



## **Sustainability Strategy**

**2021 – 2026**

**27 May 2021**

# First Choice Homes, Oldham 2021 – 2026

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## Executive Summary

Our planet is warming and has warmed by 0.7°C since 1980 and 1°C since pre-industrial levels. This has led many local authorities, including Oldham MBC and the Greater Manchester Combined Authority (GMCA), to declare a climate emergency and set targets to achieve net zero emissions. Oldham MBC has a target for the Borough to achieve net zero by 2030, GMCA has set a target of 2038 and the UK Government 2050. As a company we are responsible for around 45,000 tonnes of greenhouse gas emissions a year. Two thirds of our carbon footprint is from the energy used by our customers in our homes.

We are also facing an extinction crisis with 1 million animal and plant species at risk of extinction. Habitat loss is a major factor, with major losses of forests, wetlands and wildflower meadows. First Choice Homes Oldham is a major landowner, managing 650,000 square metres of green spaces. In addition to this, our 4,500 gardens will cover a large area and have the potential to increase biodiversity.

Consumption of natural resources has increased by 15% since 1980, which means we are consuming the resources of 3 planets. We are responsible for producing over one thousand tonnes of waste per year. We also build around 240 new homes per year, which contributes nearly one third of our carbon footprint.

In the current Business Plan there is a dedicated budget of c£4.9m over the next 5 years, and a total budget of circa £24.6m over 30 years for Sustainability which can be seen in Appendix B. This is in addition to a 'Future Major Works' budget, within the current Business Plan. This will support delivery of this strategy, will be reviewed annually and supplemented with grant funding wherever possible.

We have identified six key strategic objectives:

- Support customers to move out of fuel poverty
- Increase the energy efficiency of our homes
- Build good quality, energy efficient and low carbon homes
- Aim to achieve net zero carbon emissions
- Improve the biodiversity of our green spaces
- Reduce the amount of waste we produce and increase how much we recycle

In order to achieve these strategic objectives, we will identify key stakeholders and partners to help us. We will also set up a Sustainability Working Group which will manage and monitor delivery of the strategy. We will deliver the Action Plan and KPIs that have been set to meet the above strategic objectives.

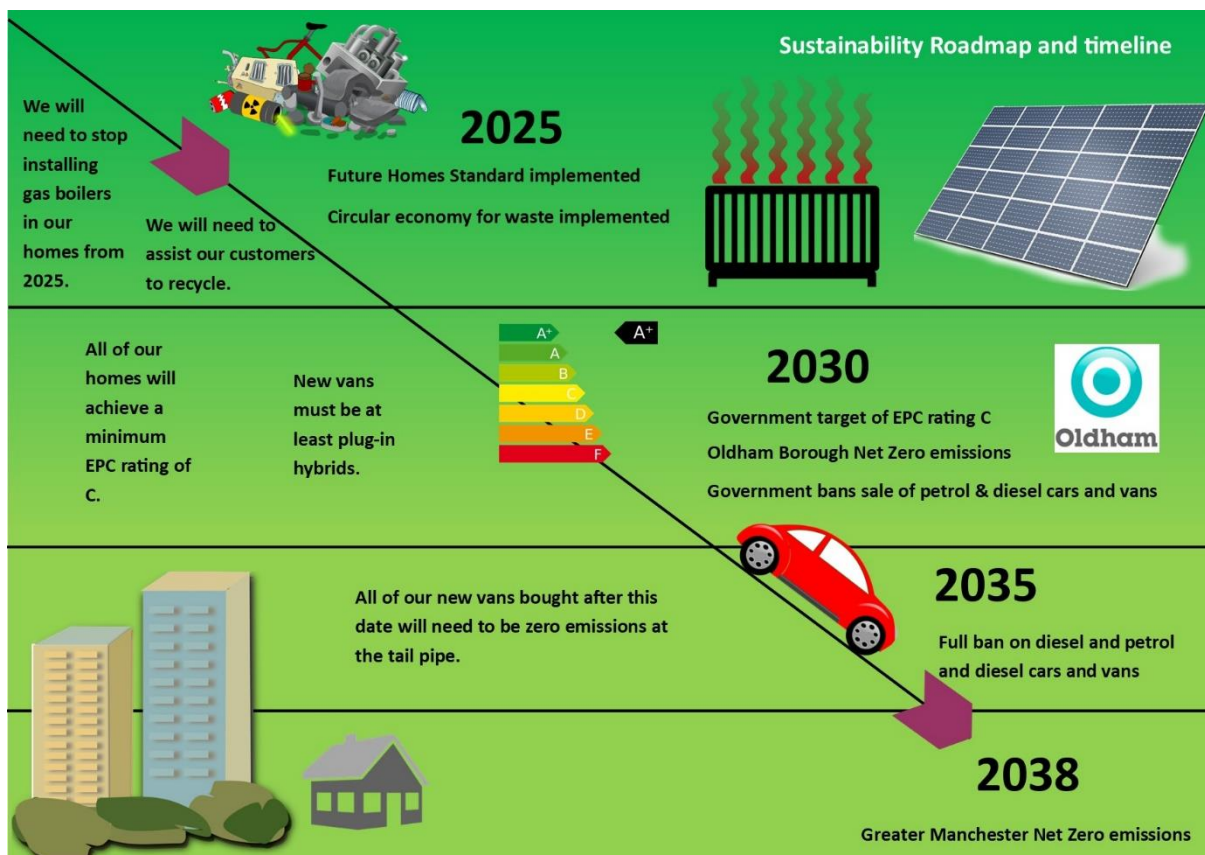
There will be a significant cost to meet our objectives and it will be necessary for us to work in partnership with a range of stakeholders including the Government, GMCA and Oldham MBC.

There are a number of key actions that will assist us to meet our strategic objectives, which are as follows:

- Access Green Homes Grant funding to make energy efficiency improvements to homes identified as at risk of fuel poverty
- Purchase modelling software to help us budget large scale energy efficiency improvements to our homes
- Join the Big Clean Switch to allow customers to switch to a renewable energy tariff

- Review and update our new homes specification to include energy efficiency measures where feasible
- Review and update our new homes specification to include biodiversity improvements
- Install energy efficiency measures into our buildings
- Develop proposals to make biodiversity improvements to our green spaces
- Improve our waste and recycling information

To try and control some of the environmental impacts we face, there are a number of UK and local targets that we will have to meet over the coming years. These are detailed below:



## Strategic Objectives

### Social Housing White Paper

The Social Housing White Paper includes overarching themes to ensure that residents in social housing are safe, are listened to, live in good quality homes and have access to redress when things go wrong.

The paper sets out a charter for social housing residents and also outlines plans for new regulation, a strengthened Housing Ombudsman to speed up complaints and a set of tenant satisfaction measures that social landlords will have to report against.

Through the development and delivery of this Strategy and Action Plan, we will capture many of the commitments contained within the charter. We will capture the aspirations of our customers, whilst providing safe, secure, efficient and decent homes.

### FCHO Key Values

The Vision for FCHO and our Sustainability Strategy is to *'Improve Lives in Oldham'*. In delivering our Sustainability Strategy we will work to our key Values:



## Introduction

### A global perspective

Life on our planet has never been more at risk. The need to act to preserve a decent standard of living for future generations is now. The challenge we face is to provide both economic growth and the benefits that brings, and the need to reduce our use of natural resources, and the creation of emissions that cause climate change.

We are currently in an extinction crisis, with approximately 1 million plants and animals species threatened with extinction. The current rate of extinction is higher than at any other time in the last 10 million years. It is being affected by multiple factors, including:

- Climate change caused by a 1°C temperature rise over pre-industrial levels
- Global material consumption per capita increasing by 15% since 1980
- Food crop production has increased by 300% since 1970
- A ten times increase in plastic pollution since 1980.

Our consumption of materials is causing us to use the resources of three planets, rather than one. This is in part down to the rapid rise in population, with an increase from 3.7 billion people in 1970, to nearly 7 billion in 2021. This has led to the clearance of forests, with a 45% increase in raw timber production since 1970.

