Cost of LAD2 works

| Measure Installed | Number of improvements |
|------------------------------------|------------------------|
| Loft Insulation | 22 |
| Upgrading Electric Storage Heaters | 66 |
| Solar Panels | 89 |
| Total | 177 |

Figure 2: Greener measures installed in Council properties

6. Figure 3 shows the EPC ratings of the Council's housing stock, post LAD2 works. An EPC is valid for 10 years and the Council must provide a copy to any new tenants. There are 1350 Council properties with a valid EPC, the majority of these are rated 'C'.

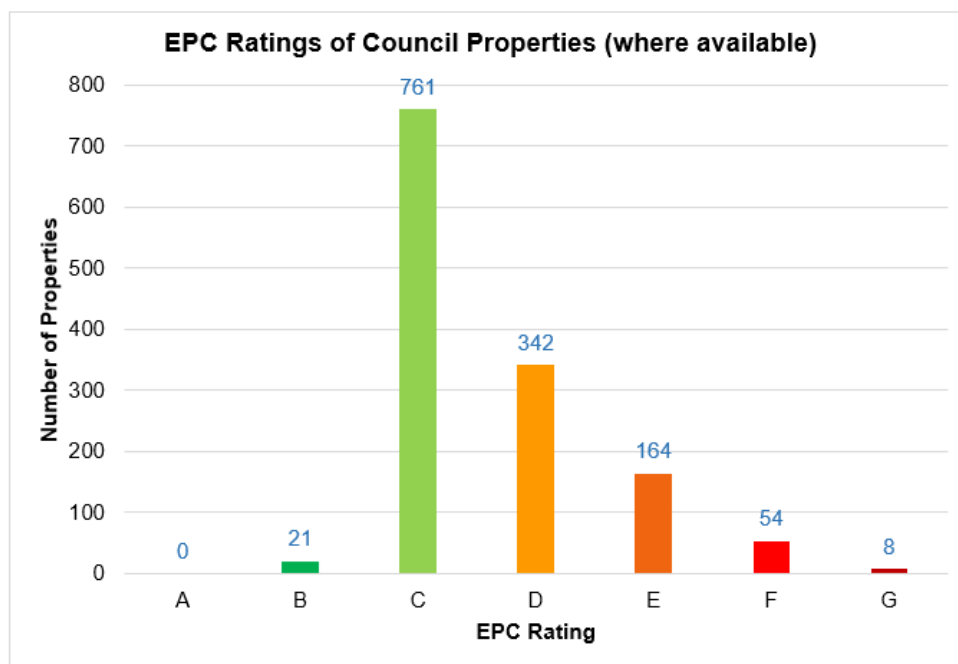


Figure 3: EPCs of Council properties

7. There is ongoing focus on improving the remaining D-G rated properties. The EPCs at Assheton Court, for example, are rated E and F. The new development will be far more efficient and will have energy saving measures implemented as part of the build.
8. Figure 4 compares the EPC ratings of the properties selected for the LAD2 works. The two graphs show the before and after works energy performance ratings.

