

bpha Environment Strategy 2022-25

Approved by Board:- 24/06/2022

1. Purpose of the Strategy

- 1.1. The effects of climate change are becoming increasingly apparent, and we recognise the need for action. As an employer, landlord and developer of homes we have a significant impact on the environment and are committed to reducing our environmental impact for the benefit of our customers, our employees and the communities in which we operate. This strategy has been developed to support this approach.
- 1.2. This strategy is an update to the previous strategy dated July 2020 to refine the strategic aims and to reflect the changing external environment. The strategic and sector context behind this strategy can be found at Appendix 1 and 2 respectively.
- 1.3. The strategy sets out bpha aims across five areas and details short and medium terms goals for each of these areas. This is a living strategy which will be reviewed and updated as we work through the goals.

2. bpha's Environmental Vision and Aims

- 2.1. bpha's Corporate Strategy and Plan 2025/30 sets out a vision:
 - to maintain and enhance the quality of our natural environment, working to a sustainability plan to protect and improve the natural capital of the area for the benefit of all,
 - to operate in a sustainable manner with due regard to protecting and, wherever possible, enhancing the natural environment within its area of operation.
- 2.2. The focus of our activity will be on the following areas:
 - To reduce the carbon footprint of bpha's homes and operations: We have established our current carbon footprint and will ensure that our activities reduce energy consumption and minimise CO2 emissions.
 - To support tenants and residents to reduce energy consumption: We will support tenants and residents to reduce consumption of fuel whilst enabling them to remain safe and warm. This will include improvement works and communication campaigns to promote the most efficient usage in their homes.
 - To reduce waste: We will participate in waste reduction activities and will encourage recycling within the business and for residents.
 - To optimise the use of green space: We will encourage a range of planting from growing food to increasing biodiversity across our sites. We will engage our residents in the use and management of their open spaces and where the quality of open spaces is poor, we will seek to work with residents to undertake improvement works.
 - To manage water efficiently: We will seek to reduce our water consumption and encourage tenants and residents to do the same.
 - Adaptation to climate change – We will work to ensure that our homes are as resilient as possible to the effects of climate change. We will actively manage flood and overheating risk to our existing homes and ensure that future climate change impacts are considered when developing new homes.
- 2.3. To achieve this vision bpha will focus on the following areas:
 - Existing Homes

- New Homes
- Colleagues and Work Places
- Customers and Communities
- Operations

3. Existing Homes

- 3.1. bpha's Asset Strategy sets out bpha's goals to improve environmental performance and sustainability of existing stock. These include projects to refurbish and regenerate bpha's tower blocks to addresses bpha's oldest and most challenging stock.

4. New Homes

- 4.1. bpha's Development Strategy sets out bpha's goals to improve environmental performance in its new homes and communities. These include decreasing emissions both from our operations and from our homes.
- 4.2. In 2020/21 7% of our new homes achieved EPC A (SAP 92+), 15% of homes achieved a high EPC B (SAP 86 – 91), 72% of homes achieved low EPC B (SAP 81 – 85) which is to expected performance for adhering to Building Regulations. A further 6% only achieved Band C (SAP 69 – 80). To support the aim for all homes to be an average of SAP 85 by 2050 we will continue to scale up building to an EPC Grade (e.g. "A") or SAP rating (e.g. SAP 92+ minimum). This will help us improve the energy efficiency of our buildings helping us achieve the Net Zero 2050 target whilst reducing the need for expensive retrofitting of new homes at a later date. We will be prepared to invest more in new homes to achieve this objective and amend investment hurdles where appropriate.

5. Colleagues and Work Places

- 5.1. We will run campaigns and promotions with colleagues to help our colleagues focus on the need to protect the environment in both their professional and personal life. We will work with our employee groups to agree a range of environmental initiatives and use a variety of communication methods to keep colleagues well informed and involved in initiatives and good practice. We will also work with the Landlord at our Bedford Heights office to better understand our environmental impacts and collaborate on joint activities.

6. Customers and Communities

- 6.1. We will work with our residents and other stakeholder groups to influence environmental standards by providing advice and support to reduce energy usage and waste. We will encourage biodiversity through a range of engagement activities, including tree planting and activities to improve the quality of our green spaces.

7. Operations

- 7.1. We will work to reduce the environmental impact of our operations, including working to reduce transport emissions, working to reduce waste and promote recycling, sourcing products responsibly and considering environmental standard as part of our procurement.

