

*Report Number: SWT 82/22*

# **Somerset West and Taunton Council**

## **Executive – 15 June 2022**

### **Report of the Task and Finish Group on Council Housing Zero Carbon Retrofit**

**This matter is under the responsibility of Executive Councillor for Housing, Cllr Francesca Smith**

**Covering Report Author: Marcus Prouse – Specialist – Governance and Democratic**

#### **1 Executive Summary / Purpose of the Report**

- 1.1 On 3<sup>rd</sup> March 2021 the Scrutiny Committee resolved to establish a cross party Task and Finish Group for Council Housing Zero Carbon Retrofit to investigate this topic in further depth and to report back to the Scrutiny Committee. The Committee also approved Terms of Reference which are attached at Appendix C. The Group and its members have met regularly since that date as detailed in their report (Appendix A).
- 1.2 At the Community Scrutiny Committee meeting on 22<sup>nd</sup> January 2022 the report was considered and the Committee resolved to note the report of the Task and Finish Group on Council Housing Zero Carbon Retrofit. The Committee resolved to submit the entirety of the report of the Task and Finish Group to the Executive and the Leader of Council for review. The Chair of the Task and Finish report agreed support for the report going to the Executive.

#### **2 Recommendations**

- 2.1 The Executive resolve:
- 2.2 To note the report of the Task and Finish Group on Council Housing Zero Carbon Retrofit and thank Councillors on the Group for their efforts.
- 2.3 Request officers to consider the recommendations in the report, in particular, during the forthcoming development of the Low Carbon Retrofit Strategy and Delivery Plan. Officers will also reflect on the report as they prepare a significant Social Housing Decarbonisation Fund Wave 2 bid to be submitted late summer 2022.
- 2.4 Request that this Draft Strategy returns through the Democratic Path (via Community

Scrutiny) by January 2023 for Full Council in March 2023.

### **3 Risk Assessment (if appropriate)**

- 3.1 There are potential risks associated with this issue and these are identified in Appendix B. The 2030 Carbon Neutrality target is identified on the Corporate Risk Register.

### **4 Background and Full details of the Report**

- 4.1 As its title suggests a Task and Finish Group is set up for the specific purpose of undertaking a review and reporting back within a defined timescale.
- 4.2 Now the evidence has been gathered, the Task and Finish group's report had been submitted to the relevant Scrutiny Committee outlining details of the review process, evidence gathered, conclusions and subsequent recommendations. The Scrutiny Committee has considered the report and decided to recommended the report on to the Executive.

### **5 Links to Corporate Strategy**

- 5.1 This topic clearly relates to two of the Strategic Themes 'Our Environment and Economy' and 'Homes and Communities' in the Council's Corporate Strategy 2020-2024 which aim for "a low-carbon, clean, green and prosperous district that attracts high quality employment opportunities and encourages healthy lifestyle." Also, "A district which offers a choice of good quality homes for our residents, whatever their age and income, in communities where support is available for those who need it." The topic and report specifically looks to address the first objective of the Environment and Economy theme to "Work towards making our District carbon neutral by 2030 - deliver projects based on a Carbon Neutrality and Climate Resilience Plan that work toward this goal (for example installing electric vehicle charging points across the District)".

### **6 Finance / Resource Implications**

- 6.1 This report does not directly contain any resource implications and therefore no assessment of costs has been carried out to date.
- 6.2 A full calculation of the costs associated with the proposal would need to be undertaken to allow members to make informed decisions as part of the work on the forthcoming Low Carbon Retrofit Strategy and Delivery Plan.
- 6.3 The Task and Finish Groups Report recommendations have not been calculated and therefore the impact on the HRA Business Plan or SWT is unknown. It should be noted that the HRA Business Plans short term pressures are significant in part reflecting its ambitious programme of compliance, decent homes works, small scale, retrofit projects and a large housing development programme.
- 6.4 The Housing service is preparing a retrofit strategy and delivery plan which aims to achieve zero carbon and any statutory milestones en-route to zero carbon. The Retrofit and Delivery plan is timetabled to complete by March 2023. The Delivery Plan will be aligned to many of the recommendations of the Task and Finish Groups report, be costed, be aligned to the HRA Business plan and presented to Members for approval.

**7 Legal Implications (if any – delete if not applicable)**

7.1 None as a direct result of establishing this Group. The final report and any decision will need to consider the principles of decision-making.

**8 Climate and Sustainability Implications**

8.1 There are clear climate and sustainability implications considered in both the report of the Group and the Officer response (Appendices A and B).

**9 Safeguarding and/or Community Safety Implications (if any – delete if not applicable)**

9.1 None as a direct result of this report at this stage.

**10 Equality and Diversity Implications (if any – delete if not applicable)**

10.1 None as a direct result of establishing this Group. Members of the Group are responsible for making the recommendations in the final report (Officers are not part of the decision-making process) and in so doing must observe the equality and diversity policies of the Council.

**11 Social Value Implications (if any – delete if not applicable)**

11.1 None as a direct result of this report at this stage.

**12 Partnership Implications (if any – delete if not applicable)**

12.1 None as a direct result of this report at this stage.

**13 Health and Wellbeing Implications (if any – delete if not applicable)**

13.1 None as a direct result of this report at this stage.

**14 Asset Management Implications (if any – delete if not applicable)**

14.1 None as a direct result of this report at this stage.

**15 Data Protection Implications (if any – delete if not applicable)**

15.1 None as a direct result of this report at this stage.

**16 Consultation Implications (if any – delete if not applicable)**

16.1 None as a direct result of this report at this stage.

**17 Community Scrutiny Comments / Recommendation(s)**

17.1 During the debate at the Community Scrutiny Committee on 27<sup>th</sup> January 2022 the following points were raised:

17.2 It was asked about fuel poverty and whether any work had been done elsewhere in the country to identify the fuel poverty tipping point. Officers responded that fuel poverty had been an issue in social housing for a long time. Officers would look to measure the

impact of retrofit in terms of fuel poverty as part of the assessment of various options.