The urban population has more than doubled in size since 1992, which has further increased our demand upon shrinking natural habitats. For example, more than 85% of wetland environments have been lost since 1700. A big factor in the loss of habitat is down to the increasing use of land for food production, which now stands at more than 33% of the earths land surface.

All of these factors contribute to and in some cases are affected by climate change. Since 1980, global temperatures have increase by an average of 0.7°C and with these temperature rises there been subsequent sea level rises of 21 centimetres since 1900, and an increase in extreme weather around the world.

All of these impacts on our world will affect people in low income communities first and ultimately hardest. Our poorest communities will be affected by:

- Not being able to afford to move away from extreme weather events
- Unable to retrofit homes to cope with increasing extremes in weather
- Rising food prices as food production shrinks due to global warming
- Not having access to good quality green spaces
- Being unable to afford to heat their homes, or make them energy efficient.

Many of the above issues will be experienced in our communities in Oldham if we don't take action.

### A local perspective

Oldham is a former industrial town with a population expected to be 241,000 by 2022. 34.2% of the population is in the 25-44 age range, which is above the national average. It is also above the national average for single person households, with 17.9%, versus 15.5% nationally.

In the indices of deprivation report for 2019, half of Oldham's wards are in the 20% most deprived in England. Fuel poverty in the town stands at 13%, which means some 12,000 homes struggle to pay their energy bills.

In 2018 Oldham Council conducted a Be Green Survey and received 455 responses from across the town. There were a number of key findings, including:

- 52% of respondents thought that Oldham is a green place to live
- Development and planning, litter and fly tipping were given as the main reasons why Oldham is not green
- 94% considered themselves to be environmentally conscious
- 98% felt that individuals have a responsibility to look after the environment
- Respondents in Saddleworth West and Lees were most likely to take actions to promote the wellbeing of wildlife. Respondents in Coldhurst were least likely to take actions
- 81% had not considered changing energy suppliers to a green alternative
- Respondents in Coldhurst showed least awareness of food waste

Oldham Council has declared a climate change emergency and has set an ambitious target to achieve net zero carbon emissions for the Borough by 2030. This is ahead of the UK and Greater Manchester targets of 2050 and 2038 respectively. Oldham Council have developed a New Green Deal Strategy, running from 2020-25. We will work with Oldham Council to develop a delivery framework and investigate how this aligns with GMCA's framework for zero carbon by 2038.

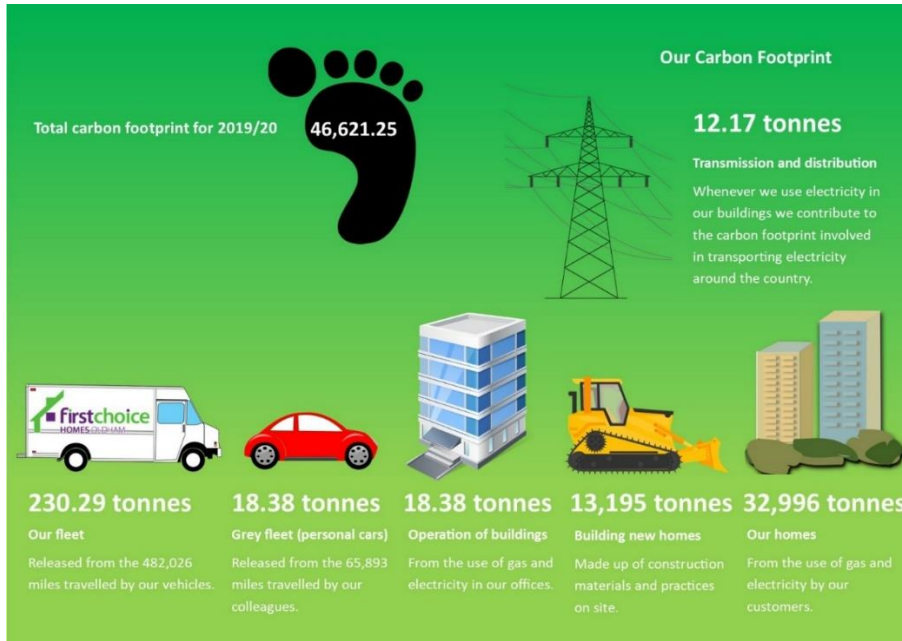
Due to the relatively high deprivation levels in Oldham, many residents will be at risk from the worst effects of environmental damage, caused by global warming, resource over consumption and loss of green spaces.

### **A First Choice Homes perspective**

We are the largest single social housing provider in Oldham with approximately 11,341 homes and nearly 24,000 customers with 4,205 of our customers claiming universal credit. 47% of our homes are made up of single occupancy, with single mature people our biggest group of customers.

As a large business in Oldham, we have a significant impact on the environment. We have a number of buildings that we own and manage, with 3 operational hubs and a dozen community centres. We also have a number of boiler houses and a district heating scheme in St Mary's ward. We have c. 380 employees and around 90 vans, along with a grey fleet of around 50 cars. In total we drove 547,919 miles in delivering services in 2019, which is the equivalent of driving 22 times around the world. All of this contributes to our carbon footprint, which is detailed below:





Our impact on resources includes a significant energy bill for our buildings, excluding boiler houses. Our use of resources can be highlighted by the use of paper at First Place, with around 1.2 million sheets of paper used per annum.

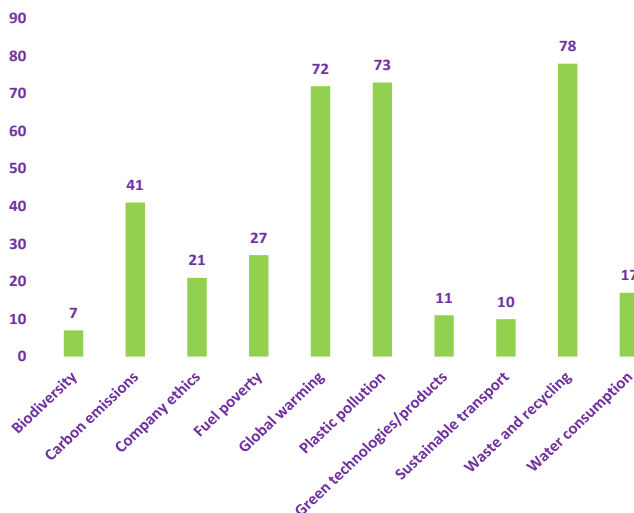
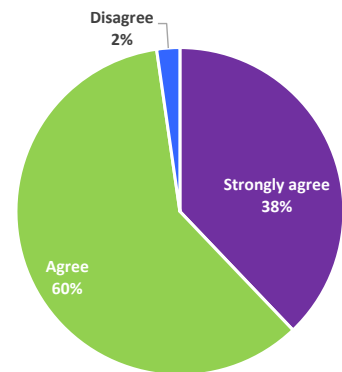
We also produce around 1,000 tonnes of waste per year from our various operations. At present we are not able to determine how much of this is actually recycled.

We also have an impact on biodiversity, as we own 650,000 square metres of public green spaces in Oldham. We also have a large number of private gardens that our customers maintain.

### The Colleague Perspective

The Strategy is a company-wide approach and requires commitment from all parts of the business and all our colleagues. A colleague survey has been undertaken. This is what they told us:

98% of respondents told us that sustainability is important to them. A further 82% would be willing to take part in sustainability initiatives.



The most important sustainability issues identified by respondents were waste and recycling, plastic pollution and global warming.