8. Risks and Risk Appetite

8.1. There are several risks involved in the work planned over the period of the strategy, the biggest risk being inaction. bpha has a risk appetite on the environment as fast follower, this means we will monitor sector trials and technological advancements and prepare for implementation when these have been proven and are shown to be positive for the customer as well as the organisation.

The keys risks are:

- Risks of changing legally binding environmental targets.
- Risk that we become less competitive in the marketplace by adopting measures others don't.
- Risk that 'environmental' improvements don't make things better for our customers or that technology is not understood and doesn't suit lifestyle.
- Costs of environment changes are too expensive and unaffordable within business model leaving us dependant on government subsidy.
- A clash between increases in population needing homes, particularly in affordable and ability to deliver 'cleaner' homes.
- Issues with data and report sharing.
- Insufficient skills in labour market.

9. Environmental Action Plan

9.1. Existing Homes

- We aim to ensure that all housing stock is EPC C or above by 2030 focusing on fabric first insulation measures. We will continue with a programme of retrofitting existing homes and will seek funding opportunities to support this.
- We will maximise the opportunities for delivering environmental efficiencies through the Vista Project, the tower block regeneration project including installation of electric vehicle charging and improvement to the biodiversity of green spaces around the site taking into consideration Natural England's accessible natural greenspace standards.

Action	Dates
Develop a 'fast follower' on emerging technologies with an aim to deliver carbon neutrality by 2050.	Ongoing
Understand the number of properties at risk of surface water flooding.	2022-23
Review opportunities within the Vista contract to implement environmental improvement and develop an action plan.	2022-23
Develop a medium-term plan to move all properties to EPC band C or above by 2030 and a roadmap to 2050. This will include developing a strategy for those properties where reaching EPC C will be technologically and economically challenging.	2024-25
Working with our Estate Maintenance contractor develop and implement a plan for improving biodiversity in communal green spaces in line.	2024-25

9.2. New Homes

- For land led developments we will aim to build energy efficient homes that are a minimum of SAP 92, EPC A.
- For section 106 sites we will aim to build energy efficient homes that are a minimum SAP rating of 85, which equates to a high EPC B rating by 2030.

- We will develop a Land Management Plan that sets out key biodiversity aims for green spaces around our developments.

Action	Dates
Understand the energy performance of our development pipeline	2022-23
Commission review to understand our current development pipeline and gap between current new build standards and SAP A.	2022-23
Trial site with properties that have a higher environmental standard -Fen Drayton including analysing how people live in these homes.	2023-24
Review and update specifications for properties on Land led development sites to improve environmental performance of new build properties	2023-24
Work with estates management contractor to develop a land management plan for new green spaces and incorporate into specification	2023-24

9.3. Colleagues and Work Places

- We will work with our employee groups to create a programme of environmental education campaigns. This will include campaigns on waste and energy reduction.
- We will install electric vehicle charging points and work with the landlord at Bedford Heights to improve data accuracy and establish opportunities to reduce our energy consumption and reduce our waste.

Action	Dates
Agree a programme of employee education campaigns and deliver these to programme. Measure uptake of the initiatives	2022-23
Installation of EV charging points at Bedford Heights	2022-23
Develop an environmental plan for the Bedford Heights office and other workplaces	2022-23

9.4. Operations

- We will implement an environmental management system and continue to measure our environmental performance using the SHIFT Standard. This will focus on maturing our data and understanding bpha's complete environmental impact.
- We will review our procurement process to ensure that we adequately assess both the environmental compliance and environmental performance of our contractors and suppliers.
- As part of the implementation of the In-House Maintenance Service we will monitor and report on environmental performance, including waste volumes and fleet mileage and will work with our suppliers to purchase responsibility sourced materials where possible.

Action	Dates
Implement an ISO14001 compatible environmental management system for the organisation	2022-23
Continue with SHIFT Standard to monitor environmental performance. Develop plan to achieve SHIFT Gold. Publish annual ESG reports.	On-going
Review environmental vetting as part of the procurement process and update as required	2022-23
Work with key suppliers to create some environmental metrics that will be monitored on an annual basis. Set targets where appropriate	2023-24
Create system to monitor use of responsibly sourced materials and waste for the In-House Maintenance Service	2022-23

Develop target for responsibly sourced materials and waste for the IHMS	2023-24
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9.5. Customers and Communities

- We will develop a resident engagement plan to deliver three environment campaigns each year and work with customers on delivering local initiatives, which include improving biodiversity, tree planting and waste and energy reduction opportunities.

