

**NOTTINGHAM CITY HOMES LIMITED
GOVERNING BOARD MEETING**



Date: THURSDAY 27 OCTOBER 2016

Time: 5.35 PM

Place: MEADOWS LIBRARY, WILFORD GROVE, NOTTINGHAM, NG2 2DR

Directors of the Board are requested to attend the above meeting on the date and at the time and place stated to transact the following business:

George Pashley
Company Secretary

AGENDA

			Page No.	Time
1	INTRODUCTORY ITEMS – COMPANY SECRETARY			
1.1	WELCOME		-	5.35
1.2	APOLOGIES FOR ABSENCE		-	
1.3	DECLARATION OF INTERESTS		-	
1.4	MINUTES OF THE MEETING HELD ON 29 SEPTEMBER 2016	Attached	3 - 12	5.35
1.5	MATTERS ARISING		-	5.35
2	GOVERNANCE			
2.1	COMPANY SECRETARY'S REPORT Report of the Company Secretary	Attached	13 - 15	5.40
3	STRATEGY AND LEADERSHIP			
3.1	ENVIRONMENTAL STRATEGY 2016 - 2021 Report of the Head of Sustainable Energy	Attached	16 - 45	5.45
4	ITEMS FOR NOTING			
4.1	ANNUAL OD PERFORMANCE MANAGEMENT UPDATE 2015/16 Report of the Company Secretary	Attached	46 - 55	5.55
4.2	NATIONAL FEDERATION OF ALMOS MEETING ON 4 OCTOBER 2016 UPDATE Report of Board Member Michael Savage	Attached	56	6.05

5 CLOSING ITEMS

5.1 ANY OTHER BUSINESS

5.2 DATE OF NEXT MEETING - 24 NOVEMBER 2016

Members wishing to raise matters under Any Other Business should note that items will only be accepted if referred to and agreed by the Chair of the Board prior to commencement of the Meeting. Members wishing to submit their apologies should do so by contacting the Company Secretariat on 0115 746 9485. This agenda was issued by email on 20 October 2016

Distribution List:

All Board Members:

- Alex Ball
- Dave Bennett-Bull
- Bill Blincoe
- Scott Campbell
- Anne Dean
- Glenn Harris, MBE
- Patience Ifediora
- Mike Khouri-Bent
- Julian Owen
- Sarita-Marie Rehman-Wall
- Michael Savage
- Malcolm Sharp, MBE
- Steve Young

All EMT Members

Report Authors:

- Emily Braham

NOTTINGHAM CITY HOMES LIMITED

THE BOARD

MINUTES of the **PUBLIC MEETING** held on **29 SEPTEMBER 2016** at the Albert Hall Conference Centre, North Circus Street, Nottingham, NG1 5AA

Board Members

Alex Ball
Dave Bennett-Bull
Bill Blincoe
Scott Campbell
Anne Dean
Glenn Harris, MBE
Patience Ifediora
Mike Khouri-Bent
Julian Owen
Sarita-Marie Rehman-Wall
Michael Savage
Malcolm Sharp, MBE (Chair from item 7.2)
Steve Young

Also in Attendance:

Chris Culleton	Director of Repairs and Maintenance
Lisa Dawkins (For item 11)	Head of Involvement
Cathy Dobb (Minute taker)	Head of Governance
Judith Duncan (For items 9 & 11)	Customer Excellence Panel
Dan Lucas (for item 8)	Strategy and Research Manager
Tom Mouldsdale (Observer)	Governance Officer
Gill Moy	Head of Housing and Customer Services
Nick Murphy	Chief Executive
George Pashley (Chair til item 7.2)	Company Secretary
Darren Phillips (For item 10)	Assistant Director of Finance and Procurement
Jonathan Shaw	Director of Investment and Business Services
Sue Stevenson (For items 9 & 11)	Chair of Customer Excellence Panel
Jonathan Weller (For item 9)	Performance Manager

1 WELCOME, INTRODUCTIONS & CHAIR'S ANNOUNCEMENTS

- 1.1 Prior to the formal appointment of the Chair, the Company Secretary opened the meeting and introductions were made.

