

# STROUD DISTRICT COUNCIL

# AGENDA ITEM

## HOUSING COMMITTEE

# 5

2 FEBRUARY 2021

<b>Report Title</b>	<b>ENERGY STRATEGY ACTION PLAN UPDATE</b>			
<b>Purpose of Report</b>	To provide an update on the progress made against the Energy Strategy adopted in March 2017			
<b>Decision(s)</b>	<b>The Committee RESOLVES to:</b>  a) <b>Note the progress made to date, and</b>  b) <b>Approve the next steps.</b>			
<b>Consultation and Feedback</b>	Feedback during the formulation of the Energy Strategy has been incorporated within the final document.			
<b>Report Author</b>	Joe Gordon, Head of Contract Services Email: <a href="mailto:joe.gordon@stroud.gov.uk">joe.gordon@stroud.gov.uk</a>			
<b>Options</b>	N/A			
<b>Background Papers</b>	N/A			
<b>Appendices</b>	Appendix A - Energy Strategy Action Plan – Update Feb 2021			
<b>Implications (further details at the end of the report)</b>	Financial	Legal	Equality	Environmental
	No	No	No	Yes

### 1. Background

1.1 The Tenant Services Energy Strategy was adopted by Housing Committee in March 2017. The Strategy sets out its key aims, which are to:

- Relieve fuel poverty
- Maximise carbon reduction in line with the Council's existing and future agreed targets.

1.2 The Energy Strategy is accompanied by a rolling 5-year Energy Action Plan which has the following explicit aims:

- Provide healthy homes
- Ensure effective and efficient use of council resources
- Provide our tenants with affordable warmth
- Reduce CO<sup>2</sup> emissions

- 1.3 The Energy Action Plan was last reviewed in December 2019 and an update provided on progress against the aims stated at the December 2019 Housing Committee.
- 1.4 At the December 2019 Housing Committee meeting, members resolved to note:
- Tenant Services will continue with the current investment model of planned improvements to energy efficiency in our existing dwellings, and
  - Tenant Services will commission/undertake a wider piece of work to fully consider all the viable options available, including costs and timescales required to maximise the SAP ratings of our existing dwellings.

## **2. Measurement and Investment**

- 2.1 It is worth noting that since the Standard Assessment Procedure (SAP) baseline for existing stock was established there have been three iterations of SAP. The effect has been that even though improvements in the stock have been made the change has not been reflected as anticipated.

For example, the change in conventions between SAP 2012 and SAP 2018 resulted in SAP levels going down from an average of 64 down to 58. A reduction of 6 SAP points. Every change in convention means officers have to manually intervene to update energy information as the system will not automatically recalculate.

- 2.2 Average SAP across all Council owned properties is Band "D". We are the higher end of Band "D" at 66 (SAP Band D is between 55 - 68).

Since 2017 we have moved from the lower end of a Band "D" to the higher end of a Band "D" with an aspirational target in our Energy Strategy to achieve an average SAP across all of our stock to Band "C".

- 2.3 Properties by band as of December 2020 are:

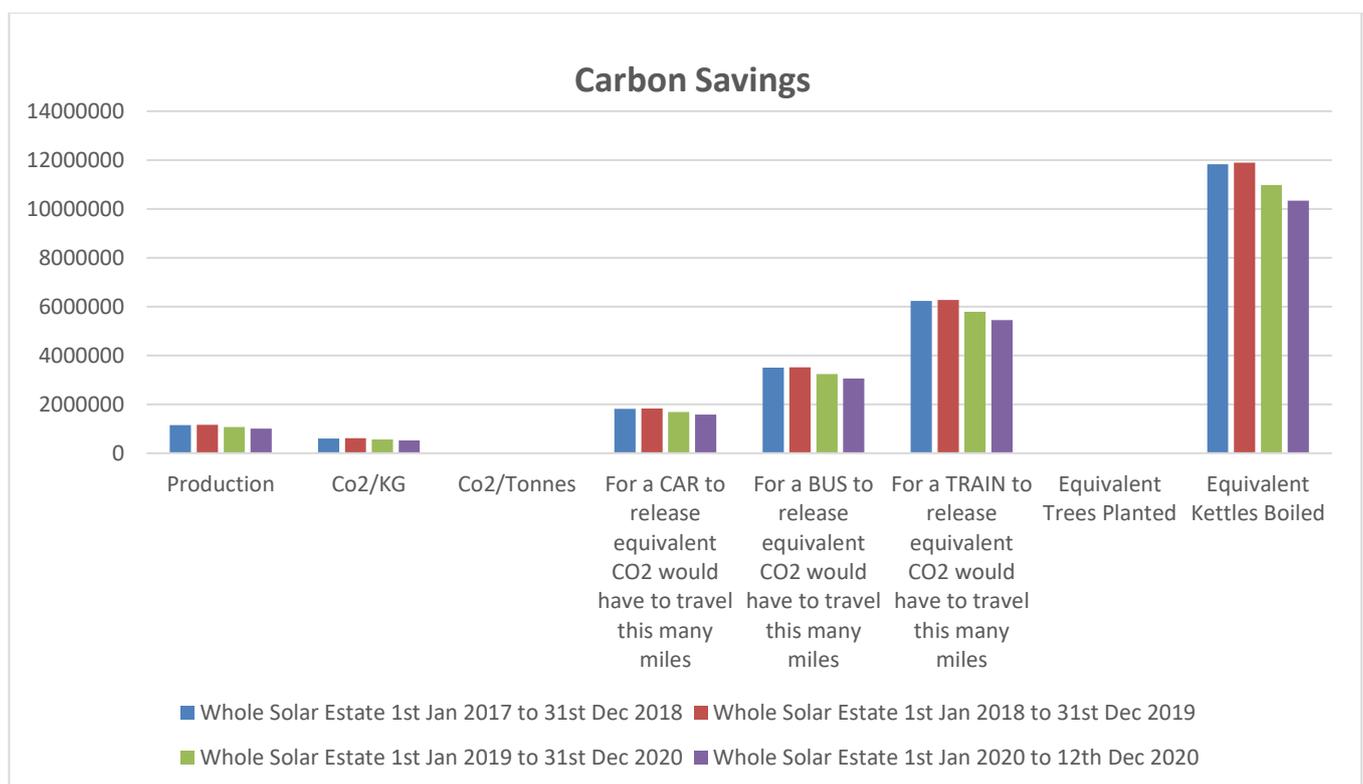
A – 2 Properties  
B – 255 Properties  
C – 1747 Properties  
D – 2390 Properties  
E – 597 Properties  
F – 41 Properties  
G – 3 Properties

The programme to validate data held against properties in bands "E"- "G" has been severely disrupted due to Covid 19 restrictions. However, it should be noted that all properties in Bands "F" and "G" have been re-assessed, and only 50% are showing the information to be accurate, and are of non-traditional construction. The balance are flats in blocks where neighbouring or adjacent properties have significantly higher SAP ratings. All properties have been included within existing major works programmes due to recommence in February 2021.

2.4 Over the past two years we have invested circa £2million pounds per year in measures to improve the thermal efficiency of Council dwellings. With improved data collection and validation this investment is set to increase in 21/22 and 22/23.

2.5 The illustration below indicates the amount of carbon that has been saved since 2017

Stroud	Production	Co2/KG	Co2/Tonnes	For a CAR to release equivalent CO2 would have to travel this many miles	For a BUS to release equivalent CO2 would have to travel this many miles	For a TRAIN to release equivalent CO2 would have to travel this many miles	Equivalent Trees Planted	Equivalent Kettles Boiled
Whole Solar Estate 1 Jan 2017 to 31 Dec 2018	1152304	604498.7	604.5	1814101	3500652	6239031	19733	11830321
Whole Solar Estate 1 Jan 2018 to 31 Dec 2019	1158657	607831.5	607.83	1824102	3519952	6273429	19842	11895545
Whole Solar Estate 1 Jan 2019 to 31 Dec 2020	1068709	560644.7	560.64	1682495	3246694	5786414	18302	10972079
Whole Solar Estate 1 Jan 2020 to 12 Dec 2020	1006924	528232.3	528.23	1585225	3058993	5451886	17244	10337753