Action	Dates
Develop a programme of environmental campaigns for customer	2022-23
Create an engagement campaign with customer to understand their environmental priorities.	2022-23

10. Governance and Monitoring

10.1. The Environmental Strategy is a high-level strategy set within the framework defined by the Corporate Strategy and Business Plan. The responsibilities for developing and monitoring the strategy are set out below.

The **Chief Financial Officer** is the designated Executive Lead Officer for the Environmental Strategy and is responsible for overseeing the delivery of the strategy and action plan.

The **Head of Health Safety and Environment** is responsible for:

- The development of the environmental strategy, policy, procedures and standards to assist bpha in meeting its environmental and sustainability obligations.
- Measuring, monitoring and reporting on the environmental performance to identify current performance and promote continuous improvement.

Development and Asset Committee (DAC) will provide oversight on the Board's behalf. DAC will receive reports on a quarterly basis on the delivery of the Environmental Strategy action plan.

Board retains overall responsibility for the strategic management of environmental approach and impacts.

Appendix 1

1. Strategic Context

- 1.1. The Environment Act 2021 sets out a comprehensive framework for legally-binding targets to deliver environmental improvements in England. It requires the Secretary of State to set at least one long-term target in each of four priority areas, which are:
- Air quality
 - Water
 - Biodiversity
 - Resource efficiency and waste reduction
- 1.2. The Government has also committed to the UK achieving Net Zero by 2050. In October 2021, the Department for Business, Energy and Industrial Strategy (BEIS) published the government's Net Zero Strategy. The Strategy is based on four principles, to:
- Work with consumer choice, rather than impose unwelcome requirements.
 - Use fair carbon pricing to ensure the biggest polluters pay more for the transition to net zero.
 - Protect the most vulnerable through government support, including discounts on energy bills and energy efficiency upgrades.
 - Work with businesses to achieve reductions in cost by supporting the newest low carbon technologies.
- 1.3. In February 2021 the Committee on Climate Change published UK Housing: Fit for the Future? Which stated that UK homes are not fit for the future. It found that greenhouse gas emission reductions from UK housing have stalled, and efforts to adapt the housing stock for higher temperatures, flooding and water scarcity are falling far behind the increase in risk from the changing climate. Improving the quality, design and use of homes across the UK will also improve health, wellbeing and comfort, including for vulnerable groups such as the elderly and those living with chronic illnesses. It identified five priorities for government action:
- 1) **Performance and compliance** - Greater levels of inspection and stricter enforcement of building standards are required, alongside stiffer penalties for non-compliance.
 - 2) **Tackling the Low Carbon Skills gap.**
 - 3) **Retrofitting existing homes** – Measures will need to include use of low-carbon sources of heating such as heat pumps and heat networks, energy efficiency measures such as loft and wall insulation, upgrades or repairs to homes should include passive cooling measures (shading and ventilation); measures to reduce indoor moisture; improved air quality and water efficiency; and, in homes at risk of flooding, the installation of property-level flood protection.
 - 4) **Building new homes** - new homes to be low-carbon, energy and water efficient and climate resilient. From 2025 at the latest, no new homes should be connected to the gas grid. They should instead be heated through low carbon sources, have ultra-high levels of energy efficiency alongside appropriate ventilation and, where possible, be timber-framed. A statutory requirement for reducing overheating risks in new builds is needed, alongside more ambitious water efficiency standards, property-level flood protection in flood risk areas, and increasing requirements for greenspace and sustainable transport in planning and guidance. **The costs of building to a specification that achieves the aims set out in this report are not prohibitive, and getting design right from the outset is vastly cheaper than forcing retrofit later.**