2 APOLOGIES FOR ABSENCE

None.

3 DECLARATIONS OF INTEREST

None declared.

4 ITEMS FROM THE CHAIR

None.

5 CONFIRMATION OF MINUTES OF THE MEETING HELD ON 28 JULY 2016

These were agreed as a true record. The Company Secretary signed the minutes.

6 MATTERS ARISING

None.

7 COMPANY SECRETARY'S REPORT

7.1 CHAIR AND VICE CHAIRS

7.1.1 In accordance with Company Articles 31(1) and Standing Orders: Part 1 Governance 3.7.2, the Board is required to elect a Chair and Vice Chair at its first meeting following the Annual General Meeting (AGM).

7.1.2 The appointment panel was unanimous in their recommendation to the Board of Malcolm Sharp MBE for the role of Chair.

7.1.3 The report stated that this year it was agreed that there would be two Vice Chairs to aid succession planning. Board made three nominations; Dave Bennett-Bull, Anne Dean and Sarita-Marie Rehman-Wall. An election was held and Board Members elected Dave Bennett-Bull and Sarita-Marie Rehman-Wall.

RESOLUTION:

The Board agreed:

- 1. To the appointment of Malcolm Sharp, MBE to the position of Chair of the Board for a term of three years with a provision to review after one year.**
- 2. To the appointment of Dave Bennett-Bull and Sarita-Marie Rehman-Wall to the positions of Vice Chairs of the Board for a term of one year.**

7.2 INDEPENDENT AND CO-OPTED MEMBERS

7.2.1 The Chair informed the Board that in accordance with Company Articles 16 and Standing Orders: Part 1 Governance, they are required to elect an Independent Board Member at the first meeting following the AGM.

7.2.2 Interviews were held on 7 September 2016 and the appointment panel were unanimous in their decision to recommend Glenn Harris, MBE as the Independent

Board Member

- 7.2.3 Company's Articles of Association 34 provides for the Board to co-opt a maximum of two members, which are subject to an annual review. Following interviews on 7 September 2016, the appointment panel were unanimous in their decision to recommend Scott Campbell and Julian Owen to the Board.

RESOLUTION:

The Board agreed:

- 1. To the appointment of Glenn Harris, MBE as the Independent Board Member for three years, and Scott Campbell and Julian Owen as Co-opted Board Members for a term of one year.**

7.3 **AUDIT COMMITTEE MEMBERSHIP**

- 7.3.1 In accordance with Standing Orders: Part 1 Governance, the Board is required to elect a minimum of five Board Members for Audit Committee membership at the first meeting following the AGM.
- 7.3.2 The Company Secretary explained to the Board that subsequent to the publication of the report, changes have been suggested to the Audit Committee membership, and that Patience Ifediora has been removed from the Audit Committee, and that nominations are sought from the Board for the vacant position.
- 7.3.3 The Audit Committee membership recommended to Board was Glenn Harris, MBE, Scott Campbell, Steve Young, Anne Dean, Sarita-Marie Rehman-Wall with a vacant position awaiting nomination from Board.

RESOLUTION:

The Board agreed:

- 1. To the revised Committee Membership for the Audit Committee and seek nominations for the one vacant position.**

7.4. **HR COMMITTEE MEMBERSHIP**

- 7.4.1 The Company Secretary informed the Board that in accordance with Standing Orders: Part 1 Governance, the Board is required to elect a minimum of four Board Members for HR Committee membership at the first meeting after the AGM.
- 7.4.2 The Company Secretary explained to the Board that subsequent to the publication of the report, changes have been suggested to the HR Committee membership, and that the Patience Ifediora has been added to the Committee and Anne Dean replaced.
- 7.4.3 The HR Committee membership recommended to Board was Malcolm Sharp, MBE, Dave Bennett-Bull, Michael Savage and Patience Ifediora.

