Barnsbury HA:

Sustainability Strategy 2022-2025

I. Introduction

- 1.1. In 2019, in line with our ambition to Anticipate, the Board agreed that sustainability was a key priority for BHA and agreed funding to kickstart our work in this area.
- 1.2. Since then, we have made good progress, becoming one of leading small housing associations working in this space. Our work incudes having:
 - measured our organisational carbon footprint
 - established the G320 Sustainability Group
 - joined the NHF's CEO-led Sustainability Strategy Group
 - established baseline data for our homes, with EPCs for 90% of our homes and started an analysis of work needed to bring our stock up to EPC C
 - started the conversation with tenants about decarbonisation
 - worked with specialist consultants on a pilot retrofit project
 - secured some external funding for energy efficiency work
 - started a dialogue with Islington Council planners and more widely about retrofit and conservation
 - delivered some quick wins, in our operations and across our stock including energy advice to tenants and a 'green lettings standard'.
- 1.3. It has been a steep learning curve and, while much work remains to be done, we have built a solid foundation of knowledge and contacts and have built a reputation in the sector.

- 1.4. It feels timely for us to be 'upping our game' on NZC at this time. The looming cost-ofliving crisis will affect many of our residents, with heating bills becoming unaffordable and many facing hard decisions about 'heating or eating'. This mean that insulating our homes is one of our key responses to supporting residents through the current cost-of-living: it is not a luxury or a 'nice to have'. We will use this strategy to open conversations with our residents about how we can work together to reduce their heating bills as well as our environmental impact.
- 1.5. This strategy sets out how we will build on our work so far and deliver our ambitious sustainability goals, which will move us towards Net Zero Carbon (NZC) and make sure our homes are warm, comfortable and affordable to heat.

Despite our size, BHA is well placed to play a leading role in taking forward NZC in the social housing sector. There are three areas where we feel we can make a difference:

- developing and promoting solutions to retrofitting heritage homes, finding the right balance between conservation, sustainability and alleviating fuel poverty
- helping pave the way for smaller housing associations to reach NZC, through the G320 and NHF
- pushing the NZC agenda in Islington, acting as a test bed for projects and modelling effective collaborative working with LB Islington

2. The context

- 2.1. The UK government has set a goal that the UK should become Net Zero by 2050¹. Many local authorities including Islington and the GLA have set even more ambitious targets, aiming for Net Zero by 2030.
- 2.2. The government has made good progress with decarbonising the energy grid and, on some days, over 60% of the UK's power is generated from renewable sources such as wind and solar. The aim is to decarbonise the grid by 2035, with all electricity generated renewably by then. However, the grid will not be able to cope with huge surges in demand for instantaneous heat, so there is a job to be done in terms of reducing demand.
- 2.3. Domestic heating is a major contributor to carbon emissions, with 21% of the total coming from fossil fuels such as gas boilers. To meet NZC, the plan is for gas boilers to be phased out from 2025, replaced by electric heat pumps and decarbonised heat networks. However, without significant investment in reducing heating demand, most UK homes cannot make this transition. The costs of heating poorly insulated homes and the demands on the grid would be prohibitive, while the current energy crisis has shown how vulnerable lower income households are to energy price rises.
- 2.4. This means a major programme is needed to insulate the UK's homes: a 'fabric first' programme to reduce their energy and heating demands and ensure that they can successfully switch to low carbon heat pumps in the future.

- 2.5. The task and the cost is enormous. It is also complex.
- 2.6. The costs of decarbonising social housing alone are estimated to be £104bn, or £27,000/property (more for older, harder-to-treat homes like ours). The technology and fabric measures needed aren't well established and the retrofit market is poorly developed, with a shortage of contractors trained to undertake this work to the standard required. This will change as the market develops and costs should come down.
- 2.7. Social housing is leading the way² on NZC, with government funding (the Social Housing Decarbonisation Fund or SHDF) aimed at finding affordable and scalable solutions that can be applied to the 70% of the UK's housing stock needing retrofit.
- 2.8. While reducing the carbon demands of our homes is our main challenge, this strategy takes a wider view of sustainability. We face challenges around water usage, waste/recycling and broader climate risks such as overheating and flooding. We also have a responsibility for and an opportunity to address biodiversity, doing our bit to arrest the loss of habitats and species on our estates and, by doing so, contributing to the wellbeing and mental health of residents.
- 2.9. There is other emerging legislation and guidance that will be relevant, such as the ESG White Paper and the new Decent Homes Standard that will impact on our work.