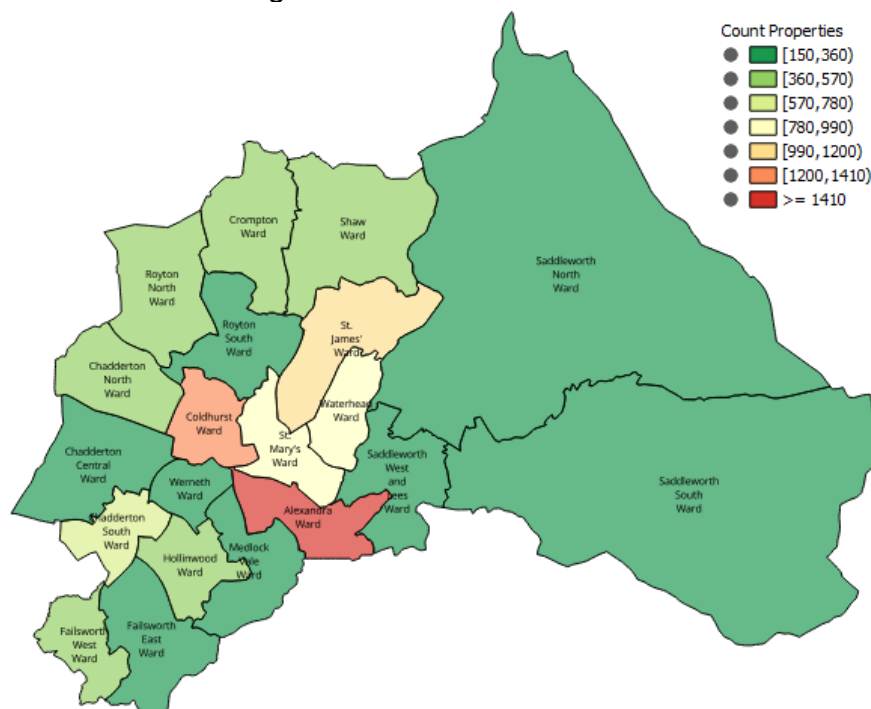
## 1. Understanding Our Homes and Assets

As at March 2021, First Choice Homes owns and manages 11,341 homes and 570 leaseholders. The 11,341 comprises of a range of property types as summarised below:

Property Type	Number of Bedrooms							Total
	Bedsit	1	2	3	4	5	6	
Bungalow	22	352	65					439
Flat	41	3,171	1,617	137				4,966
House		3	2,394	2,981	158	9	5	5,550
Maisonette			347	39				386
<b>Grand Total</b>	<b>63</b>	<b>3,526</b>	<b>4,423</b>	<b>3,157</b>	<b>158</b>	<b>9</b>	<b>5</b>	<b>11,341</b>

Table 1: Stock breakdown (excl. leaseholders)

The map below highlights the locality of our homes by ward. The highest concentrations being in the Alexandra and Coldhurst wards.



Map 1: Locality of stock by Ward

### System Built Properties

System built construction is classified as non-standard construction that does not conform to the standard definition. Standard houses have brick or stone walls with a roof made of slate or tile. A non-standard construction includes steel framed, timber framed, precast reinforced concrete and cast in-situ concrete construction and are often referred to as non-traditional type construction.

Nearly all non-standard homes in the UK were built to meet a specific need – typically rapid construction and high volumes of cheap housing. In most cases, they were only ever intended for short-term occupancy (c20 years).

FCHO own and manage 1,551 residential properties classed as non-traditional build homes – Chart 1 below, shows a breakdown of the non-traditional construction types:

Property Type	Qty
House / Bungalow	857
Flat / Maisonette	694
<b>Grand Total</b>	<b>1,551</b>

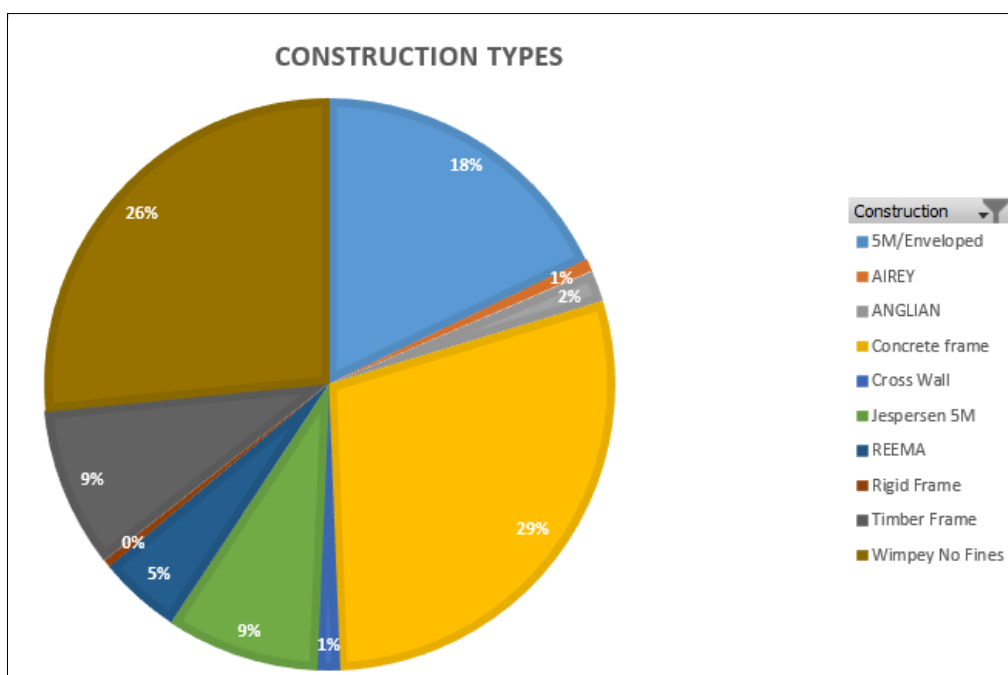


Chart 1 – Non-Trad construction types

### Concrete Construction

Initial investigations highlight that 1,100 homes are of Concrete (incl. pre-cast), Reema and Wimpey No Fines construction (typically concrete panel or column /construction) with the highest proportion within the Hathershaw and Bardsley Neighbourhood.

### Condition of Non-Traditional Construction Housing

In general, most non-traditional housing systems have performed well structurally however, concrete system built houses can suffer from either carbonisation or the presence of chlorides in the concrete resulting in the corrosion of steel reinforcement and subsequent cracking and spalling of the concrete particularly around window and door openings.

As part of the phased approach of stock condition surveys all non-traditional construction housing will be reviewed which will provide information on the internal and external condition of the homes including the structural elements.

Following the results of the surveys, we will then be able to assess the financial performance of the properties by carrying out an appraisal via the asset performance evaluation model. We will also analyse the energy and carbon performance of the homes. This will provide options for how we may manage the properties in the short, medium and long term.

### **Condition and First Choice Homes Standard**

Following a recent stock condition (Sept 2020) covering 27% of our homes based on a stratified sample, the condition of our homes is generally good. Investment has been carried out over the last 5 to 10 years, and repeat replacements based on the lifecycle, would start to see investment in years 11 to 15 and years 26 to 30.

As at 31 March 2020, 99.34% of the stock met the Decent Homes Standard. A window and door replacement programme is underway which includes the 81 properties that were 'non decent' as part of the 2020/21 Investment Programme.

We will continue to invest in our properties, to ensure that homes are maintained to decent standards. However, we recognise that the Decent Homes Standard provides a low baseline and does not take into account wider aspects that will support tenancy and neighbourhood sustainability.

We will work with the Investment and Development Committee, the Board and our customers to establish what our ambition looks like and work towards a Decent Homes plus standard (incorporating Decent Homes 2 when it is launched), building on the wider aspirations of our customer base, resulting in a new 'FCHO Standard' that will be aligned with the Development strategy.

The FCHO standard will consider energy and carbon efficiencies, reducing fuel bills for customers and environmental improvements encouraging greater biodiversity within our neighbourhoods.

### **Making Efficiencies**

Making efficiencies is not just about reducing our environmental impact, it also makes good business sense by making savings through cost avoidance.

We aim to reduce the environmental footprint of our operations, improve our environmental impact, reduce running costs and enhance overall operational performance.

