

FAREHAM

BOROUGH COUNCIL

Report to Housing Scrutiny Panel

Date 08 February 2024

Report of: Director of Housing

Subject: Update on progress with making Council-owned homes more environmentally friendly

SUMMARY

This report provides Members with an update on the greener measures undertaken on Council owned housing.

RECOMMENDATION

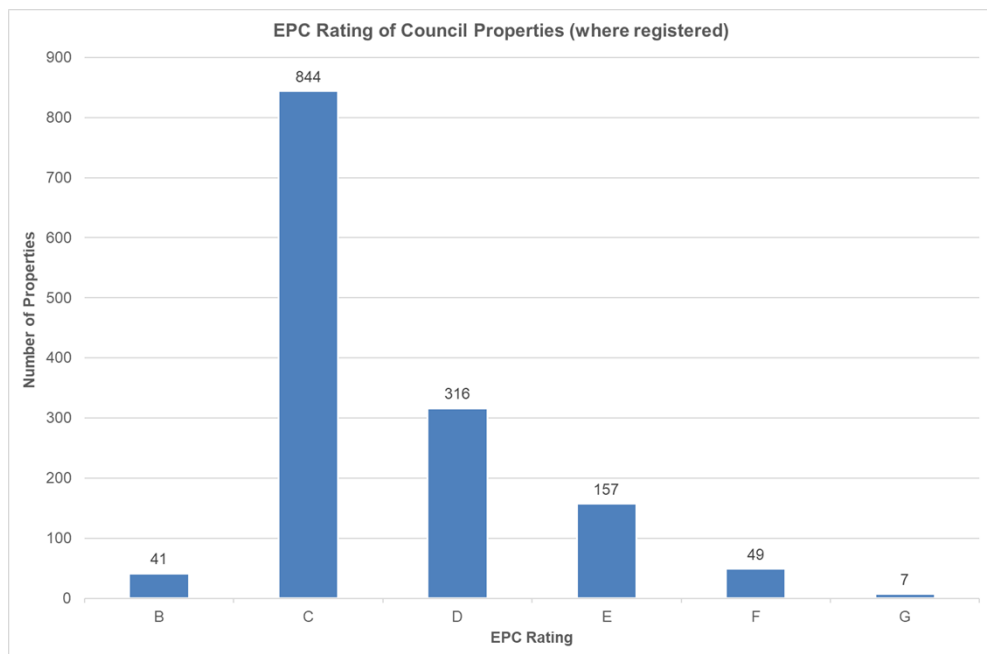
It is recommended that the Housing Panel notes the content of the report.

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. The subsequent 2022/23 update outlined some of the challenges and successes within the Housing portfolio.
2. Both documents set out actions to invest in the energy efficiency of our social housing portfolio. The aim is to ensure our tenants can afford warm homes, and that grant funding opportunities are maximised.
3. This report details the actions undertaken in the last year and updates members on future greener measures and funding for Council Housing stock.

ENERGY PERFORMANCE & STOCK CONDITION

4. Landlords must provide new tenants with an EPC (Energy Performance Certificate). An EPC is valid for 10 years and is a snapshot in time; it can quickly become outdated when upgrades to insulation, heating etc. are undertaken. However, this certificate is useful in understanding how our properties are performing, informing improvement works and funding applications. For example, EPC ratings are usually a measurement for funding eligibility.
5. In terms of current performance, the Council owns 2416 properties, 1414 of these have an EPC. In order to achieve 100% EPC certification, the cost would be in the region of £100,000.
6. The following graph shows the current EPC ratings of our properties, where registered:



7. Properties without an EPC have potential to be a blind spot, especially for funding applications. At the 15 May 2023 meeting, the Executive agreed the appointment of consultants for stock condition surveys. These assessments, starting in 2023/24, will include an EPC survey to plug the gap.

RETROFIT PROJECTS

Fort Fareham

8. At the 7 November 2022 meeting, the Executive approved Appendix B of the Fareham Housing Regeneration Strategy (Fort Fareham Housing Estate Regeneration). This document detailed the projects planned to improve the energy efficiency in Council owned properties in this estate.
9. Following a considered appraisal, the decision was to take whole a house retrofit design approach. The works can only be enabled through a decant approach. This was identified in the strategy and recognised as the most practical route. The works addressed the thermal and structural deficiencies of the houses. The homes are of a non-standard construction type; the end gables of the properties are built out of traditional cast-concrete inner-leaf with an outer skin of brick. The front and back elevations are a dry-lined, pre-cast concrete panel. This was/will be replaced with central cladding to the outer walls, new insulation, and redecoration throughout.
10. The team are pleased to confirm the first two houses were completed in December 2023. Refurbishments will continue at Fort Fareham with a third property already started in December. The remaining properties should be completed by the end of 2024/25. The photographs below are of the improvements made at 5 Southwick Court.



