

<b>Subject:</b>	<b>Carbon Reduction in Housing</b>		
<b>Date of Meeting:</b>	<b>17 November 2021</b>		
<b>Report of:</b>	<b>Executive Director Housing Neighbourhoods Communities and Housing</b>		
<b>Contact Officer:</b>	<b>Name:</b>	<b>Martin Reid Miles Davidson</b>	<b>Tel: 01273 293150</b>
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<b>Ward(s) affected:</b>	<b>All</b>		

**FOR GENERAL RELEASE****1. PURPOSE OF REPORT AND POLICY CONTEXT**

- 1.1 In 2018 the City Council declared a climate and bio-diversity emergency. We have an ambition for the city to be Carbon Neutral by 2030 with a corporate wide Carbon Neutral 2030 Programme in place to support this. As part of our plans to become a more sustainable City, we will:
- become a carbon neutral city by 2030
  - create and improve public open spaces
  - reduce, re-use and recycle
  - develop an active and sustainable travel network
  - promote and protect biodiversity
- 1.2 In January 2021, Housing Committee requested “that a detailed costed retrofit plan, that includes revising Energy Performance Certificate targets for Council homes in line with the commitment to net zero carbon emissions by 2030 be brought to Housing Committee in October/November 2021, in time for this to inform the budget setting process for 2022/23. Work on the plan has been subject to delay and is still in development and is aligned to the consultancy support referred to in 3.4. The report provides an update to Committee on progress in Housing to support the council’s ambition to be Carbon Neutral by 2030, and details current projects and future plans to reduce carbon whilst supporting residents to afford energy bills.
- 1.3 Housing Committee committed “to identifying resources from the Housing Revenue Account needed for reduction in carbon emissions from council homes to assist in achieving a carbon neutral city by 2030, noting that Housing Revenue Account reserves towards this are being built up as part of the budget-setting process, subject to approval by Policy & Resources Committee.” these resources will be outlined in forthcoming budget reports.

## **2. RECOMMENDATIONS:**

- 2.1 That Housing Committee note progress and planned action with regard to carbon reductions in housing.
- 2.2 That Housing Committee agree to the extension of the Disabled Facilities Grant (DFG) Housing Policy (Appendix 1) until 31<sup>st</sup> March 2022 and agree the expansion of the Warm Safe Homes Grant as detailed in the report at 3.11.

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

### Council Housing

- 3.1 The council has historically invested in its housing stock as part of the Decent Homes programme. There has been significant investment in upgrading gas boilers to A rated appliances and over 400 solar PV systems are installed across the stock. There have been incremental improvements to the average SAP ratings of its properties (Average SAP rating 68 March 2021). SAP is the Standard Assessment Procedure, the calculation that is required in order to produce an Energy Performance Certificate (EPC). A SAP calculation indicates a score from 1 to 100+ for the annual energy cost based on the elements of structure and the heating and hot water system.
- 3.2 We hold EPC data for approximately 30% of our stock, extrapolating from this data gives a breakdown of EPC rating;
  - B: 5 %
  - C: 72 %
  - D: 19 %
  - E: 3 %
  - F: 1 %
- 3.3 While this EPC performance appears relatively strong it is based on only 30% coverage of the stock and will often be based on assumptions that may not be completely accurate.
- 3.4 Consultancy support is being commissioned to develop an energy plan that will sit alongside the future Asset Management Strategy and inform future capital works programmes. We expect to commission this support in the coming months with the results available in the first quarter of 2022. This energy plan should establish the most effective and efficient way of undertaking a baseline stock appraisal to identify:
  - The current EPC status of the stock (and/or another appropriate measure of energy performance, to be agreed with the council)
  - The extent and type of measures possible (and their impact on carbon reduction and fuel bills)
  - The cost and value of works needed/possible to achieve specific performance requirements:
    1. Meet Minimum Energy Efficiency Standard requirements (EPC C by 2030)