Target key performance indicators will be developed to monitor and drive progress. Areas that will be assessed include:

- Waste and water management
- Energy and carbon efficiency
- Transport (operational)
- Fabric of buildings
- Environmental improvement
- Training for colleagues

## Energy Performance

An Energy Performance Certificate (EPC) is required whenever a property is built, sold or rented. The EPC contains information about a property's energy use and typical energy costs and recommendations as to how to reduce energy use and save money.

An EPC gives a property an energy efficiency rating from A (most effective) to G (least efficient) and is valid for 10 years.

The average SAP rating for FCHO stock is 69.15 (SAP band C), compared to the RP average of 66.20. This translates to 34.24% of the stock rated at energy band C or above with 22.48% at band D or below.

The results are taken from a full download of rdSAP data from the Government website (open data communities) and represents 6,721 homes (56.7 %) of the total stock which have had an EPC assessment.

From the downloaded data against the 6,721 homes that have an EPC survey, the table below highlights the current energy performance of our homes.

EPC Band	No. of properties	No. of properties where EPC has expired	Tonnes of CO <sub>2</sub>	Average Tonnes of CO <sub>2</sub> per property	Average fuel cost per home p.a.
Band G	3	0	26.2	8.73	£2,523
Band F	25	8	180	7.20	£1,711
Band E	257	29	1357.7	5.28	£1,239
Band D	2379	211	8281.4	3.48	£893
Band C	3846	531	8381	2.17	£568
Band B	211	136	290.1	1.37	£374

Table 2: Energy performance of our homes

Our aim is to implement physical measures that have energy efficiency benefits and improving long term sustainability of our homes. This, in turn will increase the energy rating of our stock.

The target is that by 2025/26, we will have targeted homes that currently have an EPC band E, F and G to uplift to a minimum SAP band D or above, with a long-term target to have all properties to at least a band C as standard, 'where practical, cost effective and affordable'.

This will coincide with the UK Clean Growth Strategy which expresses how the Government wants all 'fuel poor'\* homes to be upgraded to EPC Band C by 2030, with aspirations for as many homes as possible to be EPC Band C by 2035 where practical, cost-effective and affordable.

\*A fuel poor home is defined as a household where its members cannot afford to keep their home adequately warm at a reasonable cost, given their income.

## Carbon Performance

The average carbon emissions for FCHO is 2.755 tCO<sub>2</sub> per property per annum. The data used is from EPC data against the 6,721 properties that have had an EPC survey.

Whilst the target to become carbon neutral is challenging, FCHO will work towards reducing carbon emissions in line with investment activity, with progress reviewed annually. We will also commit to working with GMCA to help them achieve their target of achieving carbon neutrality by 2038.

We will create a toolkit of initiatives that will enable FCHO to reduce the carbon footprint of its assets by purchasing online EPC data modelling software. The aim of the initiatives recommended within the online modelling software is to reduce the average carbon footprint of our homes from the current average of 2.755 tonnes of CO<sub>2</sub> per annum \*using current EPC data (against the national average for the sector of 4.5 tonnes) to as close as possible to zero.

## Fuel Poverty

Most of us would define fuel poverty as simply not being able to afford to keep a home warm. But there is an official definition: a household is said to be fuel poor if it has above-average energy costs, and if paying those costs would push it below the poverty line as far as its remaining income was concerned.

In 2017, around 92% of fuel poor households were living in SAP band E properties or below. Based on our EPC data, we have approximately 285 homes at band E or lower. This figure is based on where an EPC has been carried out.

Whether or not a household is classed as fuel poor depends on the following factors:

- Fuel Prices – these play a big role in fuel poverty, but with the introduction of price caps by Ofgem, the current price cap (July 2020) stands at £1,042 and is reviewed every 6 months.
- Household income – lower income households are likely to spend a higher portion of their budget on fuel, as a result, the remaining income is low enough to place the household below the poverty threshold.
- Energy Efficiency – in homes that aren't using energy efficiently, there's a larger chance that energy is being wasted, this means households are having to spend more to keep their homes warm.

We will develop mechanisms as to how we consult and engage with our customers to ensure that we assist or signpost those in greatest need and those requiring help or assistance with fuel cost affordability through funding opportunities and assistance with fuel switching to cheaper tariffs and guidance on how to maximise efficiencies with the home.

## Environmental

FCHO has invested significant resources through the major works programme in order to meet the Decent Homes Standard focusing on the improvement of internal components and the exterior of our homes, and this is reflected in the recent stock condition survey results.

However, there has been less investment and emphasis (apart from grounds and tree maintenance) on the areas beyond the curtilage of our homes – the streetscape and environment that is highly visible to the public and reflects the sense of place. Research has shown that there is a positive contribution that our greenspaces could have on environmental and health outcomes.

FCHO currently holds information on our green spaces and how many trees are planted each year. This data will be further developed to provide information on the type of green space and how this equates to the amount of carbon saved.

An initial budget has been included in the current Business Plan to support environmental improvements in addition to aspects included within Future Major Works costs, such as fencing. Priority areas will be identified and linked to Neighbourhood Action Plans.

## **Greenspace and Biodiversity**

Through Neighbourhood Action Plans, we will give consideration to creating greener spaces to live and work in to provide a sense of pride in our neighbourhoods and improve the health and wellbeing of our customers. The measures supporting delivery of these objectives include:

- Grounds maintenance – Neighbourhood and Property Care teams will review our greenspaces in order to identify alternative approaches to their management and maintenance that will have a positive impact on environmental and health outcomes. This will in time lead to a more diverse network of green spaces which support greater biodiversity, and have an increased value to the community in terms of amenity space.
- Sustainability considerations in investment and development schemes - We will review our development briefs to ensure that where possible our interventions complement and enhance local biodiversity and amenity, and that this is formally considered at the design stage of our developments.
- Community engagement – We will engage our communities to give them a greater say on how green spaces are managed. This could include types and frequency of green space maintenance carried out.
- Community involvement activity – We will review our approach to engaging and supporting volunteer activities in relation to our green spaces, by further enhancing structured volunteering opportunities. We will also work with local community groups to help secure resources to invest in improvements to our greenspaces where there is local capacity and willingness to maintain them.

A delivery plan will be developed that will help drive the above measures and identify the number of green space sites that maybe enhanced for biodiversity or amenity value; engagement and activities encouraging volunteers to support the management and maintenance of green spaces and the cash value of investment in improving our green spaces.



## 2. Our Customers and Neighbourhoods

### Designing out Fuel Poverty, Reducing CO<sub>2</sub> emissions

We will implement a range of measures and offer advice that will result in an overall reduction in our customers' energy costs, as well as providing support to move people out of fuel poverty. In addition we will reduce carbon emissions and improve the energy efficiency of our stock.

Example of the measures include:

- Support with fuel switching
- Signposting where customers can access funding like Green Homes Grant
- Communication to customers regarding using their heating system effectively
- Better provision of advice on energy efficiency to new customers at the point of property handover.
- Training and advice regarding energy and carbon efficiency
- Maximising data on the home and household profile to identify where interventions can be targeted.

### Energy Supply

We need to reduce CO<sub>2</sub> emissions that are produced by the energy we use, shifting away from fossil fuels to renewable sources. Oldham MBC are reviewing the infrastructure framework and will set out the challenges for the shift to renewable energy generation and low carbon heating to existing homes and buildings.

To do this, customers will need support with decision making to ensure that everyone can benefit from these changes.

The priorities are to increase local renewable electricity generation; decarbonise how we heat our homes and increase the diversity and flexibility of our electricity supply. This can only be done in partnership with energy suppliers and Oldham MBC.

### Customer Engagement and Collaboration

The scale of energy market change over the next 10 to 20 years and the impact on consumers will be considerable. The rise of micro-generation is anticipated to create a significant opportunity to generate and store renewable green energy, dramatically increasing decarbonisation by reducing the demand on grid energy and providing customers with green energy at reduced market rates.

We will develop community engagement mechanisms and awareness campaigns to help manage the likely energy challenges and change that will result from net zero carbon initiatives.