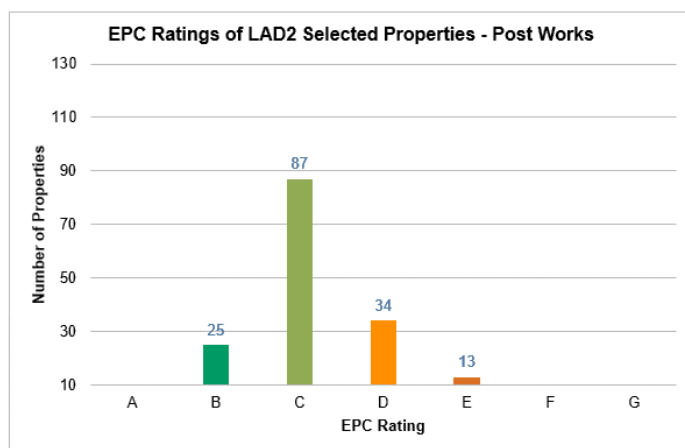
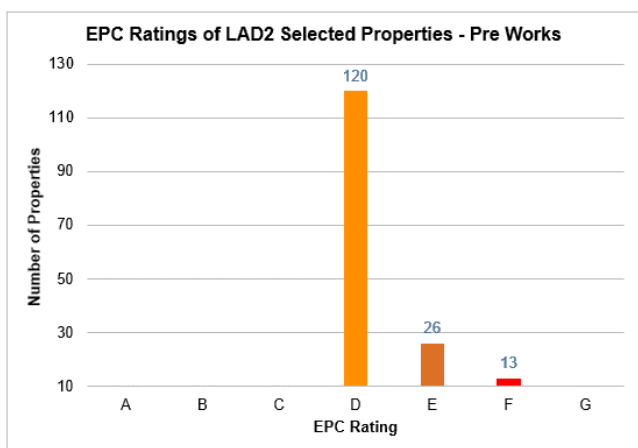


Figure 4: EPCs of properties selected for LAD2 works

9. The LAD2 project was a great success for the team. The Managing Agent were incredibly helpful and professional, and the project had minimal impact on officer time. This meant that officers were able to fully focus on supporting the tenants during this time. More funding of this nature would be welcomed, however no further announcements by Government have been made at the current time.
10. There has been little feedback from customers, however what has been received has

been positive. The energy cost savings from the works will not be as notable due to the rise in energy costs, but it will have improved the comfort and charges to those customers than had the works not taken place.

CAPACITY FUNDING

11. In July 2021 the Council was successful in obtaining £23,940 in funding from the South West Energy Hub. This grant funded a study to understand how the Council could improve the energy efficiency of its harder to treat stock (retrofit). The most significant challenge in retrofitting our estate is understanding which measures to implement.
12. Flats present a problem in that they are typically more difficult to retrofit. The reasons being that there are multiple dwellings within one block, some of which may also be leaseholders, and what may work for a house may not be appropriate for flats. We also need to consider other factors. This includes the technologies available, the size, type, age and construction of our properties, the costs / budget required, and the level of disruption. As flats make up over 60% of our stock, we need to ensure that the correct measures are applied first time; we need to ensure minimal disruption for our tenants and make effective use of budgets. We especially do not want any greener measures to result in increasing costs for residents.
13. The outcome from this funding stream included details of how to potentially retrofit 8 different property architypes. This included a sheltered housing scheme, maisonettes, 2 storey flats and 4 storey flats. The aim was to meet EPC A, with options for practicality omissions that would take the property to at least EPC C. Some of the properties chosen were found to already be at EPC C, which stresses the importance of reliable data.
14. This grant funding has now been fully utilised. It has enabled officers to understand how retrofit works could be applied to Council properties and has given an outline of the costs involved. The next step with this project is to apply some of the findings to one of the subject properties.

FORT FAREHAM

15. At the 7 November 2022 Executive meeting, Appendix B to the Fareham Housing Regeneration Strategy (Fort Fareham Housing Estate Regeneration) was approved. The Fort Fareham regeneration project area consists of 19 Council owned flats and 13 houses. The document itself outlines the various projects to improve the energy efficiency of Council homes at this site.
16. Full details of the project can be found in the Executive report. However, to summarise, the following improvements are planned for the houses and flats at the site:
 - Provide deeper foundations to enable the replacement of the existing PVC-u panels with insulated and eternally cladded wall panels
 - Replace windows
 - Replace the kitchen & bathrooms
 - Redecoration to areas affected by the works – painting, carpets etc.