RESOLUTION:

The Board agreed:

- 1. To the revised Committee Membership for the HR Committee.**

7.5 BOARD MEMBERS' EXPENSES

- 7.5.1 The Chair presented to Board a breakdown of Board expenses for 2015/2016 in accordance with Company Standing Orders: Part 1 Governance

RESOLUTION:

The Board agreed:

- 1. To note the Board Member expenses.**

7.6 UPDATE ON SUBSIDIARIES

- 7.6.1 The Board were informed that following the last Board Meeting, Anthony Collins, Solicitors wrote to the Homes and Communities Agency (HCA) to provide them with the proposal to alter the RP Board composition so that it will consist of six Board members; three independent Board members, and three nominations from the main Board. The HCA confirmed that this approach would be acceptable. The Articles of Association and Standing Orders would require amending accordingly.
- 7.6.2 The Chair stated that he would recruit to the independent positions first and to match the skill set required for the roles with the relevant Board Members. He also wanted to review the role of the Vice Chairs and therefore seeks to defer the decision on nominating three Board Members until these have taken place.

RESOLUTION:

The Board agreed:

- 1. To the amendments to the subsidiary Articles.**
- 2. To amendments to the Standing Orders: Part 1 Governance, sub section 3.2 to reflect the new Board structure.**
- 3. To defer the decision to nominate three of its own members to join the newly constituted RP Board.**
- 4. To make appointments to the three independent subsidiary Board Member positions.**

7.7 CODE OF CONDUCT

- 7.7.1 Nottingham City Homes (NCH) currently bases its good governance practice on complying with the National Housing Federation (NHF) Code of Governance Framework. One aspect of the Framework requires Companies to have a combined Code of Conduct demonstrating that Board Members and employees work to the same standards and values. A combined Code was presented to Board earlier in the year as part of the submission to the HCA. It was to be consulted on with unions.
- 7.7.2 Subsequent consultation with unions raised a number of factors that suggest having a combined Code is not practical for NCH, which operates in a heavily unionised environment. It became apparent that getting union agreement on the

Code would require making changes that Board Members may be unhappy with.

- 7.7.3 Under the “comply or explain” practice common to Governance, organisations are invited to set out reasons why they are not complying with good governance practice where they choose to do so. Board are asked to agree to not complying with the Code on this aspect, and explaining this in the documentation submitted to the HCA why this is the case based on the above information.

RESOLUTION:

The Board agreed:

- 1. To retain the existing Board Member Code of Conduct, with a new, separate Code of Conduct for employees.**

7.8 USE OF THE COMPANY SEAL

7.8.1 The Seal was affixed on the following occasions:

7.8.2 TR1 Transfer of Registered Title - The Seal was affixed on 25 July 2016 for the purchase of 25 Chatsworth Avenue, Basford, NG7 7EW for £80,000.

7.8.3 TR1 Transfer of Registered Title - The Seal was affixed on 25 July 2016 for the purchase of 30 St Stephens Road, Nottingham, NG2 4JN for £113,000.

7.8.4 TR1 Transfer of Registered Title - The Seal was affixed on 25 July 2016 for the purchase of 19 Aubrey Road, Sherwood, Nottingham NG2 3NG for £128,500.

7.8.5 TR1 Transfer of Registered Title - The Seal was affixed on 25 July 2016 for the purchase of 123 Thorneywood Rise, Nottingham NG3 2PE for £88,000.

7.8.6 TR1 Transfer of Registered Title - The Seal was affixed on 28 July 2016 for the purchase of 3 Marsant Close, Wollaton, Nottingham NG8 1NU for £115,000.

7.8.7 The Seal was affixed on 28 July 2016 for the contract with City Electrical Factors Limited for the supply of LED lighting.

7.8.8 TR1 Transfer of Registered Title – The Seal was affixed on 22 August 2016 for the purchase of 9 Hogan Gardens, Nottingham, NG5 9JE for £74,000.