2. Exceed the minimum EPC standard and achieve the best carbon saving as affordably as possible, in line with the councils carbon neutral target
  3. The trajectory for investment (including 'no regrets' options) aligned to the wider capital improvement and ongoing maintenance programmes
- 3.5 A Solar PV programme was agreed at Housing Committee in June 2020 for up to 1000 homes, with an ambition for a further 1500 installations pending further approval, delivery of this programme is planned to begin in 2022. Separately, the SOLARISE project is piloting ways that we can increase the benefit of solar PV to residents in communal blocks
  - 3.6 We are identifying opportunities to work collaboratively with neighbouring authorities, including with local partners on a 'Retrofit Taskforce' within the Greater Brighton region led by Lewes and Eastbourne authorities and the University of Brighton.
  - 3.7 The scoping out of a new heating and hot water contract to offer low/zero carbon options from 2023 onwards is underway, this will be presented to Housing Committee in January 2022 for consideration.
  - 3.8 An options appraisal for low/zero heating and hot water at communal blocks in north Whitehawk currently served by gas has been completed, this could lead to 265 flats moving from gas to air source heat pumps over the next 2-3 years. The project would significantly reduce carbon emissions, give residents greater control and potentially reduce bills. Early cost estimates of the project are in the region of £2.5-3m.
  - 3.9 As part of the government's Local Authority Delivery scheme, of the Green Homes Grant funding of £963,000 is available to part fund measures for 'low-income' households with a lower EPC rating. Overseen by the Greater South East Energy Hub we are in the process of reviewing the options available to deliver this scheme and identifying opportunities in our own housing stock. This phase of funding requires work to be completed by 31<sup>st</sup> March 2022, it will be very difficult to meet this deadline and access the full allocation without an extension to the scheme.

#### Private sector housing

- 3.10 At Budget Council February 2021 it was agreed to expand the warmer homes initiative through provision of an additional financing budget to lever in capital investment, increasing the total programme to £5.200m. As part of the initiative, it is intended to develop a 'Warmer Homes Scheme' for private housing and research is being carried out into similar schemes elsewhere. A specification is currently being developed to enable support to establish the required policy framework and delivery options, once completed a timetable for delivery can be reported.
- 3.11 As an initial measure and in response to the expected increase in pressure on household energy bills over the coming months, linked to the increase in wholesale energy costs, impacts of the pandemic and the removal of the

Universal Credit uplift, it is proposed to expand the Warm, Safe Homes Grant scheme (as set out in the Disabled Facilities Grant Housing Policy 2017-2020) - to support low income home owners and private tenants where the household is in fuel poverty and/or in receipt of a 'passporting' benefit. It is proposed to;

- Allocate an initial amount of up to £400,000 of the Warmer Homes programme funding to support the Warm Safe Homes Grant scheme
- Reflect the revised national definition of fuel poverty – Low Income Low Energy Efficiency in the eligibility criteria;
- Increase the maximum grant from £7,500 to £20,000 to allow for the installation of air source heat pumps where appropriate and feasible, in addition to insulation measures
- Use an element of the Warmer Homes funding for outreach work by local partners in the Community Energy and Community and Voluntary Sectors to identify vulnerable/eligible households to benefit from the grant

The Disabled Facilities Grant Housing Policy will be brought back to Committee at a later date to include a review of the current assistance provided.

3.12 We are awaiting the outcome of Government consultation on the Energy Efficiency (Private Rented Property) (England and Wales) Regulations 2015. The resulting proposals for reviewing the minimum energy efficiency standards will then shape our approach to enforcement going forward. A resource for enforcement of the standards is being recruited to in the meantime.

3.13 Solar Together Sussex the collective purchasing scheme for Solar PV systems and batteries, for Sussex local authorities has recently completed a second auction with over 7000 households across Sussex registering an interest in the scheme. To date 67 installations have been completed in Brighton & Hove from the first round of the scheme.

3.14 The Council is part of a consortium bid for the governments 'Sustainable Warmth' competition to fund improvements to private sector homes for households with low income and low EPC rated home. We are currently awaiting the outcome of this bid, led by Portsmouth City Council and Agility Eco.

### **3 ANALYSIS & CONSIDERATION OF ANY ALTERNATIVE OPTIONS**

Officers are considering a range of options to assist the Council in meeting its commitment to become carbon neutral and are working alongside key partners locally and across the region. This is a particularly important workstream for the housing service and further specialist expertise will be used to formulate, review and evaluate a range of options as these programmes are developed and evolve over time.

### **4 COMMUNITY ENGAGEMENT & CONSULTATION**

Discussions regarding housings plans to reduce carbon emissions are ongoing with residents through a range of fora, both strategically and on an individual project basis. Presentations and discussions have taken place at the Home service improvement group and the theme of this year's City Wide Conference was carbon reduction.