¹ The Climate Change Committee, who advice the Government, has set out detailed road maps for the journey to NZC. https://www.theccc.org.uk/publications/

² The NHF's 'Decarbonisation: A Guide' is a useful summary and roadmap for the sector https://www.housing.org.uk/globalassets/files/climate-and-sustainability/07085855-9cf8-456c-8099-9506a6839b5d.pdf

3. Our starting point

Our organisational carbon footprint

BHA's carbon footprint was 643 tonnes/CO2/ year³ in 2019.

- 3.5 tonnes were Scope I (our office and operations)
- 15 tonnes Scope 2 (communal electricity)
- 625 tonnes Scope 3 (our housing stock).
- 3.1. This footprint shows that 97% of our carbon emissions come from our homes - each emitting on average 16.5 tonnes/ CO2/year. The most meaningful impact we can therefore make on our carbon footprint is by improving the energy performance of the homes we own and manage.

Our homes: energy performance and affordable warmth

- 3.2. We now have EPCs for almost 90% of our homes⁴.
- 3.3. Overall, our average SAP rating is 69.2, a very low C. 46% of our homes are already C rated, with a further 7% (the newest developments) rated B.
- 3.4. However, almost half of our homes are rated D or below and will require retrofit to bring them up to the required standard.

There is a direct link between energy demands and fuel poverty. An E-rated home costs twice as much to heat as one rated C, and four times as much as a well-insulated B-rated home.

3.5. Our 2018 resident survey showed that 35% of our residents struggle to afford to heat their homes. The current energy costs crisis will mean that many more will fall into fuel poverty: our housing team is finding an increasing number of residents having to choose between 'heating and eating' and we are distributing increasing numbers of energy vouchers and advice.

- 3.6. As well as affordability, badly insulated homes impact the health and wellbeing of residents. We anticipate more reports of damp and mould, as residents are unable to afford to heat their homes sufficiently well to keep condensation under control.
- 3.7. Our analysis of EPC data is useful at showing the scale of the task, as well as the practical steps we need to take. It concludes that we can potentially achieve uplifts in SAP across most of our stock, as shown in below. However, they estimate that around 10% of our homes may not be able to reach EPC C.



Beyond energy efficiency and carbon

- 3.8. We have done little analysis so far of wider sustainability issues. We need to assess and plan for better recycling and waste management and bring sustainability into our procurement approach. We also need to consider climate risks, such as flooding and overheating, as global temperatures rise.
- 3.9. We have not undertaken any assessment of biodiversity on our estates. However, we recognise how important our green spaces are to the health and wellbeing of our residents and the wider community and the positive impact improvements can make.

³ This review did not take into account wider issues such as waste due to issues with data collection.

⁴ EPCs are a known to be a flawed measure of energy performance as they measure heating costs, not carbon. However, they are currently the government's preferred

method, so we need to be alive to their shortfalls and ensure that we make the right longterm decisions based on other measures such as space heating demand.

4. Our strategy

4.1. We will reduce BHA's corporate environmental impact: in how we work, in the homes we own and manage; and in new homes that we build.



- 4.2. We will follow the principles of the carbon hierarchy: reducing demand, finding low carbon solutions and finally offsetting.
- 4.3. We will do this in a way that is rooted in our values: connecting with our tenants and others; building strong partnerships and skills and anticipating change.

Our guiding principles

- We will become a leading voice in the sector on net zero, particularly around finding solutions for older, hard to treat homes where we will try to find the right balance between conservation and sustainability
- We will adopt a 'fabric first', 'no regrets' approach to retrofitting our homes, aiming to mitigate fuel poverty and make our homes more affordable and comfortable
- We will not dispose of homes simply because of the costs of retrofitting them
- We will watch and learn as new technologies are tested and developed
- We will try to be fair, so that tenants in the worst-performing homes see some early benefits
- We will actively explore collaboration and partnerships to deliver our ambitions
- We will engage tenants to find solutions that work for them
- We will make sustainability everyone's job and not pass up small chances to make changes.