This will include managing the implications for our customers as diesel and petrol cars are phased out and the need to access secure and affordable electric vehicle (EV) charging points becomes a significant requirement. This is particularly important as there will be a proportion of customers that have no off street parking which will limit the availability of EV charging services.

We will review how we engage with colleagues and customers through a range of activities specific to neighbourhoods which will be designed to improve sustainable



behaviours including recycling, reducing waste and minimising the use of natural resources.

### Training and Information, Support to Customers

We will develop programmes to help and support our customers to improve their environmental impact. These will include training and information on being more energy efficient at home.

We will also build on the existing work of the Community Impact Team to help customers in fuel poverty. Currently customers can access vouchers to help with energy costs.

An energy switching service has been trialled, but there were difficulties for customers on pre-payment meters. Oldham MBC are part of the Big Clean Switch, which switches people over to cheaper and green energy tariffs. We will investigate opportunities to help pre-payment customers switch energy providers.

### Investment

We will investigate opportunities to install a range of renewable technologies that will be driven by high quality data. Examples of measures that will support the delivery of this strategy include:

Measure	Current position	Future plans
Double Glazing	53% of stock replaced between 2006/10. 4,340 tonnes of CO <sub>2</sub> saved.	Estimated replacement in homes during year 6 to 10. We will assess the cost benefit of triple glazing.
Heating and Boilers	88% of homes had the boiler replaced between 2006 and 2020. 12% of homes are on district or communal heating.	Seek funding opportunities for installation of heating pumps.
Smart meters	Unknown how many smart meters are installed in our properties.	Work with energy suppliers to find out how many smart meters are installed.
Loft insulation	Surveys will identify where loft insulation will be replaced via identification following survey. Analysis of where cavity wall insulation (CWI) has failed will be used to install/top up loft insulation where required.  The programme will focus primarily on those properties where CWI requires extraction and re-fill, followed by a programme of targeting the lower EPC performing stock. Loft insulation will also be installed/topped up as part of a roof replacement programme to a minimum of 270mm	
Cavity wall insulation (CWI)	285 homes have an EPC score of E or lower.	These homes will be targeted first and further CWI will be installed.
External wall insulation	182 homes have had external wall insulation installed.	Will be considered when other measures have little impact. Assessment will be made via option appraisal, with consideration made to our business plan and whether it

		is the best option for the home.
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Table 3: Energy efficiency measures

## Health and Wellbeing

Throughout this strategy there has been reference to health and wellbeing acknowledging that there are potentially enormous health and wellbeing benefits for our customers from the delivery of this strategy. These include:

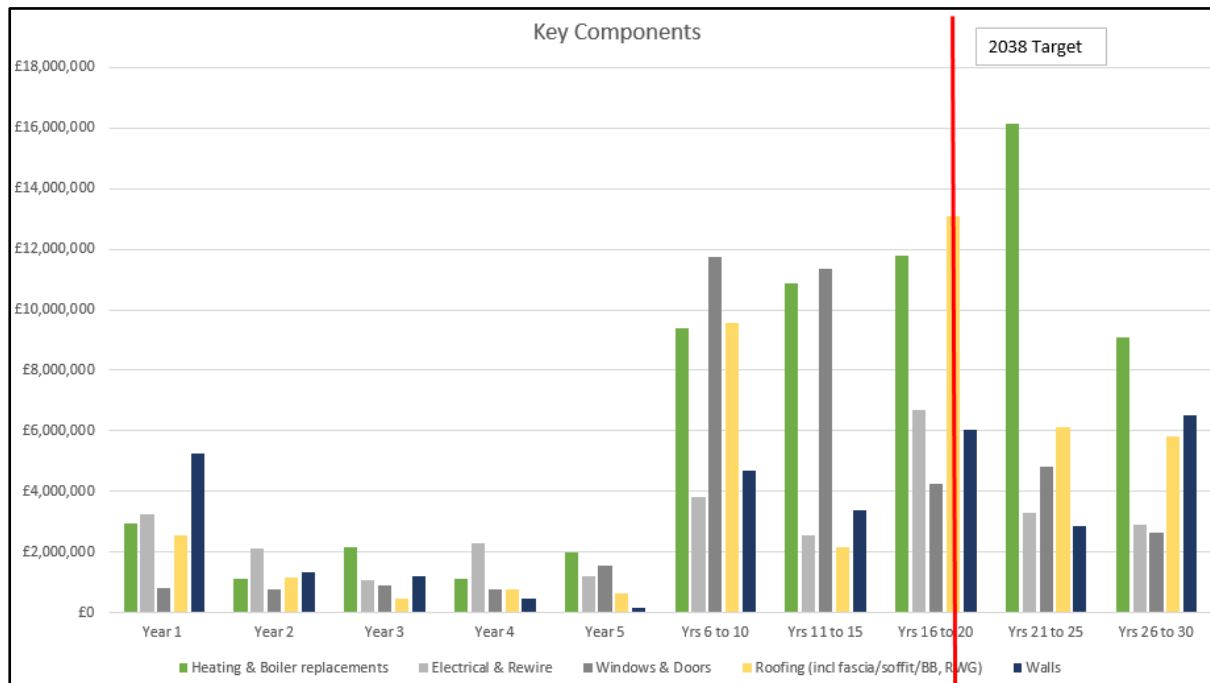
- Living in warmer more insulated homes
- Reduced stress from being taken out of fuel poverty
- Living in greener spaces with improved access to nature.

We will identify and implement KPI's to help us capture these health and wellbeing benefits to better understand the outcomes of some of the measures that we will implement.

### 3. Our Resources

#### Future Planned Investment Programmes

Following a recent 27% sample stock condition survey, the chart below shows the forecast for the key energy efficient component replacements, (e.g. heating, electrical windows/doors, roofing and walls).



The chart shows the year bands when items are due for replacement and the greater Manchester zero carbon target (2038).

When replacing heating systems in homes and our buildings, low carbon alternatives must be considered where viable, rather than replacing with carbon intensive technologies. In support of this, we will review future major works for a post-gas economy in terms of new and replacement heating systems and identify which heating solutions are best suited to which homes.

Within the current Business Plan, there is budget allocated for the lifecycle replacement of boilers and heating systems (as well as other components). Although the budget is based on a 'like for like' replacement, we will consider alternative heating technologies. Where the costs are high we will complement this with the provision of the Sustainability budget.

#### Budget

Following a review of the business plan assumptions, the current cost forecast for the next 30 years shows a total budget provision of £439m. The Business Plan will be reviewed on an annual basis in line with the stock condition survey data and the delivery of the Strategy.

## Asset Performance Evaluation (APE)

A key part of the Strategy is the implementation of an Asset Performance Evaluation model through which we will assess the financial and social performance of our assets in order to support informed decisions around stock sustainability. This will include an assessment of Net Present Value (NPV) and an assessment of system-built properties.

The model will help to inform investment programmes and neighbourhood action plans based on an active asset management approach. This will strengthen the Business Plan and contribute to meeting our policy objectives and will inform option appraisals for poorer performing stock.

The results of this work can also advise on where best to target other interventions, such as disposals, redevelopment and master-planning the regeneration of estates, linking closely with the Development Strategy.

Within the model, the Environmental performance of the stock will also be captured, providing the energy and carbon performance of the stock and also the anticipated fuel spend of homes based on component information. This will enable FCHO to further target interventions to help meet local, regional and national targets.

## Value for Money and Social Value

We will develop and enhance our commitment to Value for Money (VFM) and Social Value through our investment programmes and operations. Our VFM and Social Value approach is underpinned by the following principles:

- **Meeting local need:** Our methodology will ensure that social value delivery focuses on local need and is informed by the expectations of our respective neighbourhoods and customers.
- **Maximising value (and value for money):** Contractors provide interventions which add real value to our existing priorities including young people; financial inclusion; economic development, health and wellbeing and green spaces, build on existing local partnerships or leverage synergy between departments within FCHO.
- **Innovation:** Develop approaches which go beyond traditional Corporate Social Responsibility methodologies.
- **Performance led:** Ensure delivery of Social Value is measurable and performance managed and that our supply chain supports the delivery of agreed targets. We will look to develop robust monitoring and evaluation frameworks, underpinned by recognised models.

