



Golden Lane Housing

# Sustainability Strategy

## 2022-2025



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# INTRODUCTION AND OBJECTIVES

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**This is Golden Lane Housing's (GLH) first Sustainability Strategy. It sets out our approach to sustainability from April 2022 to March 2025 and the steps we want to take on the path towards a more sustainable future.**

The key aims of this strategy are to:

- Identify how our business activities affect the environment;
- Establish methods of improving our approach to sustainability;
- Improve the environmental performance of our existing homes;
- Outline new technologies and ways of working to reduce our carbon footprint; and
- Engage staff and our tenants with regards to green issues



**The aim of this strategy is to minimise environmental impact and mitigate the effects of climate change whilst ensuring a positive or neutral impact on the goals and aspirations outlined in the strategic plan.**

Beyond contributing to the global imperative to reduce carbon emissions, the aims of this strategy it looks to deliver key benefits:

- deliver financial savings to customers, reducing the risk of fuel poverty and supporting financial inclusion
- deliver financial savings in construction activities, improving HMS' competitive offer and reducing costs for other organisational entities
- reduce the risk of flooding and overheating negatively affecting housing stock and its occupants
- reduce operating costs for all organisational entities.

Sustainability should also be understood as part of the wider Growth, Asset Management and People and Culture Strategies, which sit within the context of our Corporate Plan.



# 2.0

## THREE YEAR STRATEGY



Sustainability is connected to GLH's 5 strategic objectives:

### 1 Tenant satisfaction

Working with our tenants to help them understand how they can use their homes more efficiently and reduce energy bills.

### 2 Investing in homes

Improving the environmental performance of our housing stock can help to keep customers' homes warm, reduce energy costs, alleviate fuel poverty and keep our homes in good condition.

### 3 Housing more people

Delivering on our strategic ambition of delivering homes for 225 new tenants will have a impact on the environment through use of construction materials, travel to and from sites. The new homes will meet higher energy efficiency levels and all new leased properties will be a minimum of an EPC C rating.

### 4 Strong finances

Pursuing sustainability goals has the potential to reduce organisational spend by investing in our properties and core stock, working with providers to install new and innovative, low maintenance energy saving products.

For example the introduction of new forms of heating will reduce the annual cost of gas servicing and testing.

### 5 Working together

We have mobile and agile working, reducing the carbon footprint of our office, and reducing staff travel.

We are also improving the quality of our digital service offer, reducing the need for staff to travel in order for services to be delivered.



In recent years changes in the sector and the wider political and economic environment have put increasing financial and social pressures on Housing Associations and their customers.

Following more recent political changes, most significantly the decision to leave the European Union, the future is now more uncertain with the impact on the sector unknown.

The impact is expected to become more apparent during the implementation of this strategy. Alongside these general changes, three additional factors are having a particular impact on this strategy:

- Continued reduction in the scope and level of grant funding has negatively affected the viability of housing retrofit projects.
- Continued increase in the cost of gas, electricity and other fuels is putting increasing financial pressure on tenants and increasing the organisations operating costs.
- A reversal of the downward trend in fuel poverty among Housing Association tenants and occupants of properties with low SAP ratings has increased the need for interventions in this area.



# OUR CURRENT POSITION

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GLH has been collating statistical data on properties within our stock to enable a true reflection and determine the position. The two key areas of focus collected from Energy Performance Certification (EPC's) are SAP Rating and household Carbon Usage / Footprint.

The following data is based on GLH housing stock and as of 04.02.22  
GLH have 1266 assets.

## 4.1 SAP RATING

According to a report published by the Office for National Statistics in November 2021 the average SAP rating in social housing had a median score of 66. Flats were the highest scoring at 72 and detached and semi detached properties were at 63. The majority of GLH stock is either detached or semi detached dwellings and based upon our assets, the GLH housing stock comprises of an average SAP rating of 68 (equating to an EPC Rating of "D"). However, although the average SAP rating is 68 in properties terms there are 587 properties which are having an impact on this.

There are 121 properties rating "E" or below and 466 properties rated "D" whereas if works were identified / undertaken or assets were disposed of, we would expect a significant upturn in the overall average SAP rating.

