



Homes &
Communities
Agency

homesandcommunities.co.uk



Homes &
Communities
Agency

Social Housing Stock Condition: Policy into Practice

Michael Clegg
Head of Existing Stock

25 January 2012

Thriving communities, affordable homes

HCA Update



- ◆ Land and property expertise - track record of delivering affordable homes - expertise to create and renew high quality places.
- ◆ Structure - reflects local focus on delivery – 6 Area Teams
- ◆ Supported by national programme management



Thriving communities, affordable homes

HCA Investment



- ◆ Focus on 4 key areas:
 - Affordable housing
 - Renewal of existing social housing stock
 - Land and regeneration
 - Economic Assets Programme
- Enabling role



Thriving communities, affordable homes

Policy Drivers



- ◆ **The Old Ways: Development vs Maintenance**

- ◆ **The New World:**
 - **Affordable Housing Programme** and creative use of Housing Association assets
 - **Self-Financing** Business and Asset Management Plans for Local Authorities
 - Creativity in delivering the **energy efficiency agenda**
 - Zero Carbon definition: Allowable Solutions
 - The Green Deal and ECO

Thriving communities, affordable homes

Affordable Homes Programme (AHP) 2011-15



- ◆ **AHP:**
 - £4.5bn (£2.3bn existing commitments)
 - FirstBuy support for c.10,000 FTBs access affordable home ownership
 - 102 contracts signed

- ◆ **Existing stock conversion: issues**
 - Standards
 - Demand
 - Turnover
 - Voids performance



Thriving communities, affordable homes

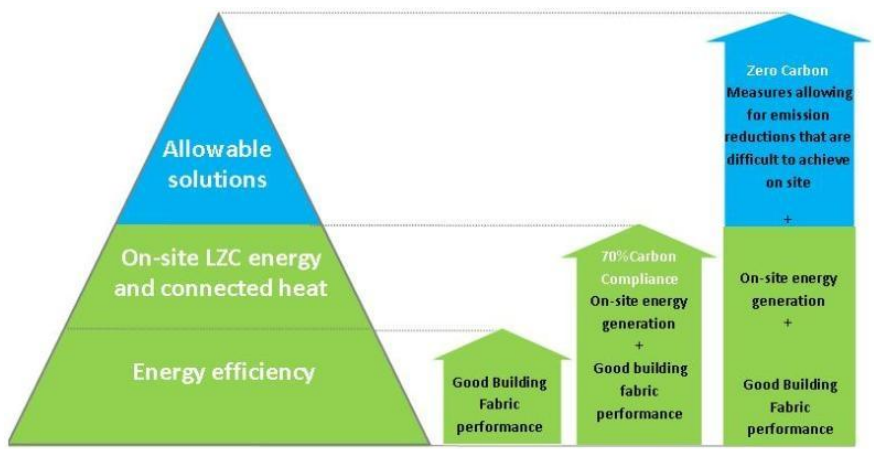
Zero Carbon Allowable Solutions



- ◆ **New Build Standards: Definition of Zero Carbon**
 - Government policy commitment: 80% reductions by 2050
 - Focus on built environment
- ◆ **Zero Carbon hierarchy:**
 - Building fabric performance
 - On site low and zero carbon energy and connected heat
 - Allowable solutions: off site measures

Thriving communities, affordable homes

The Zero Carbon Hierarchy



The Zero Carbon Hierarchy

Thriving communities, affordable homes

Decent Homes and Existing Stock: HCA investment role



- ◆ HCA managing £2.1bn programme of investment in Decent Homes related investment in 11 - 14
- ◆ HCA managing approval process for PFI projects in procurement (new build, DH and estate regeneration)
- ◆ Supporting our partners deliver savings.



Thriving communities, affordable homes

The Construction Savings Challenge



- ◆ The HCA Procurement Efficiency Initiative: securing the legacy of Social Housing Efficiency Partnership (SHEP) consortia.
- ◆ The Government Construction Strategy: housing's contribution to 20% construction savings ambition.