7.8.9 TR1 Transfer of Registered Title – The Seal was affixed on 13 September 2016 for the purchase of 1 - 7 Archway Court, Nottingham, NG7 4AP for £560,000.

7.8.10 TR1 Transfer of Registered Title – The Seal was affixed on 19 September 2016 for the purchase of 14 Eltham Drive, Nottingham, NG8 6DU for £70,000, which was purchased under EMT delegated powers.

7.8.11 The Seal was affixed on 19 September 2016 for the contract with Total Integrated Solutions Limited for the supply of door entry and CCTV systems including automatic doors, roller shutters, barriers and access control systems framework for contracted sum of £286,560 (with option to extend contact for a further year for a total contract sum of £536,650).

- 7.8.12 The Seal was affixed on 19 September 2016 for the contract with Neil Shacklock Plumbing & Heating Contractors Limited for electric rewires and repairs for the contracted sum of £1,769,512.
- 7.8.13 The Seal was affixed on 19 September 2016 for the contract with Metro Rod Limited for drainage clearance and CCTV inspection for the contracted sum of £878,530.67.

RESOLUTION:

The Board agreed:

1. **To note the use of the Company Seal.**

7.9 EQUALITY AND DIVERSITY STEERING GROUP TERMS OF REFERENCE

- 7.9.1 An Equality and Diversity Steering Group has been established to oversee the implementation of the Equality and Diversity Strategy and recommendations arising from the Social Housing Equality Framework (SHEF) peer review. It comprises Board Members, employees and tenants. Board are asked to note the Group's terms of reference.

RESOLUTION:

The Board agreed:

1. **To note the Terms of Reference for the Equality and Diversity Steering Group.**

7.10 DYING TO WORK CHARTER

- 7.10.1 At the July Board meeting, Board Members requested the number of private businesses that have already signed up to the Charter.
- 7.10.2 So far, companies such as Central College Nottingham, The Chartered Society of Physiotherapy, Thompsons Solicitors and Pellacraft have all signed their support for the Charter. There are also 15 Trade Unions and a number of charities that have signed, along with Jon Ashworth, MP and Lillian Greenwood MP. The previous Chair of the Board attended a media event on 30 August 2016, when she signed the Charter on behalf of NCH. Board Members can find more information on the Dying to Work website - www.dyingtowork.co.uk

RESOLUTION:

The Board agreed:

1. **To note the update to the Dying to Work Charter.**

7.11 STAFF CONFERENCES

- 7.11.1 The 2016 Staff Conferences are being held at the Basford Hall Conference Centre on Tuesday 11 and Wednesday 12 October. There are four sessions being held on both days at 8am, 10.30am, 1pm and 3.30pm, with sessions lasting around one

and a half hours. Board Members are more than welcome to attend.

RESOLUTION:

The Board agreed:

- 1. To note the details of the Staff Conferences.**

8 NEW GOVERNMENT PROPOSALS AND EXTERNAL POLICY DEVELOPMENTS WITH AN IMPACT ON NOTTINGHAM CITY HOMES

- 8.1 The Strategy and Research Manager provided the Board with an update on key housing policy and information announcements made since the report to Board in June 2016.
- 8.2 He drew the Board's attention to the new Government ministerial team. The next report will cover items from the parties' national conferences which are currently taking place.
- 8.3 The Strategy and Research Manager drew the Board's attention to four recent research reports, and stated that all reports make a strong case for changes around Local Authority borrowing with the purposes of allowing more council house construction to take place.

The Housing and Planning Act, with its Pay to Stay requirement, is likely to result in financial assessments being undertaken on 10.5k households in Nottingham, with a potential cost to the organisation of £20-£25 per assessment. NCH's initial ideas for assessment have been taken up and used by Government.

Further to the referendum to leave the European Union, the NFA issued a paper highlighting issues such as procurement, the costs of materials, exchange rates, potential inflation and house price activity. The Prime Minister has stated that exit will not be triggered this year.