5 Southwick Court: Front before/after



5 Southwick Court: Rear before/after

Planned Maintenance Projects

11. At the 15 May 2023 meeting, the Executive was introduced to a renovation project at Crossfell Walk and the surrounding Bishopsfield Road area. The works target the Council owned poorly insulated fly-over flats, to improve their thermal efficiency. This includes replacing the existing insulation on the front, rear and underside with a more effective product, and new windows. One block has now been completed and the programme will continue over the next financial year.
12. The Planned Maintenance team are also in the inception stages of projects to improve energy efficiency. These include upgrading cavity wall insulation and replacing windows and doors in blocks of flats throughout the borough. The programme of replacements will start in the new financial year.
13. The design and operation of the heating system at Sylvan Court has been improved this winter. The original install required mechanical changes for how the water flows around the building in order to run the system more efficiently. The upgrades allow it to reduce the flow temperature and use of gas, all without the residents losing any

heat from their taps.

CARBON CREDITS

14. Officers are currently investigating an approach from the Housing Associations' Charitable Trust (HACT), a charity that helps support housing providers, to unlock additional funding. The intention is to use energy improvement works undertaken by Planned Maintenance and Responsive Repairs to sell as retrofit credits to other organisations. These organisations use the credits to offset their carbon emissions. The Verified Carbon Standard, the world's leading certification program for emission reduction projects, has been used to develop the methodology of the project. This ensures the environmental integrity of the credits and avoids 'greenwashing' (where a false impression or misleading information is given about how a company's products are environmentally sound).
15. The credits are eligible on works from July 2021 and there is an annual return on each measure until 2042. Based on current understanding, it is estimated the credits could return 20% of the cost of the measure. This will return some money back into the HRA and could be used towards greener works.
16. The credits are also used to calculate social value - a measurement how different interventions affect people's lives. There is no direct economic return for the social value element. Instead, the social value demonstrates the amount of money a person would need to receive to get the same amount of wellbeing and health.
17. Further investigation and consultation with our Legal services will be undertaken prior to confirming a contract.

FUNDING

Social Housing Decarbonisation Fund (SHDF)

18. Wave 2.2 of the SHDF was launched in November 2023. The aim of the funding is to improve the energy efficiency of social housing. Eligible properties are EPC rated D or lower and local authorities must have a minimum of 100 properties in order to bid. The Council has not applied for this funding due to the extensive officer resource required in order to prepare, complete and report on bid progress. Just tenant liaison and undertaking PAS 2035 retrofit assessments alone will monopolise time. PAS 2035 assessments detail individual property performance and recommend improvements. These are a requirement of the bid.
19. Other factors were also deliberated when deciding whether to proceed with this funding. A key area was the limited delivery window for completing the work. The projects need to be completed within 2 years. Decants would be required for some of the works, and similar to the constraints reported in the Fort Fareham project, it is not enough time. The timescales are also limited when considering the supply chain.
20. Finally, meeting the match funding for 50% of the costs would be prohibitive over the limited funding window.

Local Authority Retrofit Scheme (LARS)

21. The Council has been advised that new funding is being proposed. The final policy is yet to be confirmed, but LARS is set to provide a programme of local authority retrofit schemes. It is hoped that this will include social housing, and that it may be better

suited to our needs and resources.

FUTURE DEVELOPMENTS

22. In line with the Fareham Housing Greener Policy (2019) and new Building Regulations, all sites undergo an appraisal to ensure implementation of the most suitable energy efficient measures. The new Building Regulations require a higher standard of energy efficiency which now align with the Council's aspirations for its developments.
23. The current projects are Ophelia Court, Assheton Court and 51 Bellfield, all benefit from improved energy efficiency. Assheton Court and Bellfield will also both have air source heat pumps to provide cleaner and greener heating. Regular updates on the progress of these developments are reported at each Housing Scrutiny Panel.

FUTURE OF SAP RATING

24. The Council have been informed that the SAP (Standard Assessment Procedure) will be replaced in the coming years. The SAP calculation is the methodology used to estimate the energy performance of homes and feeds into the EPC. The Climate Change Committee and subsequent BEIS (the then Government department) Scoping Strategy made the recommendation for SAP to be reviewed. The intention is to improve accuracy, robustness, and transparency.
25. The replacement will be called 'The Home Energy Model' and the first version is due to be implemented alongside the Future Homes Standard in 2025. The proposed model is out for consultation until 6 March 2024. Changes to SAP may have implications for property maintenance requirements and data store/software requirements. Further information will be provided to the panel, as it is released.

RISK ASSESSMENT

There are no significant risk considerations in relation to this report.

Appendices: None.

Background Papers: None.

Reference Papers: 7 November Executive Report - Appendix B to the Fareham Housing Regeneration Strategy (Fort Fareham Housing Estate Regeneration)

15 May 2023 Executive Report - Crossfell Walk Development Update

Fareham Housing Greener Policy 2019

Fareham Borough Council Climate Change Action Plan

Fareham Borough Council Climate Change Action Plan Progress Report 2022/23

Enquiries:

For further information on this report please contact Fleur Allaway 01329 824304.