We will review and quantify current supplier management contracts and build Sustainability Credentials into Terms and Conditions, Service Level Agreements and contracts ensuring recycling, responsibly sourced materials, etc. are included.

Delivery of Social Value through our contracts will be a key focus of our investment and development programmes with an emphasis on the economic, social and environmental values that contractors are able to offer.

## 4. Our Operations and Environment

Our ambition to reduce carbon emissions not only applies to our housing stock, but also impacts across all other areas of the business.

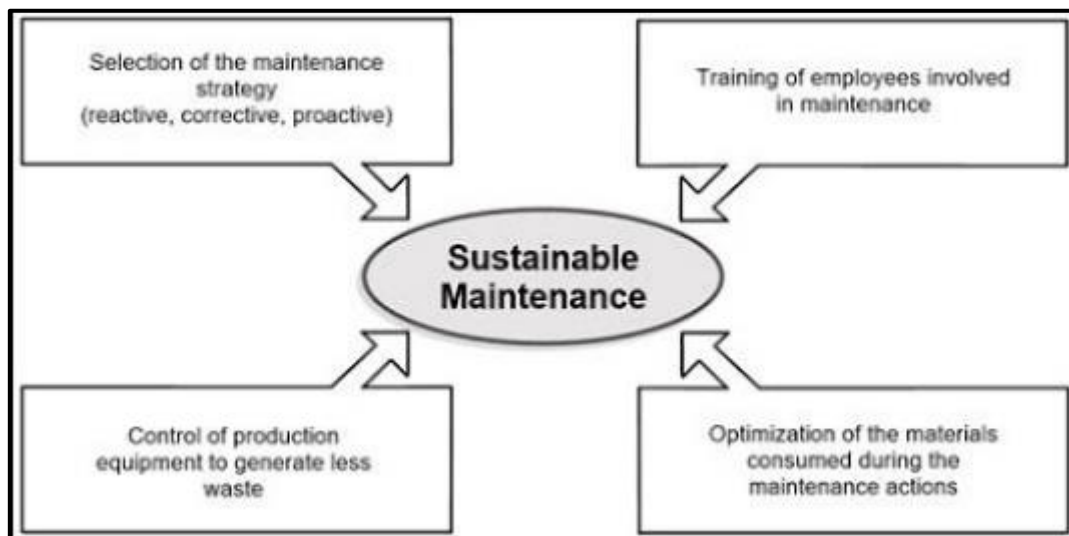
Many of those objectives will be challenging to achieve, but if we are to achieve our goals, the actions will aim to decarbonise electricity and gas where appropriate; enable low carbon mobility through our transport behaviour, and also through our operations.

By improving energy efficiency at our offices; taking a whole house retrofit approach and by ensuring that our contractors are aware of their own sustainability practices, we will achieve cost and carbon savings.

### Sustainable Maintenance

We currently meet our statutory obligations regarding cyclical maintenance regimes, however to consider how we incorporate sustainability, a review of the processes will be undertaken. Areas of review will:

- Highlight where efficiencies can be made
- Optimise materials used and product lifecycles
- Review travel of operatives and behaviour in use



### Buildings Performance

FCHO has made changes to its offices and buildings in order to rationalise the operational building portfolio.

LED lighting has been installed at Primrose Place and plans will be developed for the upgrading of First Place to LED lighting throughout all floors (office lighting at First Place is controlled by PIR motion sensors, this also will be considered at Primrose Place). We will also review the usage of all the buildings that FCHO manage including community buildings to ascertain what efficiencies can be delivered.

Water efficiency plays a key role in sustainability. A full review will be carried out to highlight efficiency and water use and the cost.

We acknowledge that more work is required to improve our efficiencies in waste, energy, water, pollution and sourcing materials.

## Vehicles and Transport

To help achieve carbon reductions FCHO will improve its workplaces by supporting modes of transport that reduce environmental impact, congestion and air pollution with continuous monitoring and review of our transport impact.

Electric vehicle charging points at office locations will also be investigated with future plans to lease electric van livery and consider leasing a minimum of one electric pool car for colleagues who rely on travel to carry out daily duties.

We will also consider incentives for encouraging colleagues to use other modes of transport including looking at the feasibility of electric pool bike(s); salary sacrifice scheme (for public transport)/discounted travel scheme, etc.

## Waste, Recycling and Fly-tipping

Neighbourhood Care and Property Care will look to implement best practice in waste management to reduce, reuse and recycle waste generated from our services and workplaces.

A Waste Working group has been established. The aim of the group is to:

- Establish clear procedures relating to fly-tipping
- Work with Oldham MBC on current and future bin provision and communication to customers
- Review bulk refuse collection, including consultation with customers
- Storage areas for recycling projects including partnership working on a local furniture project (Starting Feb 21)
- Review Bin Chutes and existing waste disposal areas

Mechanisms to engage customers in waste and recycling will include:

- Neighbourhood events to raise awareness around waste and recycling and offer alternative tips and advice on how the public can dispose of their unwanted items
- Partnership working with Oldham MBC
- Priority areas identified through data intelligence
- Introduction of new waste and recycling signage
- Dummy CCTV cameras being installed in hot spot areas
- More engagement with our customers around waste and recycling – surveys, events and improved literature
- Review of all recycling provisions housed at high rise blocks

These initiatives will be considered throughout the waste and recycling review with teams to ensure that recycling rates continue to improve including mechanisms on how to improve our recycling facilities within each office and gathering the percentage of waste that is recycled from office waste diverted from landfill and waste recycled from refurbishment works. This will enable FCHO to improve measurement and target setting.

## Training

### Skills fit for the future

We will invest in learning and development for colleagues to help enhance their skills to ensure that we have a workforce that is equipped with 'skills fit for the future'.

Learning and development initiatives that will be included, but not limited to, are the knowledge of PV installations and their cyclical regimes and the knowledge and experience of fitting and maintaining air source heat pumps.

This will help support FCHO in reaching zero carbon targets and to look at opportunities where we can consider other options within investment, repairs and maintenance activities.

### Carbon Literacy

Carbon Literacy Training was delivered some years ago within FCHO to office based colleagues. To support the delivery of this strategy and for colleagues to gain an understanding of our commitments to reducing our carbon emissions and gain carbon literacy competency through knowledge, we will review Carbon Literacy training with a view to including it within the New Starter/Induction process and also carry out 'refresher' training for existing staff. We will utilise e-learning where possible to provide a basic understanding of carbon literacy.

The training involves colleagues making a pledge on what they will do to improve their carbon footprint which is then recorded and monitored.

The programme will also be rolled out to customers and other stakeholders, with the aim of achieving lifestyle and behavioural changes through carbon literacy knowledge. The delivery plan includes:

- Carbon literacy training delivered to all existing colleagues by 2023/2024
- Programme for customers and stakeholders established and delivery commenced by 2025/2026.

### Reviewing our Supply Chain and Identifying Environmental Impacts

Our supply chain is likely to have a significant environmental impact in terms of resource use, habitat loss and our overall carbon emissions. These impacts are unknown at present and we will conduct a review to identify them.

We will identify our top 100 products (based on value) that we purchase and gather information on the following:

- Country of manufacture
- Percentage of recycled materials in the finished product
- Carbon emissions associated with manufacture
- Stewardship plans for raw material extraction.

We will gather energy information for electrical products and the embedded carbon in all of the products we source.

We will ensure that all timber purchased is either FSC or PEFC and carry out audits to ensure that the chain of custody is in place.

## **Compliance and Building Safety**

It is recognised that while compliance work streams are often delivered as dedicated cyclical programmes (e.g. gas servicing), it is imperative that these are integrated within the strategy.