- 17.3 It was asked what impact Unitary would have upon any decisions the Council may make in relation to this subject. Officers responded that the HRA would still face the same issues when the new authority was formed. The money in the HRA was ringfenced, there was a 30-year business plan and business would have to continue. The HRA would combine with Sedgemoor's when the new authority formed and partnership working with Sedgemoor had already begun. Financial decisions which bound the new authority would have to be made in accordance with the legislation. However, the ringfencing of the HRA funds and the 30-year business plan would enable some work to continue.
- 17.4 It was asked about the kilo watt hours per year per square meter measurement and whether this was based floor area or footprint of the area. Officers responded that the measurements tended to be based on square meterage. The calculation has since been clarified The square meterage includes which includes any external facing walls, roofs and floor, so this provides a power consumption measure recognising the dwellings exposure and how hard the heating system needs to work. There would be a need to understand the energy usage for different archetypes and forms, for example a traditionally built bungalows, flats and houses or different non-traditional construction types by bungalows, flats and houses. This work is underway.
- 17.5 It was raised that the cost of a fuel did not relate to the amount of energy in it. Even with gas prices rising, electricity was still around three times more expensive.
- 17.6 It was asked if funds could be borrowed from the Public Works Loans Board for investment in retrofit. It was responded by officers that money could be borrowed but generally in the business plan the revenue set aside against depreciation of the housing stock was generally what funded the capital replacement programme. Ultimately action would be determined by affordability and what could be achieved alongside all the other costs the HRA faced. A range of treasury options for funding any work was always considered. Support was expressed for insulating homes.
- 17.7 It was raised that properties in higher exposure zones, namely zones 4 and 3, were not best suited to have things such as cavity wall insulation or ground source heat pumps. Instead, retrofit solutions in these zones would be more expensive. It was asked if this had been considered. Officers responded that the comments were noted and when a strategy was brought forward these aspects would be considered. Officers have since clarified that all retrofit work funded by government grants are required to follow the PAS 2035 process. The PAS process is set up to ensure a 'no regrets' approach to investment. SWT has engaged PAS 2035 co-ordinators to support its strategic thinking and consider its investment through Social Housing Decarbonisation Fund (SHDF) waves 1 and 2 and LADS 2.
- 17.8 It was raised that there were government grants available for insulation being fitted in homes. Officers responded that there were a range of government grants available, some of which were open to the Council as a Landlord, such as the SHDF, warmer homes, LADS 1 & 2.
- 17.9 It was suggested that it would be worthwhile making a commitment to when properties should be insulated by in addition to when gas boilers should cease to be installed. The Chair of the Task and Finish Group agreed that deadlines for installing insulation as well

as deadlines for gas boilers ceasing to be installed would be important.

- 17.10 It was asked if any research had been done into tenants' reception to improvement works for the purpose of achieving net zero. A representative of the Task and Finish Group suggested it would be best to work with tenants who were supportive first and then expand from there. There would be disruption during installation but there would be benefits in terms of reductions to energy bills.
- 17.11 It was asked how practical converting the Council's housing stock would be, for example in relation to radiators. It was suggested that looking into central heating systems for groups of houses may be worthwhile as these could use existing radiators. The Chair of the Task and Finish Group responded that each property would have to be looked at individually for what the best solution was. Central Heating Systems and Heat Networks had been looked at by the group. They could be beneficial but could also be expensive although there was some government support.
- 17.12 The Chair of the Task and Finish Group noted that gas in gas boilers and electricity in heat pumps had been compared by the group. At the current time electricity and gas were quite close to each other in terms of how clean they were as an energy source, but electricity would continue to become cleaner. A heat pump halved the carbon used compared to gas. Heat pumps were more expensive to buy and install currently but there were government grants and costs should decrease over time.
- 17.13 It was raised that plans and information on retrofit should be publicised to the public and it was suggested it would be beneficial to look beyond the Council's own housing stock as the Council's own housing stock was only a small percentage of the homes in the district. Concerns were raised about fuel poverty.
- 17.14 It was asked how much had already been done to retrofit the Council's housing stock and what was left to be done and what the costings for retrofit would be. The Chair of the Task and Finish Group responded that the group had looked at the costs of retrofit and included some examples but that no precise costings had been done. It would however be a sizeable sum to undertake a complete retrofit of the Council's housing stock.
- 17.15 The Chair of the Working Group expressed that they hoped their work had helped to inform what the Housing Directorate would bring forward in their strategy. The group intended the recommendations to act as a steer for officers.
- 17.16 The Committee resolved to approve recommendation 2.2 of the report: To note the report of the Task and Finish Group on Council Housing Zero Carbon Retrofit.
- 17.17 The Chair suggested that the Committee pass the report in its entirety to the Executive and the Leader. This would exclude the committee recommending the report to Full Council, with this decision left to the Executive.
- 17.18 Officers responded that ahead of the report going to the Executive they would add further officer commentary and detail and that they would look at the wording of the recommendations to ensure it would not bind the Council to anything which would not be achievable financially. The Chair of the Task and Finish report agreed support for the report going to the Executive.

17.19 The Committee resolved to submit the entirety of the report of the Task and Finish Group to the Executive and the Leader of Council for review.

**Democratic Path:**

- **Scrutiny – Yes – 27/01/21**

**Reporting Frequency: Once only**

**List of Appendices (background papers to the report) (delete if not applicable)**

Appendix A	Report of the Task and Finish Group
Appendix B	Officer Response document
Appendix C	Terms of Reference

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