



To: Cabinet
Date: 12 June 2024
Report of: Executive Director (Communities and People)
Title of Report: HRA Energy Efficiency Projects 2024/25

Summary and recommendations	
Purpose of report:	To seek Cabinet approval for HRA Energy Efficiency projects for the financial year 2024/25 and delegated authority to award the necessary contracts.
Key decision:	Yes
Cabinet Member:	Councillor Linda Smith, Cabinet Member for Housing and Communities Councillor Anna Railton, Cabinet Member for Zero Carbon Oxford
Corporate Priority:	Pursue a zero carbon Oxford; Support thriving communities
Policy Framework:	Council Strategy 2020-24; Zero Carbon Council by 2030: 4 th Carbon Management Plan 2021/22 to 2029/30; Zero Carbon Oxford Action Plan; Housing, Homelessness and Rough Sleeping Strategy 2023-2028

Recommendations: That Cabinet resolves to:	
1.	Grant project approval for Oxford City Council to proceed with energy efficiency projects on HRA properties using the 2024/25 approved budget; and
2.	Delegate authority to the Executive Director (Communities and People), in consultation with the Head of Financial Services/Section 151 Officer and the Head of Law and Governance, to spend the previously approved remaining HRA 2024 /25 budget, as agreed by full Council in 2023/24, for the purposes of HRA energy efficiency projects including awarding contracts to contractors and consultants to manage and deliver the projects following procurement processes outlined in the constitution.

Appendices
None.

Introduction and background

1. Oxford City Council (OCC) has set a target of getting 95% of its housing stock to an Energy Performance Certificate (EPC) C or above by 2030. There is also a commitment to reach net zero carbon emissions as a city by 2040 which goes beyond EPC C.
2. The Heat and Buildings Strategy (October 2021), sets out the Government's ambition to phase out the installation of natural gas boilers beyond 2035 with alternative low-carbon technologies used for heating.
3. The Council commissioned consultants Baily Garner to undertake an assessment of specific measures that would be required to achieve an Energy Performance Certificate (EPC) C rating and Net Zero across its housing stock. The Bailey Garner Report recommends following the fabric first approach. Once properties are well insulated, the next step towards net zero carbon is to install low carbon heating (such as heat pumps) working towards the Council's 2040 aspiration.
4. Following on from the Social Housing Decarbonisation Fund (SHDF) wave 2.1 cabinet report of 18th November 2022, the remaining 24/25 HRA Energy Efficiency Budget, not used for SHDF, is required for other HRA Energy Efficiency programmes. Whilst the budget was approved and allocated by full Council in 23/24, this report seeks approval to spend the remaining allocated 24/25 budget.
5. As well as fabric first measures (e.g. insulation) to reach EPC C, we need to develop an approach for decarbonisation of heating systems and net zero alongside this. The development of this strategy is underway and previous trials, and 23/24 projects (upon completion) will feed into this.
6. The Council has conducted an additional 610 EPCs on its HRA properties in 23/24.
7. It is proposed that the Council releases the remaining budget to deliver Energy Efficiency projects (as detailed below), including: Ground Source and Air Source Heat Pump installations; projects on Non-traditional properties; voids and improving housing stock energy data. It may also involve installation of other technologies, where appropriate in order to meet EPC C.

Proposed Projects

8. As it is not a requirement to have a lodged EPC until a social housing property is marketed/ re-let and EPCs are valid for 10 years this data needs to be improved by conducting EPCs on stock that does not currently have an EPC. Improved EPC data will help the Council establish a better picture of the Council's current EPC position. Therefore, one of the projects will be to continue to improve EPC coverage in 24/25.
9. EPCs will also be carried out following any works that impact the energy rating to ensure that stock data is kept up to date going forward. The below projects will be monitored in this way and reported via the EPC C target reporting.

