

<b>REPORT TO:</b>	<b>FINANCE AND MANAGEMENT COMMITTEE</b>	<b>AGENDA ITEM: 14</b>
<b>DATE OF MEETING:</b>	<b>28<sup>th</sup> NOVEMBER 2019</b>	<b>CATEGORY: (See Notes) DELEGATED or RECOMMENDED</b>
<b>REPORT FROM:</b>	<b>STRATEGIC DIRECTOR SERVICE DELIVERY</b>	<b>OPEN</b>
<b>MEMBERS' CONTACT POINT:</b>	<b>PAUL WHITTINGHAM 01283595984 <a href="mailto:paul.whittingham@southderbys.gov.uk">paul.whittingham@southderbys.gov.uk</a></b>	<b>DOC:</b>
<b>SUBJECT:</b>	<b>HOUSING ENVIRONMENTAL IMPACT PROJECT</b>	
<b>WARD(S) AFFECTED:</b>	<b>ALL</b>	<b>TERMS OF REFERENCE: (See Notes)</b>

## **1.0 Recommendations**

- 1.1 That the Committee sets-aside the Contract Procedure Rules (Tendering Procedures) and approves the direct appointment of Nottingham City Council to complete an assessment of the energy efficiency and environmental impact of the Council's Housing stock.

## **2.0 Purpose of the Report**

- 2.1 To seek approval for the direct appointment of the Nottingham City Council Energy Projects Team to carry out an energy efficiency assessment of the Council's Housing Stock.

## **3.0 Executive Summary**

- 3.1 The appointment of Nottingham City Council to carry out an energy efficiency assessment of the Council's stock was agreed by the Housing and Community Services Committee on 21<sup>st</sup> November 2019. The Council has carried out repair and maintenance work to Council-owned homes over many years. Much of this work has already helped to reduce the carbon footprint and improve the energy efficiency of homes. This has included:

- Installation of air source heating
- Improved roof insulation
- The replacement of boilers with more efficient models.

- 3.2 In order to support the delivery of the Council's Climate Emergency commitment, further work is needed to assess the specific baseline position of the Council's

housing stock and to identify the most appropriate action and investment that is required. This work will assist the Council in set meaningful improvement targets in the Council's Climate Emergency Action Plan which will be reported to Environmental and Development Services Committee in January 2020.

- 3.3 The starting point for this work is obtaining a more robust assessment of the housing stock by obtaining up to date Energy Performance Certificates (EPC) for all types of Council-owned dwellings. The results of this work will be used to provide recommendations for appropriate interventions on particular property types and subsequently to create costed investment programmes. Savills carried out a Stock Condition Survey in 2018 on behalf of The Council. This included a physical survey of 10% of the Housing stock and the completion of an EPC for these properties. However, this survey was a general stock survey and did not include specific and detailed recommendations with regard to improving the energy efficiency of the housing stock.
- 3.4 As the Council is a member of the D2N2 strategic partnership, initial discussions have been held with the Energy Hub team at Nottingham City Council with regard to the delivery of this work. As well as being partners within D2N2, Nottingham City Council has experience in the assessment and identification of improvement works and also in delivering the installation of these works. The team is also equipped to advise the Council with regard to actual installation costs and also the future maintenance costs and obligations.

#### **4.0 Detail**

- 4.1 Whilst there has already been significant investment in Council housing stock to improve its energy efficiency and carbon footprint, the data obtained so far is not sufficient to provide an indication of what future investment is required to achieve carbon neutrality of the Council's Housing stock in line with the Council's Climate Emergency declaration.
- 4.2 Discussions with Nottingham City Council have led to the conclusion that the first step towards meeting the Council's carbon ambitions in the Housing Service would be to establish a more robust evidence base on which future investment proposals can be based.
- 4.3 The most appropriate way to address this is for a detailed EPC survey of a significant sample of the housing stock. Nottingham City Council (NCC) has provided its methodology and costs for carrying out this work which are attached at Appendix A. In summary the work would include:
- Site audit and production of Domestic Energy Performance Certificates (EPCs) of properties within the 3,000 portfolio as detailed by the Council of circa 300 houses, 140 bungalows and 160 flats (20% of overall portfolio).
  - Modelling to accurately provide bespoke recommendations suitable for the properties in question linking with the overarching aims of the Council. Recommendations will be based on the archetype and usage of the property to ensure that bespoke recommendations are provided utilising information provided by the Council. It will be made clear within the recommendations what potential EPC score is able to be achieved and what carbon reduction/energy generation will be achieved utilising the latest government carbon calculations enabling the Council to effectively demonstrate carbon

emission reductions across the 20% portfolio that is assessed helping to achieve wider carbon reduction targets.

4.4 NCC has identified the key factors that may need to be considered with regard to particular interventions that may be relevant to the Council's stock:

#### **Solid Wall Insulation**

- Number houses that could be treated and the cost per dwelling
- How the work would be funded
- Benefit in terms of cost per tonne of carbon saved (cost carbon benefit analysis)
- Will the intervention allow further carbon savings by facilitating renewable heating?