- New heating where required
17. In addition, and subject to the Local Plan, redevelopment of Redoubt Court at the southern side of Fort Fareham is proposed. At the appropriate time, an architect will be appointed to recommend improvements and add new dwellings at the site, or to design a more comprehensive redevelopment.
 18. The redevelopment/reconfiguration of this site will facilitate providing a larger number of affordable homes. Newer homes tend to be far more energy efficient and can have greener measures incorporated within the design from the outset.
 19. Subject to costs, the document suggests aspirational improvements that could be incorporated at the site. This would bring additional benefits to the area and provide further greener improvements to the homes. The Fort Fareham document outlines the areas for addition to the project, listing them from required through to desirable. These potential and desired improvements could facilitate access to grant opportunities, should they become available. Some of the aspirational improvements include:
 - Improved lighting and seating in areas around the blocks.
 - Providing small private gardens to ground floor flats (low level boundary treatment).
 - Replacement of communal drying areas with hardstanding or landscaping (appropriate bin storage/collection points and alternative drying and storage provision).
 - Installation of photovoltaics.
 - Improving biodiversity of open areas.
 - Adding balconies to the flats.
 20. Officers will seek to progress these more aspirational improvements that will further enhance the housing offer and produce wider regeneration benefits for Fort Fareham.

FUTURE DEVELOPMENTS

21. As part of the Council's commitment to providing housing choices, further developments of social housing are in the pipeline. To ensure the continued commitment of delivering energy efficient homes, a detailed appraisal is undertaken at each site. This involves determining the correct greener measures for each site and understanding how they can be delivered. For example, Sir Randal Cremer House has solar panels on the roof which will provide energy for the communal areas, with the addition of a battery to store energy generated by the panels. This will help reduce the communal energy costs passed to the tenants.
22. Other sites already in development / recently completed also underwent energy efficiency analysis. These include implementing solar panels at Oak Tree Close as well as Queens Road. In addition, the two properties at Queens Road will also have air source heat pumps instead of gas boilers. Assheton Court is currently undergoing an appraisal to understand the most appropriate energy measures.
23. There can at times be a challenge in achieving appropriate greener solutions in an affordable way. This in terms of the initial cost of providing greener solutions (adding to the project/construction costs) but also ensuring the solution is affordable for our

customers living in the homes. On some occasions the optimum greener measure for carbon reduction will lead to higher running costs for customers. An appropriate balance is therefore often sought.

FUTURE GRANT OPPORTUNITIES

24. There are some new funding streams emerging via central government. This includes the Social Housing Decarbonisation Fund (SHDF). At the moment many of these opportunities bring with them a complexity and resource intensive approach; importantly they are often aimed at properties which are not representative of our stock. For example, homes with particularly poor EPC ratings or which do not have gas provision to the home.
25. Officers will continue to maintain their awareness of appropriate grant funding opportunities and build in greener measures to the planned maintenance programme to Council homes. Alongside this, background work will continue to be developed to understand the opportunities to make greener improvements; having projects identified and 'oven ready' often places the Council in a better position should grant funding opportunities arise.

RISK ASSESSMENT

26. There are no significant risk considerations in relation to this report. The report does however recognise the challenge around matching a greener agenda to flats, which make up a significant proportion of Council owned homes. It also refers to the fact that the greenest solutions could have a detrimental impact on running costs for our customers.

CONCLUSION

27. The Council has been successful in both securing grant funding and in improving the energy efficiency of its housing stock. However, this is only the beginning. It is recognised that there is further work to be undertaken to raise the Council's housing portfolio to at least EPC C. In some instances, due to construction type or site restrictions this may not be possible. Where this is the case, officers will ensure members are advised accordingly.
28. Officers will continue to seek further funding opportunities to help fund greener measures. It is recognised that this funding is rare, therefore analysis and appraisals will help inform how budgets can be spent to best serve customers.

Appendices: None.

Background Papers: None.

Reference Papers: Fareham Housing Greener Policy
16 December 2019 Executive minutes

Reference Papers (contd.): Fareham Borough Council Climate Change Action Plan
7 June 2021 Executive minutes

11 October 2021 Executive minutes

7 November 2022 Executive minutes

Appendix B to the Fareham Housing Regeneration
Strategy (Fort Fareham Housing Estate Regeneration)

Enquiries:

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