- 4.4. There are limitations to what we can achieve due to factors beyond our control including:
 - The need to fulfil other regulations such as building safety and bringing our homes up to a good standard
 - The costs of retrofit and limited government funding
 - The skills and supply chain (material costs and resource availability)
 - The skills, resources and capacity we have in-house, and our market position
 - Restrictions arising from working in conservation areas and with older, often listed, buildings.
- 4.5. We cannot do this on our own we will need to collaborate with residents, supply chain and other housing providers. We will proactively seek out partnerships with other organisations, participate in discussions with policy makers and help create the solutions to overcome these challenges.

Our objectives

4.6. Our objectives for 2022-25 are set out below. How we will deliver against them and the step changes required to achieve them are set out in an action plan at the end of this document at Appendix One.

We will improve the energy efficiency of our existing homes

- 4.7. We will do this by:
 - i. undertaking PAS 2035 assessments on all poorly performing homes by September 2022
 - ii. developing an affordable and replicable retrofit model for Barnsbury Street that significantly improves energy performance, and use this to shape a funding bid, by September 2022
 - iii. assemble a bid to BEIS in October 2022 for Wave 2 SHDF funding, using this to bring all <EPC stock up to >C, offering to use some as pilots for conservation area work
 - iv. developing costed retrofit action plans for all other properties by March 2024,

aiming to get them 'heat pump ready' by 2035, with targets driven by space heating demands aligned with funding streams

- working in partnership to provide advice, education and support behaviour change to help residents use energy efficiently, supported by a programme of energy advice for all of our residents
- vi. putting in place a low/no-cost quick wins programme across our stock by March 2023, via our Green Lettings Standard and BHA Home Standard
- vii. building long term value and sustainability into our repairs, retrofit and stock investment specifications by summer 2023
- viii. identifying climate-related risks and mitigation measures/costs across BHA's stock by 2025.

In doing so, we hope to make a difference to the lives of our tenants, making their homes more comfortable and liveable, more affordable to heat and having a positive impact on their health and wellbeing.

We also see this as having a positive impact on our business, with better customer satisfaction, more financially resilient tenants and a stronger community.

We will reduce the environmental impact of our operations

4.8. We will do this by:

- ix. reviewing the use of our offices in the context of home working, delivering a 40% reduction in emissions by 2025 (based on our 2019 carbon footprint)
- building sustainability into our procurement, through the use of local SMEs and by increasing the use of sustainable materials, goods and services by 2023
- xi. developing a ESG report to support funding opportunities by June 2022

We will make our estates more sustainable

- 4.9. We will do this by:
 - xii. reviewing and improving waste management facilities to improve recycling and waste reduction across our estates and offices by 2024
 - xiii. exploring opportunities to increase capacity from renewable energy across our estates by March 2024
 - xiv. promoting sustainable transport such as bike storage and EV points on or near our buildings
 - xv. supporting biodiversity and placemaking by developing a plan for every estate or building by March 2024

We will build high-performing new homes

- 4.10. We will do this by:
 - xvi. ensuring any new homes we build meet high standards and need no further investment to meet NZC:
 - xvii. ensuring that the garage redevelopment achieves minimum EPC B (SAP 81)
 - xviii. building any new homes in future in line with the future homes standard or a minimum EPC B (SAP 86), which ever delivers the best results

5. Delivering the strategy

Costs and funding

- 5.1. We do not yet have a fully costed plan to get our homes to NZC. Our initial estimate is that it will be in the region of £7million (less any grant) and we have included this within our Business Plan. The next step is for us to work up a fully timed and costed plan for each home and building over the next 6-9 months, and integrate this into our 30-year stock investment plan. Our pilot project at Barnsbury Street will give us a clearer idea of costs and deliverability on our harder-to-treat homes.
- 5.2. Looking at how we will pay for this, the long-term funding picture is still emerging. The main funding pot is the SHDF, Wave 2 of which is being released in Summer 2022. This will have restrictions around the maximum grant, minimum bid size and output requirements. We will use the information we have to build a bid, working in partnership with other organisations on submission and delivery. We will also explore other funding options though these look limited at the moment.
- 5.3. However, it is likely that we will have to bear much of the cost ourselves. We will therefore need to explore ways to pay for this including active asset management. The growth of ESG requirements for future funding and our ability to access lower costs finance helps build the business case for our strategy.

Partnerships

5.4. We will not be able to deliver this strategy alone. We do not have the capacity, skills or buying power or to do so. This means that collaboration is key and we will therefore seek to build the partnerships needed. There may be opportunities to work with other providers as vehicles led by larger HAs emerge and we are actively exploring options. 'There will be opportunities to work with other providers through collaborative initiatives such as CHIC and SEC.