#### **Solar PV**

- Cost and size of system that could be fitted on most roofs
- How would the works be funded and generate a return; will the tenants be charge for the power generated or just have a service charges assigned for maintenance costs?
- How would the Council cover post installation Operation and Maintenance costs?
- Would battery storage be part of the package (benefits to tenant plus potential benefit to Council through commercial deals for the power stored)?

#### **Housing – 30 Year Plan**

There is also an opportunity to carry out a review of the Housing 30-year plan and identify energy saving measures that could be included in the programme of planned maintenance works. This approach may mean higher initial costs for work, but result in cost savings over the 30-year plan. For example, where full central heating systems are being replaced, but not the boiler, the pipework and radiators could be specified to be heat pump ready and be plumbed to allow the heating system to work off a boiler and heat pump simultaneously (Hybrid approach) or simply be plumbed for the transition, but continue to run off a gas boiler for the immediate future. This would still improve operational efficiencies and carbon savings, while decreasing running costs.

4.5 NCC led on the D2N2 Local Enterprise Partnership (LEP) Energy Strategy 2019-2030 for the Derbyshire and Nottinghamshire region. This means it has demonstrated its ability to deliver strategic work at a regional level. NCC has a proven track record working on projects that provide benefits to other local authorities: It provides Local Authorities with advice to support them to standardise their greenhouse gas reporting. It is the accountable body for the Midlands Energy Hub, which is working with LEPs and local authorities to identify and deliver energy projects in support of the LEP Energy Strategies and identify routes to finance these projects. It has delivered extensive high profile energy projects across its own estate, significantly reducing its energy demand and carbon footprint. This includes the installation of solar PV across an excess of 4,000 domestic properties, and the ongoing delivery of energiesprong projects (which retro-fits homes to achieve the highest possible energy efficiency standards) across Nottingham City Homes housing stock.

## **5.0 Financial Implications**

- 5.1 The cost of undertaking the baseline EPC survey and producing a report for the Council outlining recommended actions is estimated to be £63,000. This can be met from underspends within the Repair and Maintenance budgets in the Housing Revenue Account.
- 5.2 Any further financial implications arising from this initial work will be the subject of a future report to Committee following the completion of the initial survey.

## **6.0 Corporate Implications**

### **Employment Implications**

- 6.1 There are no direct employment implications contained within this report.

### **Legal Implications**

- 6.2 Given that the value of the work is in excess of £25,000, the Council should undertake a tendering exercise in accordance with its Contract Procedure Rules. However, there is provision for the Council to waive the need for a tendering exercise in specific circumstances, if it is satisfied that by doing so, it would provide better value for money. This should take into account cost and quality, together with any limitations in the current market for such work.

The Finance and Management Committee has delegated authority to approve a waiver/exemption.

### **Corporate Plan Implications**

- 6.3 This report has a direct impact on these actions within the current Corporate Plan.  
O3.1 Demonstrate high environmental standards.  
PE1 Improve the quality and make best use of existing Council housing stock to meet current and future needs.

### **Risk Impact**

- 6.4 This report has a direct impact on mitigating the risk identified in the Service Delivery Risk Register. SD6 – Affordable housing delivery Facilitate and deliver a range of integrated and sustainable housing and community infrastructure

## **7.0 Community Impact**

### **Consultation**

- 7.1 Measures to improve energy efficiency and the carbon footprint of homes will be discussed with Council tenants later this year.

### **Equality and Diversity Impact**

- 7.2 There are no direct Equality and Diversity implications within this report.

### **Social Value Impact**

- 7.3 This report directly contributes to the Sustainable Development Theme within the Councils Sustainable Communities Strategy.

### **Environmental Sustainability**

- 7.4 This project will contribute directly to supporting the delivery of the Council's Climate Emergency declaration.

### **8.0 Conclusions**

- 8.1 That a more robust data set regarding the energy efficiency and carbon footprint of Council dwellings is essential.
- 8.2 NCC's role within regional strategic and energy partnerships supports its suitability and credentials to undertake this work.
- 8.3 It is likely that the conclusion of this initial study will lead to the identification of a range of options for investment for future Committee consideration.

### **9.0 Background Papers**

Appendix A; Nottingham City Council Briefing note (and quotation.)

#### **Notes:**

- \* Category – Please see the Committee Terms Of Reference in [Responsibility for Functions - Committees](#). This shows which committee is responsible for each function and whether it has delegated authority to make a decision, or needs to refer it elsewhere with a recommendation.
- \*\* Open/Exempt - All reports should be considered in the open section of the meeting, unless it is likely that exempt information would be disclosed. Please see the [Access to Information Procedure Rules](#) for more guidance.
- \*\*\* Committee Terms Of Reference in [Responsibility for Functions - Committees](#).