

Report to the Cabinet

Report reference: C-00?-2024/25

Date of meeting:



**Epping Forest
District Council**

Portfolio: Housing and HGGT (Cllr Nigel Bedford)

Subject: Approach to the Energy Efficiency Retrofit of EFDC's Housing Properties

Responsible Officer: Surjit Balu, Interim Director for Housing
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Democratic Services Officer: V Messenger (democraticservices@eppingforestdc.gov.uk)

Recommendations/Decisions Required:

To approve the proposed approach to the programme for improving the energy efficiency of EFDC's housing properties.

Executive Summary:

The UK is legally required to achieve net zero carbon emissions by 2050. As part of that journey, the government has set a target for all social housing to meet an energy efficiency standard of SAP band C by 2030.

EFDC currently have a retrofit project on site improving 132 homes. This is due to complete by March 2025. The total cost of this project, including fees, is forecast at £4.2m. This is supported by grant funding of £1.7m.

The attached report sets out the proposed approach for delivering the remainder of the energy efficiency retrofit programme.

Report:

The attached report proposes two phases:

Phase 1 – All homes to achieve SAP band C by 2030

There are approximately 2,300 homes that currently fall below SAP band C. This phase will comprise two workstreams

- Workstream A – 'Easy Wins' – Comprises approximately 1,000 homes that require less than £2,000 investment to reach SAP band C. These works will be relatively straightforward (e.g. loft insulation top ups and low energy lights) and could be carried out by competent (but not necessarily fully accredited) local contractors. Qualis may be able to deliver most or all these improvements. The cost of this workstream is estimated at £2.0m.
- Workstream B – The remaining 1,300 homes will require more significant work. These, more complex, works will need to be carried out by accredited contractors. Accreditation will be a requirement of grant funders. The cost of this workstream is estimated at £14.5m. Based on the rate of grant contribution of our current retrofit project, the expected net cost to EFDC will be £8.0m.

The total net cost of Phase 1 is estimated at £10.0m. This can be supported by the HRA business plan.

Phase 2 – All homes to be affordable to heat using decarbonised energy by 2050

The exact format of Phase 2 will be dependent on budget availability. The goal will be to achieve the highest level of minimum energy efficiency for the amount EFDC can allocate within the constraints of a sustainable business plan. EFDC's approach to Phase 2 will need to be confirmed prior to 2030.

General Principles

The report proposes principles to follow in the delivery of Phase 1 of this programme. The principle to bring to Cabinet's particular attention is "our priority is to minimise the fuel bills for our customers".

Most energy efficiency measures will reduce bills and reduce carbon emissions. However, certain measures, notably replacing a gas boiler with a heat pump, will reduce carbon emissions but is unlikely to reduce fuel bills. The effect of this principle is that, where a home has gas heating, we will replace it with efficient gas heating when the current boiler reaches the end of its serviceable life. The government have indicated that gas boilers will cease to be available to purchase in 2035. We expect heat pump technology to have improved by then, and that the costs will reduce. Phase 2 will include replacement of gas with low carbon heating such as heat pumps.

Scrutiny Comments:

Add following comments from Scrutiny Committee

Resource Implications:

The total cost of Phase 1 is estimated at £16.5m. Based on the grant contribution for our current retrofit project, we expect the net cost to EFDC to be approximately £10.0m including professional and other fees. This cost can be accommodated within the HRA business plan.

We will require a client project manager for the energy efficiency retrofit programme. The gross salary cost would be approximately £60,000. Part of this cost may be grant funded.

Legal and Governance Implications:

The government target is for all social housing to achieve SAP band C by 2030. Phase 1 will deliver this target for EFDC.

The government has legislated that the UK is to reach net zero carbon emissions by 2050. Phase 2 will make EFDC homes affordable to heat using decarbonised energy.

Safer, Cleaner and Greener Implications:

During Phase 1, we expect to reduce the CO₂ emissions of our homes by approximately 1,300 tonnes/year.

By the end of Phase 2, we expect all the homes we provide to be heated with decarbonised energy so the emissions will be zero.

We will check and improve where necessary the ventilation of all the homes included in the retrofit programme to ensure the best possible indoor air quality. This will alleviate the consequences of allergens and mould that result from poor indoor air quality.

Consultation / Scrutiny Undertaken:

The have been involved in the development of EFDC's approach to energy efficiency retrofit:

- Tenants' and Leaseholders' Panel
- Leadership team
- Housing Management team
- Communities Scrutiny Committee

The final draft of the housing asset management strategy will be reviewed by the Portfolio Holder for Housing and HGGT prior to its presentation to Cabinet for approval.

Background Papers:

Proposed Approach to EFDC's Energy Efficiency Retrofit Programme

Risk Management:

The key risks to the energy efficiency retrofit programme include:

Risk	Action to Mitigate
Actual costs exceed estimates	Receive regular updates from Parity Projects' cost schedule and re-run scenarios with revised costs. Select cost effective retrofit measures. Contract structure and work programming to maximise cost effectiveness. Competitive tendering of contracts.
Grant funding not at assumed rate	Recruit project manager with a track record of grant bidding and working effectively with funders.
Delays due to procurement	Start procurement process as soon as possible after approach agreed. Generate interest in the programme to attract suitable Installers to bid.
Refusals from tenants resulting in non-completion of the programme	Select Installers with a track record of effective resident liaison. Work closely with tenants and develop work plans that account for individual needs and concerns.

Equality:

The Equality Impact Assessment is attached. There are no medium or high adverse impacts on any equality group.