- 8.4 Board Members also discussed the Government announcement on the abandonment of the Help to Buy scheme and a new leaning towards encouraging people to rent property.

RESOLUTION:

The Board agreed:

- 1. To note the update and the relevant implications for NCH.**

9 QUARTER ONE PERFORMANCE SUMMARY 2016/17

- 9.1 The Performance Manager stated that the purpose of the report was to provide the Board with an overview of NCH's progress in the key performance areas as identified in the Corporate Plan.
- 9.2 He stated that the detailed report was scrutinised by the Customer Excellence Panel (CEP) and that overall customer satisfaction was at its highest ever at 88.6%. Rent collection was below target, although this was in keeping with

previous first-quarter trends, but is better than this time last year and it was expected to reach 100% by the end of the year. Re-let time is under 40 days, which is still below target, but is the best it's ever been. Staff sickness is at 11 days with the target being 9 days but has been improving recently. Gas servicing and performance has been at 100% for last 18 months.

- 9.3 Board Members discussed the performance data, and requested that long term staff absence be separated from the short term staff absence and reported separately. The Company Secretary stated that HR Statistics review which would include sickness absences will be included on the next Board Agenda.

Board Members also requested if an additional Key Performance Indicator (KPI) could be added to show how long a repair took, as this could impact on tenant satisfaction. The Director of Repairs and Maintenance will review this request.

- 9.4 The Chair stated that he would like a sense of direction on how we are going to achieve targets. The Director of Housing and Customer Services stated that rent collection is back up at 105.1% and we are performing well against our peers and that we will see an impact following the introduction of Universal Credit. She also stated that there are 192 lettable voids at the moment, with 39 days to re-let against the target of 35 days. However, removing Independent Living accommodation drops the figure to 34 days, and the Grander Designs project has also had an impact on this. The Chief Executive stated that NCH has 186 new builds to let this year, which will have the impact of increasing the number of voids to be managed.

The Director of Repairs and Maintenance confirmed that his team is looking at the current performance statistics, and is looking to, for example, cross train staff in order to complete more repairs first time. He also stated that recently, after each job, a rating card is completed by the tenant. These show a 98% satisfaction rate.

RESOLUTION:

The Board agreed:

- 1. To note the contents of the report.**

10 PERIOD 4 (JULY) 2016/17 FINANCE REPORT

- 10.1 The Assistant Director of Finance and Procurement stated that the report provides an update on the Company's current financial position at the end of Period 4 (July 2016) and that the accounts show a surplus of £135k, with a projected full year surplus of £155k. Historically however, spend is higher over the winter months.
- 10.2 He drew the Boards attention to the company reserves and to the projects that they have been allocated to, such as the refurbishment of Harvey Road and IT improvements.

RESOLUTION:

The Board agreed:

- 1. To note the 2016/17 financial position.**

11 CUSTOMER EXCELLENCE PANEL - SERVICE REVIEW FOR FENCING AND BOUNDARIES

- 11.1 The Chair of the Customer Excellence Panel stated that the purpose of the report is to present the CEP's service review report on Fencing and Boundaries and invited Board Members comments and questions.
- 11.2 Board discussed the recommendations in the report and how they would be taken forward. The Director of Repairs and Maintenance stated that they would be picked up by his team including a review of the Fencing Standards leaflet. He confirmed that all tenants have been written to informing them when repairs will be carried out and that all workers have been instructed to carry identification. The Director of Repairs and Maintenance will report back to Board on progress at a later date.

RESOLUTION:

The Board agreed:

- 1. To note the recommendations within the CEP service review report.**

12 ITEMS FOR NOTING

12.1 NCC AND NCH PARTNERSHIP FORUM

- 12.1.1 The Chief Executive updated the Board regarding the formal meeting between Nottingham City Council (NCC) and NCH. He explained that these meetings oversee the partnership agreement between both organisations.