## 4.2 CARBON FOOTPRINT

In relation to our current carbon footprint, the average household produces 6 tonnes of CO<sub>2</sub> (based upon data taken from Energy Performance Certificates (EPC'S)). This is significantly high and as the overall strategy is to obtain net carbon zero in line to global climate change targets then this will require some improvement. The current average CO<sub>2</sub> for GLH housing stock is an average of 3.4 tonnes per household, with the further potential saving of 1.3 tonnes, if all recommendations are undertaken as identified within the current EPCs.

## 4.3 PILOT SCHEMES

Within the planned investment works carried out in 22/23 there were three pilot schemes commissioned to improve energy efficiency / energy rating and reduce CO<sub>2</sub> usage.

These properties are:

- 1 Glenview, Carnmenellis, Penmarth, Cornwall, TR16 6NX – Additional External Wall and Roof Insulation

- 2 8 Cloghole Road, Campsie Upper, Campsie, County Londonderry, Northern Ireland, BT47 3JW – Additional Loft Insulation and Heating System
- 3 22 Tinniswood, Ashton on Ribble, Preston, Lancashire, PR2 1EL – Additional Insulation and Heating System

We expect to dissect the results of these pilot schemes during 2022/23.



# OUR APPROACH

The following section outlines our intended approach to sustainability at GLH, there are six main strands:

## 5.1 OUR WORKPLACE

Our head office at Parkway currently has an EPC rating of C.

We'll continue to ensure that IT materials, laptops, company-issued mobile phones and other items are recycled when they become obsolete or break beyond repair. We'll also continue to purchase products built to last, to ensure optimal use before we need purchase new equipment.

In terms of staff travel, our historical miles travelled have been high due to the geographical spread of our properties, working from home has of course been necessitated by the pandemic but our long-term goal remains a blend of working from home and in the office.

We'll also encourage staff to commute sustainably, and reduce the number of face to face meetings by using IT solutions. Travel budgets will be allocated to each directorate so further analysis and challenge can be

made on unnecessary journeys.

We will disincentivise parking by gradually ceasing to subsidise staff parking at our Parkway office from April 2022, parking spaces will no longer be a benefit to all office based staff, a smaller number of spaces will be made available but will be billed and we will encourage car share arrangements and use of public transport to staff commuting. Electric charge points will be fitted for those staff that have an electrical vehicle to encourage this as a vehicle of choice for any salary sacrifice arrangements.

We will also work with internal People Engagement Groups to understand areas where staff think we could be more sustainable and provide internal training to raise awareness across our workforce. Our Colleague Engagement Committee will have sustainability as a standard agenda item and be the conduit for ideas and suggestions, which could be presented, reviewed for VFM and working groups established to implement and embed.

### Summary of proposals:

- We will collect and monitor data from building managers on key environmental measures including energy and water usage; waste recycling and recovery; and carbon emissions. We will aim to make significant reductions in energy usage by the end of 2023.
- We will explore options to increase recycling.
- We will continue to buy IT materials with a long lifespan and recycle materials once they are unusable.
- We will encourage staff to reduce reliance on cars as a mode of transport and promote greener ways of commuting such as cycling and public transport.
- We will work with People Engagement Groups to understand ways staff think we could be more sustainable.



## 5.2 OUR NEW HOMES

There are several layers of sustainability to consider in construction; not only will we aim to have no adverse effect on the environment in the construction phase, but we will also aim to build products which have a neutral or positive effect on the environment over time. This means designing homes which are durable, using carbon neutral materials, and prepared for the adverse effects of climate change. This will protect the environment, and also make business sense for GLH, reducing the costs of maintaining and/or refurbishing/redeveloping our buildings in future.

For new developments, we will require teams to ask themselves the following questions during the design phase, with a view to aiming for the highest standards available without rendering a project unviable:

- The design and layout of the buildings:
- Does the building design ensure heat retention in winter, and prevent overheating in summer – without over-reliance on heating systems or air-conditioning?
- Can mechanical installations such as ventilation systems be replaced with passive measures?
- Are renewable energy systems sustainable and low maintenance?
- Are buildings and surrounding ground adequately equipped to resist flooding?