- 5.5. As well as the benefits we can secure through large scale collaboration, learning and through collaborative procurement, we will also work closely with our local market, including L B Islington and other providers. We are already collaborating with them on planning issues and with their asset management teams, sharing knowledge from our complementary pilot projects.
- 5.6. There are also opportunities to work with bodies such as the Woodland Trust, energy advice services

People and culture

- 5.7. We will work with the Residents Panel and more widely to engage residents in a conversation about our work, making sure that what we deliver meets their needs. We will also look for opportunities to find resident champions and to promote any learning from our pilot project. There is a view that real improvements can be made by simply changing behaviours plus some quick wins, and we will explore this.
- 5.8. Our staff and wider contractor team are also integral to our success and we will have opportunities to identify and implement quick wins with our existing team, for example switching to energy efficient light fittings, fitting smart meters and draughtproofing. We know that many of our team are interested in this area and will bring them into the process. We will also upskill our team through carbon literacy training, making use of new platforms such as Unlock Net Zero and The Retrofit Accelerator.
- 5.9. Given that the Board's strategic role is agreeing our approach and investment, we will ensure that the Board has the appropriate skills, training and advice to make the best decisions at the right time.

Data

- 5.10. While we have made a good start on establishing our baseline data, there are challenges around how we hold and manage data and ensuring we are using the appropriate tools for measurement. Our work is likely to involve intermittent incremental improvements to homes and we do not yet have a solution for capturing these – and their impact on SAP ratings. We will need to put the processes and tools in place.
- 5.11. The other key aspect is monitoring the effectiveness of interventions to establish impact (on bills, comfort and liveability) and value for money and we will address this in scheme design and delivery.

Procurement

- 5.12. We will need to build sustainability into our procurement, whether it is day-to-day office procurement or major works.
- 5.13. Our current supply chain longestablished relationships and via SMEs - may be a limiting factor but we will work with them on to understand how they can use sustainable materials and operate more effective waste management. For larger contracts, we will include more ambitious targets into procurement.
- 5.14. In the longer term, we will need to develop new relationships with specialist contractors as the supply chain develops.

Challenges, risks and constraints

This area is fraught with challenges and risks, particularly in these early stages. The key risks at this point are:

- Over-reaching ourselves and our capacity (financial and people)
- Over-dependence on one person to lead this agenda
- Lack of clear guidance and practice on the best technical solutions, and the ease of making mistakes that have to be undone
- Current planning and conservation guidelines around retrofit
- Costs and funding
- The technical challenges, particularly of working with residents in their homes
- Skills, resources and expertise in-house
- Decisions about how we prioritise spend
- Changing government targets and priorities

6. Monitoring and Evaluating progress

- 6.1. We have a well-established Asset Management Task team who have taken a lead on this area and who will continue to oversee the implementation of this strategy.
- 6.2. We will develop a suite of key performance indicators to monitor progress against the strategy by 2023 and report on the headline KPIs as part of our performance dashboard. We will also report internally and externally each year on the progress of delivering the overall strategy.

Appendix One: BHA Sustainability Action Plan 2022-2025

	What have we already done	Within six months we will:	Within 18 months we will:	Within three years we will:			
Objective I:	Objective I: We will improve the energy efficiency of our existing homes						
Improve the energy performance of existing homes	 Worked with Green Doctors to carry out a pilot of visits of c15 tenants Linked tenants to LBI energy advice services Introduced a new BHA Home standard, setting out energy efficiency standards Introduced Green Lettings standard Reviewed boiler specification to A+ Commissioned a review and EPCs of existing stock Carried out an assessment of financial capacity in our Business Plan 	 Commission a PAS2035 assessment on <epc c="" design="" homes="" solutions="" to<br="" with="">achieve EPC C +</epc> Pilot at 32d Barnsbury Street underway Develop costed retrofit action plans for all properties Agree priorities Identify partner consultant to develop archetypes for our stock Lobby LBI and BEIS on conservation vs sustainability issue Find delivery partner for SHDF bid Assemble a bid to BEIS in October for the Wave 2 SHDF funding, using this to aim to bring all <epc stock="" to="" up="">C with Wave 2 funding, possibly offering to use some as pilots for conservation area work</epc> 	 Develop programme to get homes to EPC C + fully integrated into our stock investment plan Bid for SHDF Explore options for deep retrofit and remodel of our most energy inefficient buildings Build in measures to improve energy efficiency of homes above garages into conversion project Quick wins programme in place Green Lettings standard implemented 	 Assess the climate risks facing of our homes 			
Find data solution	 88% of homes have EPCs 	 Explore options for how data will be managed and held 	 Data solution in place to monitor and record upgrade works 				
Attract funding	 Secured Green Homes Grant for 6 homes 	 Agree partnership model for SHDF bid Explore other funding options e.g., GLA funding ESG report complete 	 applied for SHDF grant funding 				
Engage residents	 Carried out initial consultation on Barnsbury Street improvements Partnered with energy advice services for hands-on support 	 Work with Residents Panel to develop engagement plan on green issues Hold 'town hall' meeting on this strategy with tenants to raise awareness Develop our understanding of fuel poverty amongst residents Understand grants and funding available to tenants and maximise take up 	 Energy saving tips for tenants – practical advice 				