The Forum discussed the Metropolitan Agreement with Derby City Council, and how both cities would work together post devolution. The prospectus has been issued, and we will be liaising with Derby Homes to see whether there are opportunities for further partnership working.

Discussion also took place on Insourcing, and that NCH was not getting as much work from NCC as planned, but what work has been done has been well received. The direction of travel that NCC wants from NCH is to do more in-house work, so we are looking to improve our systems to achieve this. NCH is Teckal compliant which means that NCC can award NCH work without putting it out to tender.

The meeting also discussed financial planning, and that NCC has a shortfall to find in order to balance their budget next year and that they are looking to all their companies to assist with this.

13 ANY OTHER BUSINESS

None.

14 DATE OF THE NEXT MEETING

The next scheduled meeting will be on the 27 October 2016 at the Meadows

Library, Wilford Grove, Nottingham NG2 2DR.

The meeting closed at 18:30

SIGNED..... DATE

NOTTINGHAM CITY HOMES

REPORT OF THE COMPANY SECRETARY

THE BOARD
27 OCTOBER 2016

COMPANY SECRETARY'S REPORT

1 SUMMARY

- 1.1 This report sets out the administrative and governance matters requiring consideration and approval by the Board since the last meeting.

2 RECOMMENDATIONS

It is recommended that the Board:

- 2.1 Note the content of the report; and
- 2.2 Agree that the Nottingham City Homes Enterprise Limited (NCHEL) Board is made up of all EMT members who will automatically resign their membership on leaving the Company.

3 REPORT

3.1 REVIEW OF GOVERNANCE ARRANGEMENTS

- 3.1.1 Members met in September to greet the new Chair and discuss overall Board management and support for the coming year. Minutes of the meeting have previously been circulated. A refresh of the following areas was agreed:

- Board and Committee papers to include putting decision making items first on the agenda, a stronger executive summary and detail membership on the papers;
- Board Member IT including options around a Board portal and electronic Board Papers. Board Member IT requirements will also be evaluated on an individual basis;
- Board Appraisals to include clearly defined training requirements and input from EMT members. Consideration will be given to introducing a Board buddying system for new members.

- 3.1.2 A Board Away Day will be held in the New Year.

- 3.1.3 The Board is asked to **note** the actions from September's meeting.

3.2 NOTTINGHAM CITY HOMES ENTERPRISES LIMITED (NCHEL)

- 3.2.1 The first two Board Meetings of the NCHEL subsidiary have taken place over the past three months. This report sets out the key issues and business discussed so far.

- 3.2.2 With regard to the composition of the Subsidiary Board, the Governing Board previously decided that this would consist of all EMT members until further notice. This decision needs to be formally minuted by the Governing Board. EMT members have been registered as Board Members of NCHEL with Companies House and will automatically resign their membership on leaving the Company. All have completed their “Declaration of Interests” paperwork.
- 3.2.3 The NCHEL Board is currently discussing the scope of its business plan. The Market Rented Project and the proposed development at Padstow will be included.
- 3.2.4 NCHEL has also been discussing the best way to create share capital. One proposal is to have two classes of share which would allow different dividend payments and voting rights for shareholders. This would enable Nottingham City Homes (NCH) to remain the parent company at the same time as being able to distribute a financial return by way of dividend to Nottingham City Council (NCC).
- 3.2.5 Board is asked to **note** the report and **agree** that the NCHEL Board is made up of all EMT members who will automatically resign their membership upon leaving the Company.

4 FINANCIAL, LEGAL AND RISK IMPLICATIONS

4.1 Financial Implications

- 4.1.2 These are set out within the report above.

4.2 Legal Implications

- 4.2.1 All of the initiatives within this report are carried out within legislation including the Companies Act 2006 and NCH’s Governance processes.

4.3 Risk Implications

- 4.3.1 There are no risks attached to this report.