All new properties acquired will have a minimum of an EPC C rating in the initial three years but we will review our Development Strategy in line with our carbon roadmap to provide housing that supports our zero carbon aspirations.



## 5.3 OUR EXISTING HOMES

Improving the environmental performance of our existing homes is an incredibly important strand of our approach to sustainability. A more energy efficient property will reduce home energy usage, saving residents money and reducing carbon produced. Reducing fuel expenditure is one of the most effective ways of reducing poverty among low-income residents.

- Our Asset Management Strategy (2019-2024) includes a commitment to improve all tenanted homes and strive to deliver an affordable warmth strategy for GLH, ensuring that all core stock meets a minimum heating affordability target, supporting customers who wish to move to a healthier and more sustainable home. We will use assistive technology to monitor the internal environment to ensure a healthier home as well as support the needs of our customers living in the home.

We don't believe this goes far enough towards achieving a zero carbon and therefore we will review our Asset Management Strategy setting out key commitments to reducing carbon omissions in our homes and delivering affordable warmth.

- The Government's Clean Growth Strategy (2017) states that the Government wants 'all fuel poor homes to be upgraded to Energy Performance Certificate (EPC) Band C by 2030 and our aspiration is that GLH will meet this target.

We will also ensure that all homes rated below an EPC rating of D will be upgraded to at least a C by the end of 2025. A total of 121 properties (9%) of GLH stock will need to have retrofit improvement works completed, where GLH do not own the property, the landlord will be required to undertake this work or the lease terminated and our tenants re-homed in a more energy efficient home. The table below shows the current SAP/EPC data for GLH stock both owned and leased.

SAP Band	SAP Score	Properties	% of Stock
A	92-100	1	0.08%
B	81-91	176	13.09%
C	69-80	502	39.65%
D	55-68	466	36.81%
E	39-54	116	9.16%
F	21-38	5	0.30%
G	01-20	0	0.00%
Total		1266	100%

Existing SAP / RDSAP scores for GLH rented properties (owned or leased)



## 5.3 OUR EXISTING HOMES

Stock data has been analysed and estimated costs established, this has been built into our 10-year business plan. In addition to this grant funding will be explored to support the programme of improvements.

The main funding opportunities for this work are:

- A ten-year, £3.8bn Social Housing Decarbonisation Fund, promised in the Conservative Party's 2019 election manifesto. In September 2020, the Government launched a £50m Social Housing Decarbonisation Fund Demonstrator, which is a pilot available to local authorities and council-led consortia, due to run until 2022.
- £2bn of Green Homes Grants, allowing homeowners, including private and social landlords, to apply for two thirds of the cost of energy improvements, with grants capped at £5,000. We will continue to monitor these and other external funding opportunities as and when they become available.

Savills have completed their draft report on our zero carbon roadmap, they have provided a proposed strategy from 2025-35 with a number of retrofit recommendations and approximate costs. The industry is still developing and there remains a number of uncertainties around technology and their impact, it is thought that within the next four years further advances will be made to bring more certainty on available solutions. The Savills' report also highlighted that further stock and tenant information was needed to provide more accurate figures for the works to be undertaken. Set out below are some of these considerations within the report:

- What the emissions factor for grid electricity will be by 2050.

- What will the technical characteristics and costs of domestic solar PV and battery packs be in the near future?
- To what extent will hydrogen become available via the gas distribution network?
- What will the penetration of zero/low carbon heat networks be? In urban areas (and particularly in London) we see considerable innovation in this area but its adoption will be site specific.
- Other new technologies that may be available.

New technology in development will need to be explored as testing these at development stage will provide greater insight for the asset team rather than the more costly option of retrofitting technology. We will also need to ensure that any partner we work with sign up to our longer-term strategy to achieve zero carbon and support with the development of new technology to meet the needs of our tenants.

Once we have assessed suggestions for improvements, we will explore different avenues of delivery, and implement the most viable route through a sustainability action plan, this will inform our Sustainability Strategy from 2025-2030.