- 5) **Finance and funding.** Alongside the Net Zero Strategy, BEIS also published its **Heat Networks; Heat and Building Strategy**. The Heat and buildings strategy sets key commitments to be implemented in the next decade:
- Phasing out the installation of new natural gas boilers from 2035.
 - Reducing the costs of installing a heat pump by at least 25-50% by 2025 and ensuring heat pumps are no more expensive to buy and run than gas boilers by 2030.
 - Significantly growing the supply chain for heat pumps to 2028. The government intends that the market will grow from installing around 35,000 hydronic heat pumps a year to 600,000 per year by 2028.
 - Ensuring all new buildings in England are ready for Net Zero from 2025. The government anticipates at least a third of the 2028 heat pump target will be installed in new build domestic properties annually. To enable this, the government will introduce new standards through legislation (such as Building Regulations) to ensure new homes and buildings will be fitted with low carbon heating and high levels of energy efficiency, so that new buildings do not have to be retrofitted in the future. The government will also consult on ending new connections to the gas grid.
 - A Heat Network Efficiency Scheme (HNES) demonstrator programme to help existing heat network projects in England and Wales ensure they are running at optimal levels to maximise carbon savings and heating services to households and businesses.
 - £65 million of funding for the Flexibility Innovation Programme, which is part of BEIS' £1 billion Net Zero Innovation Portfolio (NZIP) and will fund projects to manage increasing demands on the UK's electricity system in a green future.
 - Further funding for existing decarbonisation measures including the Heat Network Transformation Programme, the Public Sector Decarbonisation Scheme, the Home Upgrade Grant Scheme and the Social Housing Decarbonisation Fund.
 - Exploring the development of commercial-scale gasification and a potential biomethane support scheme to replace the Green Gas Support Scheme (GGSS) after 2025.

Appendix 2

1. Sector Context

- 1.1. The housing sector accounts for around 20% of the UK carbon emission, although the social housing sector is already more efficient than other types of housing. 64.3% are certified EPC C or above, compared with 38.3% of privately rented homes and 35.6% of owner-occupied homes. The vast majority of housing association homes below EPC C are EPC D (31.2%). Just 4.5% of housing association homes are EPC E-G. Fuel poverty among social housing residents almost halved from 40.3% in 2010 to 18.4% in 2019.
- 1.2. In the years to 2050, housing associations already plan to invest £70bn in the fabric, heating systems and components of their existing homes. However, the National Housing Federation estimates that decarbonising all homes will require a minimum additional £36bn of investment on top of that already planned – a 50% increase.
- 1.3. In 2021 the National Housing Federation published a decarbonisation guide for Housing Associations, which suggests that delivering decarbonisation in a socially just manner means adhering to two guiding principles:
 - The climate transition must be a just transition. 18.4% of housing association residents still live in fuel poverty. With the right policy interventions and approach, decarbonisation can be a once in a generation opportunity to eliminate fuel poverty for good, delivering lower bills alongside more comfortable homes. And with 1.6 million households in desperate need of social housing, we must aim wherever possible to deliver more social housing.
 - Housing association residents must be at the heart of this work. While they will benefit from warmer, more affordable, healthier and smarter homes, residents will also face the disruption of retrofit and installation of new heating technologies. As a result, residents' willingness to learn about, adopt and champion new low carbon technology will be crucial to our collective success.
- 1.4. It suggests that the overall approach for housing associations should be to concentrate primarily on tackling the emissions they can control and support other sectors to play their part where possible. This means the 'direct, regulated' emissions caused by burning fossil fuels to heat homes and water and stresses that there is no role for carbon offsetting in decarbonising homes.
- 1.5. The NHF advocates taking a 'fabric first retrofit' approach by improving the energy efficiency of a home by investing in its insulation before investing in clean heat. Fabric first retrofit is essential because it reduces demand for space heating in the home, ensuring that:
 - We can tackle fuel poverty by bringing down energy bills for residents immediately and mitigating any potential future rise in running costs when clean heat technologies are installed.
 - We reduce carbon emissions immediately helping to meet national intermediary carbon reduction targets.
 - We ensure that future clean heat technologies work at their best. Technologies like heat pumps operate at lower temperatures than gas boilers and they are at their most efficient in a well insulated home.
 - We lessen the strain on our current and future energy infrastructure, making us more resilient to energy shocks and making it more viable to meet energy demand entirely through renewables.
 - More of our current homes are successfully decarbonised, reducing the need for regeneration and building new homes (which releases high impact embodied carbon emissions).
- 1.6. After fabric retrofit measures and clean heat have been installed, housing associations can look to the role of other interventions like solar panels to help bring down running costs further and reduce Scope 2 and Scope 3 emissions.

- 1.7. It is critically important to ensure that homes built now are 100% sustainable. Retrofitting sub-standard homes at a later date incurs higher whole life costs for the landlord. Research by the Committee on Climate Change believe that achieving 15 kWh/m²/yr for space heat demand in new builds could be achieved for an extra £4,800 per home, whereas retrofitting to the same standard is likely to cost £26,300 per home. In addition, when good quality new homes are added to the asset register, they improve the average environmental performance in a cost-effective manner.