5 IMPLICATIONS FOR NOTTINGHAM CITY HOMES OBJECTIVES

- 5.1 The contents of the report will have a significant impact for NCH achieving its corporate objectives, set out in the Corporate Plan and associated high level corporate commercial, financial and business plans.

6 EQUALITY IMPACT ASSESSMENT

- 6.1 Has the equality impact of these proposals been assessed?
 Yes (EIA attached)
 No (this report does not contain proposals for significant changes to process at this stage).

7 BACKGROUND MATERIAL AND PUBLISHED DOCUMENTS REFERRED TO IN COMPILING THIS REPORT

7.1 The Companies Act 2006
The Small Business, Enterprise and Employment Act 2015

CONTACT OFFICER: George Pashley
Company Secretary
Loxley House
Station Street
Nottingham
NG2 3NJ
Tel: 0115 746 9485
E-mail: george.pashley@nottinghamcityhomes.org.uk

DATE: 13 October 2016

NOTTINGHAM CITY HOMES**REPORT OF THE HEAD OF SUSTAINABLE ENERGY****THE BOARD
27 OCTOBER 2016****ENVIRONMENTAL STRATEGY 2016 - 2021****1 SUMMARY**

- 1.1 The paper presents the draft Environmental Strategy 2016 -2021 for Nottingham City Homes (NCH). The Environmental Strategy sets out our direction for reducing fuel poverty and making our business and homes more environmentally sustainable. By taking the actions in the Environmental Strategy we can potentially reduce future costs and we improve the overall sustainability of our business. A summary of the Strategy is included within the report.

2 RECOMMENDATIONS

It is recommended that the Board:

- 2.1 Provides comment and feedback on the draft Environmental Strategy 2016 – 2021.
- 2.2 Approves the Strategy to be signed off by the Chair of the Board, once inputs from Board Members and Councillors have been incorporated.

3 REPORT

- 3.1 NCH was awarded the title of UK Housing Awards Sustainable Landlord of the Year in 2013. This award is important because it shows how much NCH has already done in terms of being an environmentally sustainable landlord.
- 3.2 As a member of Sustainable Homes Index For Tomorrow (SHIFT), we are benchmarked every two years against other social housing providers. We currently hold a silver accreditation. Some of the main areas for improvement include our stock performance, which we believe is primarily due to historic data not having been updated, but also because we have large numbers of old homes within our stock; some of our business practices and office energy consumption; and environmental issues which are not energy related, such as water usage and adaptation to climate change. Improvements are required in all of these areas to ensure that NCH's score is Gold by the next SHIFT assessment in 2018.
- 3.3 The Environmental Strategy brings together all of these improvements and is intended to help us achieve our Vision "To Create Homes and

Places Where People Want to Live” now and in the future. It supports the Council’s environmental ambitions and will ensure that we can deliver the changes required to meet these in a planned and efficient way.

3.4 Many of the changes we will undertake, and projects and initiatives which will be delivered as part of this strategy, will not only be good for our business and help sustain a healthy planet, but they will also improve the health and wellbeing of our communities, and our staff.

3.5 Being more efficient in our business practices means that we waste less and spend less, which helps us make budget reductions. Therefore the strategy is focused on cutting waste, being more efficient, and it is intended to be cost neutral to deliver as a minimum, but targeting business cost reduction.

3.6 The vision for the strategy is based on Government’s declaration that by 2050 all buildings, commercial and domestic, need to be low to zero carbon, to meet the UK’s climate targets set through the Climate Change Act 1998. We want to achieve ‘Zero 2050 homes’ in the most efficient and cost effective way, so the strategy sets out what we expect our homes and communities to look like in 2050, which enables us to invest more efficiently. It also acknowledges key national directives which will happen between now and 2050, including phasing out gas from domestic properties by 2030, and achieving an EPC of C by 2030.

3.7 The commitments within the strategy are grouped into three sections:

- Our Homes
- Our Communities
- Our Business.

The overview of progress in each of these and our commitments are detailed within the following summary.