We will also keep an awareness of new and innovative technologies with the capacity to improve home energy efficiency, and are prepared to trial products if they have the potential to achieve considerable social or financial benefits, as and when opportunities and funding become available.

Our tenants also have a responsibility towards sustainability. We will continue to provide information on our website and through social media and direct mail on how to maximise home energy efficiency, and provide advice through our Housing Officers, surveyors and operatives visiting homes.



## 5.4 OUR PROCUREMENT

Our current procurement exercises do take into account environmental considerations but price remains the main concern, followed by resourcing, quality, and health and safety. At the selection questionnaire stage, potential suppliers are assessed on general questions around the key environmental issues, how these are addressed, the monitoring of sub-contractors and any breaches of environmental legislation. Contractor responses to questions tend to be statements of aims and policies, and qualitative rather than quantitative, so actual environmental performance may be obscured. Then, at the quality submission stage, environmental sustainability tends to be overlooked because of other criteria (resource management, delivery/timescale, technical merit, running costs, and whole-life costs).

We need to strengthen our approach to sustainability in procurement exercises. Our supply chain is substantial and to fail to incorporate the environmental performance of our contractors could potentially undermine the reach of our efforts to improve sustainability. We will therefore start collecting and requiring more evidence of environmental performance as part of procurement exercises; for example, waste audits and reduction plans from all contractors. Price will remain of primary importance – but we will consider sustainability alongside other criteria and will review the selection questionnaire to enable greater consideration to be given to environmental performance.

In addition, we will ask procurers to collect performance metrics from their contractors on an annual basis.



## 5.5 BENCHMARKING

To consolidate our commitment to sustainability, we will measure our holistic impact on the environment and use this to inform future strategic targets. We will explore the potential to commission a SHIFT report to measure our environmental performance and define any actions for improvement to inform our Strategy from 2025 onwards.

SHIFT assess organisations against a set of approximately twenty metrics, relating to four areas:

- Leadership on sustainability
- Business sustainability, e.g. office footprint, business mileage, etc.;
- Existing homes;
- New builds.

We will also work with similar housing organisations within our benchmarking club to understand the actions they have taken towards achieving Net Zero Carbon and explore joint ways of working to achieve our targets and benchmark our achievements.

## 5.6 FINANCING OF SUSTAINABILITY IMPROVEMENTS

Our approach to affording sustainability improvements will include:

- Pursuing all available grants, subsidies and support available directly to landlords as well as signposting our residents to any financial support made available to individual households for sustainability improvements
- Dedicating resources from our business plan where these are available in excess of resources required to meet our statutory obligations and strategic targets
- Considering appropriate stock disposal options to dispose of units that are cost prohibitive to remediate to an acceptable standard



# SUMMARY OF PROPOSALS

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- We will aim to bring our worst performing stock to a minimum of EPC band D by December 2025, with a view to bringing all stock to a minimum of band C by 2030
- We will undertake retrofit solutions based on the most efficient, simple solutions with least management responsibility and tenant disturbance.
- We will consider incorporating SAP rating in our criteria for disposals of voids.
- We will survey properties where we have reduced information or believe data is inaccurate.
- We will continue to update our knowledge on new and innovative technologies to improve home energy efficiency. We may pilot products with the capacity to achieve considerable social or financial benefits.
- We will continue to publish easy read guidance for tenants on how to maximise home energy efficiency.
- We will improve our data collection and management in sustainability areas where this is currently lacking.
- We will collect and require more evidence, especially quantitative evidence, of environmental performance from contractors.
- We will review the contractor selection questionnaire.
- We will require procurers to collect environmental performance metrics from their contractors, and report on them on an annual basis.
- We will provide internal training and develop ideas from staff through our Colleague Engagement Committee

# PERFORMANCE MEASUREMENT

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We will use key performance indicators and goalposts to monitor our approach to sustainability.

KPIs should cover the following areas:

- Annual office energy and water usage;
- Annual % of waste recycled/recovered/sent to landfill;
- Annual office carbon emissions;
- Improvement of Best Companies survey responses regarding our approach to sustainability;
- % of tenanted properties SAP rated below band D over course of strategy;
- Annual carbon emissions from homes;
- Annual carbon emissions from transportation.