In addition to statutory testing requirements, compliance work programmes incorporate preventative planned maintenance (PPM) and capital replacement to ensure that plant and equipment is in optimum condition. This includes fire alarm systems, lifts and water hygiene systems.

We will review where sustainability can be incorporated within the delivery of repairs, preventative planned maintenance and capital investment in relation to compliance work streams. For example, the gas servicing specification will be developed to ensure that added value data is collected at the time the gas service is carried out.

This information could be used to drive the boiler and central heating renewal programme as well as to support the delivery of the Sustainability Strategy in identifying where alternative systems can be replaced when a system is at the end of its serviceable life.

## **Contractor Management**

Working primarily with the Procurement and Investment teams, we will review and quantify current supplier management contracts and build Sustainability Credentials into Terms and Conditions, Service Level Agreements and contracts ensuring recycling, responsibly sourced materials, etc. are included in contracts.

To this effect, recalibration of work practices and processes are needed to help achieve this objective. The scope ranges from procurement, product design, the materials that are used and how they are manufactured and assembled; how transportation is used in the process; operations, to eventual recycling and disposal. The aim of building in sustainability into contractor management and procurement is to ensure as far as possible that relevant impact, strategic environmental, life cycle assessments and foot-printing is considered by the contractor or supplier.



## 5. Our Environment

### Environment Policy

We will develop an environmental policy that will outline our aims and principles in relation to managing the environmental effects and aspects of our operations that will compliment this strategy and which will be reviewed on an annual basis.

### Our Carbon Footprint

To enable FCHO to monitor its environmental performance, we will commit to producing and maintaining a carbon footprint for our organisation. This will be developed to ISO 14064 standard, using UK Government GHG Conversion Factors for Company Reporting and updated annually.

### Flood Risk

We need to be prepared to face more extreme weather events as the climate continues to change at an increasing pace. We will consider flood risk in how we build, adapt and protect our homes, communities, businesses and infrastructure.

To this effect, we will work with our insurance provider to commission a flood risk assessment for our stock, providing a report with recommendations to determine flood zone classification and prioritisation of the areas where mitigation /intervention is required to properties considered to be at highest risk.

### Overheating

The term overheating is used to describe when conditions in a building make occupants feel uncomfortable or heat stressed.

FCHO will investigate homes most at risk of overheating and look at measures that can be incorporated through retrofit within future major works and through advice to our customers. This will be achieved via an initial desktop analysis via results from the online data modelling software.

In addition to ventilation and air conditioning within homes and reflective glazing, other examples of passive cooling measures that will be investigated include:

- Environmental (trees in leaf not only provide shade, but cool the air around them as their leaves transpire water).
- Cooling effects can also be achieved with green roofs and green walls
- Cool infrastructure surfaces that reflects heat rather than absorb it (measures include reflective paving's, parking area surfaces, reflective roofs and facades).

### Air Quality

Greater Manchester Combined Authority (GMCA) are developing Clean Air Plans to bring the levels of Nitrogen Dioxide (NO<sub>2</sub>) on local roads within legal limits as soon as possible.

GMCA is working to produce a single approach for the whole region to tackle air pollution which is damaging to our health and can contribute to a wide range of illnesses and health conditions \*\*\*.

\*\*\*High levels of pollutants including Nitrogen Dioxide NO<sub>2</sub> are emitted from vehicles.

The impact is that the most polluting vehicles (including some buses, coaches, Lorries, vans, taxis, private hire vehicles and minibuses) would pay a daily penalty to enter and /or travel within the Clean Air Zone.

Oldham MBC are part of Greater Manchester's Air Quality Action Plan which runs from 2016 – 2021 and we will assess the impact this has within the Oldham area.

### **Minimum Standards within Investment and New Build**

All new developments from 2025 must not be built with a gas central heating system. Therefore, it is vital that new homes are built to specified standards and meet the latest building regulations.

To ensure that new homes are built in line with current building regulations and fit for purpose to meet future needs of the customer (meeting SAP, CO targets and to ensure that heating the home is affordable), FCHO will develop a sustainable design specification to ensure that local targets are achieved whilst enhancing environmental improvements.

This will entail establishing new-build standards beyond building regulations and working with contractors to ensure high standards are met in practice. Other actions include:

- Installing renewable/alternative options for gas central heating
- Generation of energy and reduced demand on grid energy through the installation of PV battery with battery storage
- Installing low energy lighting prior to handover
- The provision of recycling facilities and water harvesting
- Consider the opportunities being offered by Modern Methods of Construction (MMC). Our development planned at West Vale in 2022 offers an opportunity to be an exemplar of MMC.

Recent changes to building regulations state that new domestic properties must be built to at least an EPC B rating. FCHO are currently building new properties to an EPC rating B by ensuring they are highly insulated with energy efficient windows and have the appropriate insulation measures.

### **Accreditation**

FCHO will participate in an independent accreditation scheme and standard for the housing sector. The accreditation is awarded via bronze, silver, gold and platinum. Following review of the assessment actions recommended to help improve the organisations sustainability will be considered, with a target to reach bronze status by 2023/24.

## 6. Critical Success Factors

The critical success factors include:

- The review and development of key performance indicators including: SAP (energy performance); Carbon performance.
- Procurement of online data modelling software to evaluate the energy, carbon and fuel performance of stock that will inform targeted interventions.
- Reconciliation of data between systems and a framework and model to evaluate the finance and sustainable performance of our assets to inform Planned Investment programmes (including sustainability measures) and Neighbourhood action plans.
- Procurement and completion of an accreditation assessment, to provide a framework of recommended actions to improve FCHO sustainability performance.
- Formation of a working group involving internal and external stakeholders to drive the implementation of this strategy.
- Mechanisms in place to engage and consult with internal, external and key stakeholders where customers have visibility and are able to inform the services that we provide.

## 7. How we will measure success

We will measure the success through the following KPI's and these will be reviewed on an annual basis as part of the Business Planning process:

Key Performance Indicator	Accountability	Performance 2019-20	Yr 1 Target 2021-22	Yr 3 Target 2023-24	Yr 5 Target 2025-26
% properties meeting the Decent Homes Standard	Asset Strategy & Investment Team	99.34%	100%	100%	100%
Achieve a SAP Band D for the E, F, and G rated properties	Asset Strategy & Investment Team	285	285	140	100%
Achieve a SAP Band C for our properties currently achieving a lower SAP Band.	Asset Strategy & Investment Team	2,648	2,573	1,986	1,324
% Staff able to demonstrate competency in carbon literacy	FCHO Asset Strategy; People Team; Learning &	-	25% 2022/23 – 100%	100%	100%

(delivered via training/e-learning)	Development Team				
% Carbon literacy training established for customers and key stakeholders	Asset Strategy; Stronger Communities	-	-	-	100%
Sustainability accreditation	FCHO Asset Strategy Team	-	Assessment	Bronze	Gold
% new homes built off gas	Development Team	-	-	-	100%

Table 4: Sustainability KPI's

To support the delivery of the Sustainability Strategy, a five year action plan will be developed, highlighting key stakeholders involved in its implementation. Appendix A highlights a high level action plan that FCHO will use to further develop the Sustainability five year action plan.

One mechanism to measure our performance includes regular internal audits (recommended every 3 years). This will support continuous improvement to assess the robustness of the strategy.

The audits will be a similar process to that used for ISO 14001 audits, (i.e. gathering evidence to demonstrate compliance against the standard through the collection of documentation or employee interviews).

A range of information will be gathered including costs for energy and water use from our offices. This will enable us to measure the financial benefits.

Other mechanisms to measure FCHO's performance is the development of KPI's against objectives within this strategy.