2.6 Work streams undertaken to help generate these savings have included:

**2018/2019 Programme**

Windows -225

Boiler Replacement – 197

**Installation of insulation – 170**

Of which are solid walls – 35

Of which are cavity walls - 44

Of which are loft spaces – 91

Installation of renewable technologies – 8

**2019/2020 Programme**

Windows -95

Boiler Replacement – 215

**Installation of insulation – 56**

Of which are cavity walls - 47

Of which are loft spaces – 9

Installation of renewable technologies – 5

**3. Next Steps**

3.1 In line with our commitments outlined within the Energy Strategy we have, and are pursuing all viable opportunities to maximise funding through the pursuit of grants, and partnership working. At the time of writing this report, an application to the South West Energy Hub, was unsuccessful due to:

- Low numbers of hard to treat properties compared to other applicants
- The progress made in assessing property stock compared to other applicants

3.2 Along with a number of Partners across the County, we are awaiting the outcome of a bid to The Department for Business, Energy, and Industrial Strategy (BEIS) for The Social Housing Decarbonisation Fund Demonstrator. The aim of the pilots is to raise the performance of low-EPC rated social homes by demonstrating innovative "whole house" approaches.

3.3 These types of projects have many synergies with our own outlook, including setting long dated standards to provide certainty across all tenures, and minimising market distortions. Improving awareness and access to information for stakeholders, and ensuring sustainability in supply chains.

3.4 We have engaged with a number of leading manufacturers and are in advanced negotiations to pilot a number of new and innovative technologies. By doing this we hope to be able to demonstrate how we can work with partners to overcome the innovation barriers and target investment for those households in most need.

3.5 The Energy strategy outcomes were based on known technological requirements and funding at the time of inception. However much has changed since then, including the resetting of our own organisational and government targets. A full review of current technologies, and the investment required now needs to be undertaken to ensure investment is maximised and targeted in the right areas.

3.6 We will look to develop a whole-house retrofit plan for each home to be updated to a high level of energy efficiency. Interventions may not be affordable right now, but it is essential to have a plan to prevent 'dead end' technologies being installed. Our focus will be on insulation first.

#### **4. Challenges**

4.1 We are aware that members would like us to do more, and do it faster. However, our experience has shown that this urgency needs to be tempered. We need to ensure we have robust sustainable plans which can be delivered at pace and scale without deviation. There can be no disconnect between our ambitions and business case, or indeed the lessons learned from previous excursions into this market.

4.2 Investment needs to be based on sound financial footings. The assumptions made with MTFP and 30-year forecast will need to be revisited based on the current and predicted levels of inflation as this could have an adverse effect on income assumptions which drive investment.

4.3 Existing national policy uncertainties, and market investment into emerging technologies.

4.4 Some technologies that can address elements of this challenge are known now: air and ground source heat pumps, solar photovoltaic (PV) systems, energy storage solutions and insulation systems. However, when deployed on their own, they aren't able to address the issue holistically. This is why we are building relationships across the sector so that organisations like ours can maximise the opportunities presented by the climate change agenda to exploit emerging opportunities and gain first mover advantage.

4.5 RTB may present a significant issue in protecting any capital investment in to dwellings as the Property Valuation Sector does not currently recognise this type of investment adding value to a dwelling. This simply needs to be recognised as risk in terms of payback on any investment.

4.6 Action to encourage households to change behaviour is an essential component of any plan to reduce carbon and address fuel poverty. This is and still remains an area where more work needs to be undertaken over a sustained period.

#### **5. IMPLICATIONS**

##### **5.1 Financial Implications**

This is an update report and there are no financial implications arising directly from this report.

The cost of investment needs to be included within the Medium Term Financial Plan and longer term 30 year position. These costs will be updated annually to ensure a balance between improvement of the housing stock and long term viability of the Housing Revenue Account.

Lucy Clothier, Accountancy Manager  
Email: [lucy.clothier@stroud.gov.uk](mailto:lucy.clothier@stroud.gov.uk)

## **5.2 Legal Implications**

Legal advice and support will be provided on grant conditions and in respect of the review of technologies referred to in paragraph 3 of this report as appropriate.

One Legal

Email: [patrick.arran@stroud.gov.uk](mailto:patrick.arran@stroud.gov.uk)

## **5.3 Equality Implications**

An Equality Impact assessment is not required as the report is for information only.

## **5.4 Environmental Implications**

Key documents and policy which will influence our approach going forward include but not limited to:

- CN2030 Strategy
- The Future Homes Standard
- The charter for social housing residents (Social Housing White Paper)
- The Housing and Regeneration Act 2008
- Clean Growth Strategy
- Committee on Climate Change (December 2020) The UK's Path to Net Zero