Reduce	Calculated our carbon footprint	Adopt a policy of only buying equipment	Reviewed our office/agile working	Implement our
consumption and waste and increase recycling	 Changed our office energy supply to 100% renewable Offered only vegetarian food for office catering Changed suppliers for toilet rolls to ethical/recycled brand Changed milk delivery to glass bottles 	 with the highest energy rating Change all lightbulbs in office and community rooms to energy efficiency LED and install light sensors where possible Review our office use in line with our agile working policy and optimise the use of online meetings Switch to online subscriptions only on renewal 	 strategy Develop a waste management policy Develop a plan for recycling on every estate Maximise recycling within the office Review the specification for kitchen and bathroom replacements to reduce water usage 	recycling improvement plan
Procure products, works and services sustainably	 Used local window contractors for repairs Developed a new Procurement Strategy 	 Find a local supplier for catering and room hire Quick wins on procurement where can get green solution for little or no cost Use of local SMEs Build use of sustainable materials into contracts Procure responsibly sourced paper products, recycled where possible only Engage our supply chain to understand how we can build sustainability into existing contracts and collect data 	 Develop guidelines for staff procuring goods with the aim of reducing use of plastic/packaging Adopt a local procurement strategy including using local SMEs for catering, printing etc wherever possible. Switch to responsibly sourced green cleaning products (for office and estate use) 	
Build our skills		 Improve staff and resident awareness of environmental sustainability issues Appoint Green Champions within team 	 Team completed carbon literacy training Clearer role agreed for handyperson 	
Thought leadership and collaboration	 Set up G320 Sustainability Group Joined NHF Sustainability Strategy Group Appointed Board member with sustainability expertise Lobbied/built relations with LBI/planning 	 ESG Report issued Incorporate sustainability targets into performance dashboard Workshop held with BEIS and LBI on planning issues Speaker at events on NZC 	 Promote learning from Barnsbury St pilot project across the sector 	
Build partnerships	 Partnered with Green Doctors Joined Islington Strategic Energy Partnership (ISEP) Joined London Environmental Group 	 Identify one G15 partner Develop partnership with LBI Asset Team on older homes 		

Objective 3: We will make our estates more sustainable							
Reduce energy use	 Changed our energy suppliers to 100% renewable 	 Replace all communal light bulbs with LED with timers or motion sensors using grant funding 					
Reduce waste and improve recycling	 Installed new recycling facilities on Morland Mews 	 Promote Olio/TGTG/community fridge Establish a 'swop shop/ freecycle' scheme on MM 	 Further improve recycling facilities on Morland Mews Establish a 'library of things' on MM/HV 	 Improve recycling facilities on other blocks 			
Improve green transport options		 Include improved bike storage and EV charging points in garage redevelopment 	 Assess all schemes for improved bike storage 	 Install electric car charging points/car club facility on/near MM as part of garage conversions 			
Improve biodiversity on our estates	Installed bat boxes on Morland Mews	 Build resident interest Meet with gardening contractors and develop a biodiversity plan for each estate Put up bat boxes/bug boxes on all estates 	 Agree a specification for planting native species that encourage wildlife and create wildlife havens Develop community-led landscaping improvements plan for Morland Mews including ideas such as community planting/orchards Community gardening projects 				
Increase use of renewable energy	 Explored installation of PV panels on MM 	 Find partner to work with on renewables to explore options 	 Explore installation of Ground Source Heat Pump under football pitch on MM Explore use of heat networks and solar PVs 				