## 6. CONCLUSION

- 6.1 Homes are responsible for approximately 40% of the total carbon emissions in the city. Our own housing stock is estimated to make up approximately 10% of this, equivalent to 45,000 tCO<sub>2</sub> a year with approximately  $\frac{3}{4}$  of this from gas boilers.
- 6.2 Our current HRA Energy Strategy, agreed in 2018, aims to improve all properties where practicable to EPC C by 2030 in line with national fuel poverty targets. We need to go beyond this where we can as part of the housing contribution to making the City carbon neutral by 2030, this will be reflected in future plans.

## 7. FINANCIAL & OTHER IMPLICATIONS:

### Financial Implications:

- 7.1 Budget Council February 2020 agreed a budget of £2.600m towards a Brighton and Hove warmer homes investment capital fund (providing grants for insulation and other carbon saving investments). Budget Council February 2021 agreed to allocate £0.200m in recurrent funding from 2021/22 to the financing costs budget to fund a further £2.600m capital resources through borrowing towards a Brighton and Hove Warmer Homes Investment Capital Fund taking the total resources to £5.200m.
- 7.2 The report is recommending that £0.400m of this borrowing is used to expand the Warm Safe Homes Grant which is currently part of the Disabled Facilities Grant (DFG) Housing Policy. A variation to the capital scheme will be sought through the Month 7 Targeted Budget Management (TBM) report to 2 December Policy & Resources Committee to accommodate the proposed investment.
- 7.3 At Policy & Resources Committee February 2020 £0.010m was allocated a for a Warmer Homes feasibility study, to explore options for a funded, council-led programme (especially insulation) to tackle fuel poverty, this remains unspent and so can be used to support the studies required to bring forward the carbon reduction plans in Housing.

*Finance Officer Consulted: Name Monica Brooks*

*Date: 9/11/21*

### Legal Implications:

In order to agree the proposed Warm Safe Homes scheme, the Council is required to have a relevant policy in place for the provision of assistance. The proposed extension of the Disabled Facilities Grant Housing Policy will achieve this.

Lawyer Consulted: Elizabeth Culbert Date: 01/11/21

#### Equalities Implications:

- 7.4 The transition to low/zero carbon housing has the potential to provide numerous benefits, however if not delivered with residents and in consideration of the impact on the end user it could be disproportionately impactful on some groups. The Committee on Fuel Poverty, an advisory Non-Departmental Public Body sponsored by the Department for Business, Energy & Industrial Strategy (BEIS) has identified the potential greater cost to the fuel poor of policy proposals intended to address Net Zero. For example, the transition away from gas heating to an electric heat pump, comes at an estimated additional cost to the consumer of up to £160 a year based on current energy prices.
- 7.5 Fuel poverty can cause people to not adequately heat their home, the impacts of living in a cold home disproportionately impact on people with long term health conditions, disabilities and older people.
- 7.6 Equalities impacts will be carried out on strategic decisions, major procurements and specific projects to identify and mitigate impacts on specific groups.

#### Sustainability Implications:

- 7.7 Sustainability implications are reflected throughout the report. Where programmes of work and specific projects are planned wider sustainability impacts and potential to increase benefits will be considered for example reducing water use and opportunities to promote bio-diversity.

#### Brexit Implications:

- 7.8 None identified at this stage.

#### Any Other Significant Implications:

#### Crime & Disorder Implications:

- 7.5 None identified

#### Risk and Opportunity Management Implications:

- 7.6 Risks will be managed alongside specific programmes and projects using the Council's risk management framework.

#### Public Health Implications:

- 7.7 Through improvements to homes energy efficiency and heating and hot water provision there is the potential to address cold homes and fuel poverty in vulnerable groups. This can contribute to the prevention of ill health and excess winter deaths, reduce health and social inequalities, and improve wellbeing and quality of life. Supporting and enabling residents to pay less for their energy can contribute to tackling fuel poverty and cold homes, this will play a key part of low carbon programmes and projects in the future, transitioning away from natural

gas based on current prices needs to be carefully managed to not inadvertently increase people energy bills.

Corporate / Citywide Implications:

- 7.8 Housings plans to reduce carbon in both its own housing stock and across private sector housing will be a significant contributor to the city's objective to be Carbon Neutral by 2030 and to become a 'more sustainable city'.

**SUPPORTING DOCUMENTATION**

**Appendices:**

1. Disabled Facilities Grant Housing Policy 2017-2020