Thriving communities, affordable homes

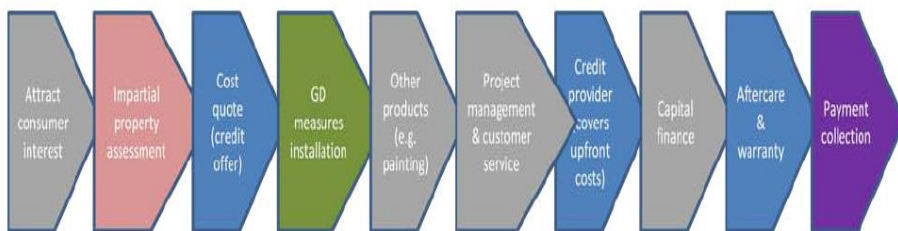
The Green Deal and ECO



- ◆ Energy Act 2011: Green Deal and Energy Company Obligation (ECO)
- ◆ A Pay as You Save mechanism: the cost of installing energy efficiency measures to be financed by a charge on the occupiers electricity bill
- ◆ The Golden Rule: cost will be less than the savings that result from the installed measures
- ◆ Assessment>Installation>Finance


Thriving communities, affordable homes

The Green Deal process



Thriving communities, affordable homes


The Green Deal and ECO



- ◆ ECO replaces the Carbon Emissions Reduction Target (CERT) and the Community Energy Saving Programme (CESP)
- ◆ Also replaces Warm Front: Social Landlords cannot access this (25%) of ECO
- ◆ Consultation issued in November, closes 18 January 2012

Thriving communities, affordable homes

Local Authority Action for Energy Efficiency Report



- ◆ Decent Home Standard Backlog programme £1.6 bn
- ◆ Bid questions included:
 - energy efficiency work undertaken and planned;
 - standards and/or targets;
 - funding secured; feedback on CERT and CESP schemes;
 - intended role in and views on Green Deal.
- ◆ Framework analysis: topics
 - Measures installed; planned programmes; costs and funding sources, scale of interventions proposed, standards and timescales; future work planned, funding sources, challenges, synergies with DHS programmes; Feedback on operation of CERT and CESP; attitudes towards Green Deal

Thriving communities, affordable homes

Strategic factors



- ◆ Funding
- ◆ Stock condition and strategic approach
- ◆ Ease of installation
- ◆ Water efficiency
- ◆ Fuel poverty
- ◆ Tenure
- ◆ Public service incentives:
 - Green Deal
 - Fuel Poverty
 - Local economies
- ◆ Partnership working (11)

Thriving communities, affordable homes

Strategic factors 2



- ◆ Synergy with DHS (19):
 - Efficiency and value for money
 - Reduce disruption
 - Benefit from established supply chains
 - Taking advantage of scaffolding
 - Cross tenure programmes
- ◆ Behaviour
 - Resident information
 - Smart metering
 - Energy Performance Certificates
 - Controls and monitoring
 - Fuel switching

Thriving communities, affordable homes

Green Deal and Eco



Feedback to date:

- ◆ High levels of intended participation
- ◆ Links to Energy / DHS Strategies
- ◆ Drivers – reducing CO2 emissions, improving energy efficiency, and reducing fuel poverty
- ◆ Which sectors is the Green Deal appropriate for?
- ◆ Identified employment benefits
- ◆ Identified behaviour aspects: inc tenant reception and leaseholder issues
- ◆ Identified skills as an issue
- ◆ Landlords considering roles in the Green Deal – as Advisor / Provider / Installer / via DLO

Thriving communities, affordable homes

Local Authorities say -



- ◆ Yes we are currently piloting a Warmzone scheme in two of our wards on a street by street basis, targeting those most in need with energy advice and measures to cut fuel bills and make the home more efficient. This scheme is cross tenure and will roll out across the Borough. It is in partnership with the Council's Private Sector Housing Service, an Energy Company and the North Derbyshire Home Improvement Agency
- ◆ Implementation of a green deal programme could be explored for leaseholders affected by works to blocks under the decent homes programme

Thriving communities, affordable homes

Local Authorities say -



- ◆ This will help to create green jobs that employ local people and boost our local economy. We will also aim to promote a favourable environment for 'green' businesses – those that develop low carbon technology & SMEs that take up the Green Deal. This is a proposed method to make the Green Deal work as part of the sustainable future of the borough and wider community.
- ◆ We plan to take advantage of Green Deal opportunities as they develop, and build them into the programme of Decent Homes works.

Thriving communities, affordable homes

In conclusion



- ◆ Opportunistic, qualitative survey of Local Authority and ALMO action to improve energy efficiency of managed housing stock
- ◆ High level of response
- ◆ Indicates awareness of measures; commitment; pragmatic approach; willingness to pilot
- ◆ Focus includes
 - Residents experiences
 - Cross tenure needs
 - Strategic and efficiency issues
 - Local economies
 - Breadth of understanding and good practice

Thriving communities, affordable homes

Summary



- ◆ Existing stock has a higher profile
- ◆ There's a lot to do!
- ◆ A strategic approach is essential



- **Over to you ...**

Thriving communities, affordable homes



Homes &
Communities
Agency

homesandcommunities.co.uk