10. As Voids allow for unrestricted access and often need major works it is proposed that Energy Efficiency improvements continue to be carried out in Void properties (where appropriate). This will be aimed at properties below EPC C to bring them up to a C before re-letting. Measures that form this project are difficult to define as we do not know which properties will become void in the year. Last year heat pump and insulation works were carried out, however it is dependent on the measures required to reach EPC C.
11. Air Source Heat Pump (ASHP) installations need to continue in 24/25 in order to ramp up to net zero and prepare for the phase out of gas boilers. Delivery of circa 20 installations in 24/25 is proposed however this is dependent on the works required in each property. Installations will include monitoring so the performance of the systems can be analysed, and any issues identified quickly.
12. The Council also needs a solution for flats where the installation of Air Source Heat Pumps has many technical difficulties. In 23/24 work started on a trial of a Shared Array Ground Source Heat pump (GSHP). Design is currently underway for two blocks – one block with a communal heating system and one block with individual gas boilers. In addition to the previously agreed 23/24 budget for one block, further budget is required in 24/25 to deliver to an additional block. This will enable us to test the solution on both types of existing heating system. Monitoring will be installed on these systems to determine performance.
13. After SHDF is complete, the majority of properties below an EPC C, are of Non-traditional archetypes. These are complex to retrofit and need a specialist solution to ensure that energy efficiency measures are correct for the building type. It is proposed that a detailed approach is developed for these properties in 24/25 and a trial is then carried out to enable a roll out in future years.
14. Other technologies may also be implemented in 24/25, as required to meet targets.
15. Full projects will be developed in consultation with relevant cabinet members.
16. It is anticipated that packages of work will be awarded to either ODS or specialist contractors, using a Council framework that is being set up.
17. These works will bring benefits to residents in the form of warmer homes and reduced consumption as well as reducing the Council's housing carbon emissions working towards meeting the Council's carbon targets.

Recommendations

18. To:
 - A. Grant approval for Oxford City Council to proceed with energy efficiency projects on HRA properties using 24/25 approved budget; and
 - B. Delegate authority to the Executive Director (Communities and People), in consultation with the Head of Financial Services/Section 151 Officer and the Head of Law and Governance, to spend the previously approved remaining HRA 2024 /25 budget, as agreed by full Council in 2023/24, for the purposes of HRA energy efficiency projects, including awarding contracts to contractors and

consultants to manage and deliver the projects following procurement processes outlined in the constitution.

Financial implications

19. A capital budget of £7.45M has been allocated to HRA Energy Efficiency projects for 24/25. The £3.112M alongside the already allocated funds for SHDF remain within this agreed budget.

2024/25	
Council spend on SHDF 2.1 for Year	£ 4,038,063
Resources	£250,000
24/25 Energy Efficiency Projects	£3,111,937
Total	£7,450,000
Approved Budget	£7,450,000

Carbon & Environmental Considerations

20. The installation of low carbon heating will reduce the Council's Housing Stock carbon emissions and pave the way to net zero by 2040. As Heat pumps typically produce 3-4 units of heat for every unit of electricity this will lead to carbon savings as well as improved air quality, as gas will no longer be burned to heat these properties. As grid electricity is decarbonised this will provide further carbon savings.

Communications considerations

21. Communication with residents will be key to successful delivery. As part of the project residents will be engaged with via workshops, home visits (to provide a detailed overview) and a visit to a demonstration home (if feasible). Residents will also be given full training on how to use the new heating system, where installed, to ensure they get the best from it and understand the impact on running costs that changing settings can result in.

Equalities considerations

22. There will be no impact on equalities.

Legal issues

23. There are no legal implications arising from this report. Legal input will be sought regarding the procurement of suppliers and development of contracts to deliver the projects. A legal procurement route will be used to procure any contracts.

Levels of risk

24. Full surveys have already been carried out on properties during 23/24 reducing the risk of installing heat pumps and resident consultation will be carried out at an early stage before any installations start. However, there is a risk that tenants will not be receptive of the installation of heat pumps and so tenant engagement and education will be a large part of this project linking into the work done in Rose Hill.

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Background Papers:

[Minutes of Cabinet, 16 November 2022](#)

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