

Decision Pathway – Report



PURPOSE: Key decision

MEETING: Cabinet

DATE: 06 February 2024

TITLE	Housing Revenue Account (HRA) Energy Efficiency Strategy	
Ward(s)	Citywide	
Author: Miles Tilling / Sam Robinson	Job title: Head of Business Development / Energy and Renewables Manager	
Cabinet lead: Cllr Kye Dudd, Cabinet Member for Housing Services and Energy	Executive Director lead: John Smith, Interim Executive Director Growth and Regeneration	
Proposal origin: BCC Staff		
Decision maker: Cabinet Member Decision forum: Cabinet		
Purpose of Report:		
<p>To outline the Housing Revenue Account (HRA)'s plan to reach EPC C standard by 2030 across all Bristol City Council (BCC) homes, in line with the corporate commitment made in the One City Plan, and in line with likely regulatory changes to introduce a minimum energy efficiency standard for the social rented sector.</p> <p>Inefficient homes are a major driver of fuel poverty and lead to worse health outcomes for BCC residents. This strategy sets our plan to improve the energy performance of our properties through increased deployment of measures such as wall insulation and solar panels. This approach will combat the cost-of-living crisis by reducing energy bills, while also driving improved health outcomes and lowering carbon emissions associated with domestic gas and electricity consumption.</p>		
Evidence Base:		
<ol style="list-style-type: none"> Following on from the commitments made in the One City Strategy, a more detailed plan is needed so that BCC and external stakeholders are clear on the steps needed to improve energy efficiency and move towards full decarbonisation of our homes. Through analysis of our stock condition data, we have set out a pathway towards improving the energy efficiency of the approximately 7500 (~28% of total) homes currently below EPC C up to at least that standard. With approximately 24000 homes currently on gas central heating, we have also set out the remaining steps needed to better understand the fastest and lowest cost route to full decarbonisation. The attached paper (Appendix A) is the product of a detailed analysis of BCC's stock condition and energy data, and sets out the programmes needed to achieve EPC C across all BCC homes along with associated costs. The additional costs and complexity associated with the wider decarbonisation of heat will require further in-depth analysis – a separate 'Heat Decarbonisation Strategy' will be brought forward in due course. In particular we have identified the need for a continued programme of wall insulation to improve the thermal performance of around 4000 solid wall and system-built properties. Alongside this we have identified the need for a programme of improvements to address expensive direct electric heating and hot water 		

systems which are present in around 3000 BCC homes and are a driver of higher fuel bills and poor EPC ratings. Finally we have highlighted the low levels of rooftop solar across our social housing estate, and – in line with our commitment to improve EPC scores for our residents - we have committed to installing solar photovoltaic (PV) panels alongside our roof replacement programme wherever technically feasible to do so.

5. The Government relaunched its review of the Decent Homes Standard in June 2023. The review will consider the introduction of a minimum energy efficiency standard in the social rented sector. In the longer term reaching EPC C across all BCC home is therefore likely to become a matter of regulatory compliance.

Cabinet Member / Officer Recommendations:

That cabinet:

1. Authorises the Executive Director of Growth and Regeneration in consultation with the Cabinet Member for Housing Services and Energy and the Council’s Section 151 Officer to take all steps required to implement measures which improve the energy efficiency of residential properties owned by the council (including those detailed in the HRA Energy Efficiency Strategy set out in Appendix A to this report) including:
 - a) submit appropriate funding applications (including applications to Homes England) and where such applications are successful, enter into grant agreements (in consultation with the Council’s Legal team) with the appropriate body and accept and spend such funding on such measures.
 - b) use HRA investment plan funds and/or reserves to fund and/or match fund projects implementing such measures to maximise funding.
 - c) procure and enter into all contracts required to deliver such measures including any contracts over the key decision threshold.
2. Notes the recommendations set out in the HRA Energy Efficiency Strategy (Appendix A).

Corporate Strategy alignment:

The recommendations in the HRA report are aligned to the corporate commitments made in the One City Climate Strategy to improve energy efficiency of our homes, maximise generation of renewable electricity and decarbonise heat in our buildings.