## Appendix A – High Level Action Plan / Key Milestones

Heading	Element	Actions	Timescales	Accountability
<b>Strategy &amp; Governance</b>	Strategy	Draft Strategy approved. (Zero Carbon commitment to be part of the Sustainability Strategy)	May 2021	Executive Team
	Governance structure of Sustainability Strategy	<ul style="list-style-type: none"> <li>• Governance process/mechanism in place to monitor and review the Strategy and action plan including set up of a sustainability working group.</li> <li>• Put in place a mechanism to review and scrutinise</li> <li>• Ensure visibility of strategy in public domain providing accountability</li> </ul>	June 2021 – Dec 2021	Asset Investment Strategy Team
	Developing partnerships	Engage and develop partnerships with Oldham MBC and other key stakeholders	June 2021 – ongoing	Executive Team
<b>Understanding our Homes and Assets</b>	Sustainability assessment & accreditation	Receive recommendations from the assessment, following which a review will be carried out and where feasible incorporated into action plan following consultation.	April 2021 – Sept 2021	Asset Investment Strategy Team
	Online data modelling software	Procure and implement online data modelling software. The model will help to identify current performance and use data to inform targeted programmes of work	April 2021 - June 2021	Asset Investment Strategy Team

		to help reduce CO <sub>2</sub> , improve SAP and reduce fuel poor households.		
	Asset Performance Evaluation model	Implement APE model. This will allow the financial and social performance of stock to be evaluated and inform investment decisions. 1 <sup>st</sup> tranche of findings est. Sept 2021.	April 2021 – Sept 2021	Asset Investment Strategy Team
	FCHO Standard	Develop the First Choice Homes Standard	April 2021 – Oct 2021	Asset Investment Strategy Team
<b>Our Customers and Neighbourhoods</b>	Neighbourhood Action Plans	Develop 'pack' of information to inform the Neighbourhood action plans (incl.: Investment forecast, NPV, CO & Energy performance).	Sept 2021 – March 2022	Neighbourhoods Team
	Customer Engagement	Develop a range of initiatives to support customers (e.g. how to reduce energy costs, fuel switching, etc.)	April 2021 +	Community Impact Team
		Develop community engagement mechanisms to help manage the likely energy challenges and change that will result from net zero carbon initiatives	Sept 2021 +	Stronger Communities Team
<b>Our Resources</b>	Carbon Literacy training	<ul style="list-style-type: none"> <li>Roll out Carbon Literacy training to colleagues, customers and key stakeholders</li> <li>Incorporate into induction process and use e-learning where appropriate</li> </ul>	Sept 2021 – March 2024	Asset Investment Strategy Team

		<ul style="list-style-type: none"> <li>• Develop mechanism for roll out to customers and key stakeholders</li> <li>• Review opportunities to develop sustainability ambassadors for each Neighbourhood area, to act as a representative throughout the organisation to help keep the momentum going and help arrange local sustainability events.</li> <li>• Develop mechanisms to hold energy efficient roadshows on site following large scale investment works to cover energy and water efficiency, how to reduce fuel bills and advice on fuel switching.</li> </ul>		
	Funding Opportunities	Investigate opportunities around renewable technologies driven by data quality and maximise funding opportunities that will support this	Ongoing	Asset Investment Strategy Team
	Business Planning	Frequent review of Business Plan process to ensure that initiatives are affordable	April 2021 + annual thereafter	Asset Investment Strategy Team
<b>Our Operations and Environment</b>	Transportation Review	Receipt of the Energy Saving Trust Transportation review report. Following which the report will be reviewed and recommendations will be incorporated into the action plan where feasible following consultation.	April 2021 – June 2021	Property Care Team
	Supplier Management Processes	<ul style="list-style-type: none"> <li>• Review and quantify current supplier management contracts.</li> </ul>	Sept 2021 – March 2023	Property Care Team / Investment Team

		<ul style="list-style-type: none"> <li>Build sustainability credentials into T&amp;C's, SLA's and contracts ensuring recycling, responsibility sources materials, etc. are included within contracts.</li> </ul>		
Supply Chain	<p>Identify top 100 products (based on value) that we purchase:</p> <ul style="list-style-type: none"> <li>Country of manufacture</li> <li>Percentage of recycled materials in the finished product</li> <li>Carbon emissions associated with manufacture</li> <li>Stewardship plans for raw material extraction.</li> <li>Energy information for electrical products and the embedded carbon in all of the products we source.</li> </ul>	June 2021 – Sept 2022	Asset Investment Strategy Team	
Office locations	Review performance of our office locations and develop action plan following sustainability assessment (incl. waste and recycling)	April 2021 – March 2022	Asset Investment Strategy Team	
Cyclical processes	Review cyclical regimes/processes (focus on energy, sustainability and product lifecycles)	April 2021 – Dec 2021	Asset Investment Strategy Team	
Flood risk	Commission flood risk assessment (including analysis where overheating to stock is likely to occur)	April 2021 – March 2022	Asset Investment Strategy Team	
Monitoring Performance / Key Performance Indicators	<p>Develop mechanisms for measuring and monitoring our performance</p> <ul style="list-style-type: none"> <li>Develop KPI's to monitor and drive progress against:</li> </ul>	April 2021 – March 2022	Asset Investment Strategy Team	



		<ul style="list-style-type: none"> <li>• Waste and water management</li> <li>• Energy and carbon efficiency</li> <li>• Transport (operational)</li> <li>• Fabric of buildings</li> <li>• Environmental improvement</li> <li>• Training for colleagues</li> </ul>		
	Environmental Policy	Develop environmental policy that will outline our aims and principles in relation to managing the environmental effects and aspects of our operations	Sept 2021 – April 2022	Asset Investment Strategy Team
	Green Space delivery plan	Develop plan to help drive above measures	Sept 2021 – April 2022	Neighbourhood Care Team
	Grounds Maintenance	Review of our greenspaces to identify alternative approaches to their management and maintenance	Sept 2021 – April 2022	Neighbourhood Care Team
	Sustainability in investment	Review of development briefs to look at additional interventions to enhance biodiversity	Sept 2021 – April 2022	Development Team
	Community Involvement	Review approach on engaging and supporting volunteer activities re: greenspaces	Sept 2021 – April 2022	Stronger Communities Team
	FCHO Carbon footprint	Produce and maintaining a carbon footprint for the organisation	June 2021 – Dec 2021	Asset Investment Strategy Team

## Appendix B – Sustainability Budget

A total amount of £24,670,000 over the 30 years, (in years 1 to 5 the budget is £4,932,500) has been added and includes the following categories. NB: the budget may be subject to review through the business planning process:

Category	30 Year Budget Provision	Information
Open Spaces	£4,995,000 (yrs 1 to 5 = £832,500)	Environmental improvements refer to open and green space/land outside of the boundary of customer’s homes that FCHO manage and which would link to and inform the relevant neighbourhood action plans. Examples of improvements that would contribute to lowering carbon may include where we plant more trees and wild flower areas.
Homes	£18,725,000 (yrs 1 to 5 = £3,350,000)	<ul style="list-style-type: none"> <li>• Tackling our poorly thermal inefficient properties and looking to where we can improve those ratings through a range of ‘extra-over’ measures including the installation of CWI, loft insulation, including sourcing CIGA certification and guarantees for insulation works installed and new EPC certification <b>(£525k)</b>.</li> <li>• Communal area improvements (e.g. upgrade of LED lighting) where costs are not captured within SAM; cyclical painting, floor replacement and how we can thermally improve those communal blocks including the installation of EWl, consider the move to shared loop ground source heat pumps, etc. <b>(£3,200,000)</b>.</li> <li>• Improve the carbon efficiencies of our homes with the target to become carbon neutral. <b>(£15m)</b>.</li> </ul>
Office and Operations	£950,000 (yrs 1 to 5 = £750,000)	<ul style="list-style-type: none"> <li>• Sustainability assessment and related recommended actions for sustainable improvement.</li> <li>• The budget will allow for carbon literacy training to be carried out and the provision of materials/marketing to help drive behaviour change.</li> <li>• The budget will also allow for the replacement of inefficient white goods and facilities, such as hand dryers to be replaced throughout the offices and for the installation of solar PV to office buildings to help reduce energy consumption.</li> </ul>