The Bristol Fuel Poverty Action Plan makes a commitment that by 2030 nobody in Bristol will suffer from a cold home due to fuel poverty. Improving the energy efficiency of BCC homes is a critical step in our mission to eliminate fuel poverty, mitigate the impacts of the cost-of-living crisis, and drive improved health and wellbeing outcomes for our residents.

City Benefits:

Improved air quality, lower energy bills, enhanced skills and supply chain for domestic retrofit, reduction in fuel poverty, improved health outcomes for residents

Consultation Details:

Internal consultation only:

o Workshops with Cabinet Member for Homes and Housing Delivery on 8th June 2023 and 20th September 2023

o Engagement with tenants and leaseholders at Service User group, Housing Management Board and Summer Housing Forum

o Attended Scrutiny board on 9th March 2023 to hear the views of Councillors

Background Documents:
[One City Plan](#)

Revenue Cost	£ 0	Source of Revenue Funding	
Capital Cost	£ 64m + grant funding	Source of Capital Funding	HRA funding and grant funding
One off cost <input checked="" type="checkbox"/>	Ongoing cost <input type="checkbox"/>	Saving Proposal <input type="checkbox"/>	Income generation proposal <input type="checkbox"/>

Required information to be completed by Financial/Legal/ICT/ HR partners:

1. Finance Advice:
 Energy Efficiency of our housing stock is a key factor in both tackling fuel poverty and delivering net carbon zero. As the largest provider of rental accommodation in the city, with over 26,000 homes, BCC has a pivotal role to play in achieving these ambitions.
 However, it should be noted that the costs of delivering energy efficiency works are significant, and in some cases such as air source heat pumps, may in fact be prohibitive in the current market.
 The HRA Business Plan currently has provision of circa £306m over thirty years for a number of energy efficiency initiatives. Despite this level of investment, and taking account of the comments above, it is possible that in order to achieve net zero carbon by 2030, that more may be required. In order to fit within the business plan cost envelope, any additional cost over and above the current provision will require the successful award of grant monies in order to create the necessary capacity.

Finance Business Partner: Martin Johnson – Interim Finance Manager Housing and Landlord Services 3 January 2024

2. Legal Advice: Whenever the council procures goods, works or services where the value is over certain thresholds, it must comply with its own internal procurement rules and currently the Public Contracts Regulations 2015 (due to be replaced shortly by the Procurement Bill). The relevant officers will need to seek legal and procurement advice to ensure these are complied with when procuring the measures detailed in this report.
 When in receipt of grant funding, the Council will need to ensure such funding complies with the Subsidy Control Act 2022. Again, the relevant officers should seek legal advice to ensure any such funding does comply.
 Legal advice should also be sought on the terms and conditions of any grant agreement entered into and any agreements for goods works and services entered into pursuant to this report.
 Consultation and compliance with the Public Sector Equality Act may also be required in relation to tenants affected by these works.

Legal Team Leader: Sinead Willis, Commercial and Governance Team Leader, comments provided on 17 January 2024 having reviewed this report and the HRA EE strategy

3. Implications on IT: I can see no implications on IT in regard to this activity

IT Team Leader: Alex Simpson, Lead Enterprise Architect 25 January 2024

4. HR Advice: There are no HR implications evident

HR Partner: Celia Williams HR Business Partner – 25 January 2024

EDM Sign-off	John Smith, Interim Executive Director Growth and Regeneration	22 November 2023
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Cabinet Member sign-off	Cllr Kye Dudd, Cabinet Member for Housing Services and Energy	4 December 2023
For Key Decisions - Mayor's Office sign-off	Mayor's Office	8 January 2024

Appendix A – HRA Report – Energy Efficiency Strategy	YES
Appendix B – Details of consultation carried out - internal and external	NO
Appendix C – Summary of any engagement with scrutiny	NO
Appendix D – Risk assessment	YES
Appendix E – Equalities screening / impact assessment of proposal	YES
Appendix F – Eco-impact screening/ impact assessment of proposal	YES
Appendix G – Financial Advice	NO
Appendix H – Legal Advice	NO
Appendix I – Exempt Information	NO
Appendix J – HR advice	NO
Appendix K – ICT	NO
Appendix L – Procurement	NO