3.8 Our Homes

3.8.1 NCH’s biggest environmental impact is our carbon emissions from our homes. Improving our homes is also the biggest impact for our customers.

3.8.2 We measure the energy performance of our homes using Standard Assessment Procedure (SAP) to generate an Energy Performance Certificate (EPC). Our target within our Corporate Strategy is to have an average SAP of 69, which is the bottom of EPC C. Our average is currently 68.4. SHIFT landlords have an average of 70. If we want to achieve Gold, we need to be better than average. We are confident that through re-assessing some of our worst performing properties, we will improve our average slightly, but we also need to continue investing in our worst performing homes, and to ensure we achieve EPC C by 2030, and low to zero carbon by 2050.

3.8.3 Our recent projects have focused on insulating large numbers of properties in our neighbourhoods with solid wall insulation. There are a

number of issues with continuing these neighbourhood projects outlined in the strategy. With limited budgets we need to ensure that when we make significant investment in our properties, we are achieving the standards we will require in the future; not the standards we require now. For this reason the strategy proposes a change in direction. It proposes that we deliver much better whole house retrofit solutions, which achieve as close as possible to zero carbon straight away. We propose piloting these solutions over the next three years using external funding to support Housing Revenue Account (HRA) budgets, and through those pilots developing a 30 year investment plan by 2020. Because it will take longer to deliver this programme to all homes, we will also install lower cost measures to more homes, which will ensure we reduce fuel poverty for more of our tenants sooner. This includes ensuring all of our lofts are insulated, draught proofing, LED lighting and installing more effective heating controls. We will also use innovative methods to insulate and improve our homes, and ensure we continue to provide a test bed for green tech solutions developed in Nottingham and further afield. Our commitments are as follows:

- Establish our performance baseline for all properties.
- Improve all homes up to a minimum EPC of D by 2020, and C by 2030, using a combination of whole house retrofit to EPC A, low cost measures, and innovative solutions.
- Develop road maps for each NCH archetype, to understand how to achieve long term targets most cost effectively.
- Plan for the long term, and by 2020 agree an Energy Investment Strategy for 2050 zero carbon, budgeted within and to be delivered over the 30 year HRA Business Plan.
- Use our existing solid wall insulation budget and any grant we are able to attract to pilot a range of solutions for '2050 homes', including renewable energy solutions, battery storage and whole house retrofit.
- Develop and test a financial model which enables NCH and Nottingham City Council (NCC) to share the benefit of the savings created by our investment. This is the Energiesprong model.
- Develop a commercial business model, delivering insulation in-house to 100 homes, using the most innovative methods to ensure longevity of the business opportunity and offering this to private sector residents and other housing providers.
- Support the roll out of Smart meters, and test other smart controls, and ensure that our tenants understand smart technologies and get the best use from them.
- Target EPC A for all new build, basing standards on our Direct Labour Organisation (DLO) in house properties and our planned exemplar Eastglade project as a benchmark.
- Install water saving appliances in kitchens and bathrooms and water butts in any projects which remove rainwater pipes.
- Develop a new build policy ensuring we are building homes which do

not put homes at risk of overheating or flooding, as well as supporting biodiversity through the design of external areas.

- Build and retrofit houses using materials which look good and which are hard wearing and will last for a minimum of 50 years.

3.9 Our Communities

3.9.1 This section includes activities around our traditional communities, but also our business communities. We have generated an income in recent years by delivering works to private residents within our communities. We have also secured funding for research projects, through our networks. We have recruited Community Energy Champions, and worked with cross tenure organisations delivering training to ensure people across our communities can benefit in the most efficient way. Our commitments are as follows:

- Deliver our Fuel Poverty Action Plan and include fuel poverty within our Eyes Wide Open campaign, including recruiting community energy champions who can engage their communities directly in staying warm and well, and saving energy.
- Save £10,000 on tenant fuel bills per year, through offering Switch and Save or switching to Robin Hood Energy.
- Pilot a community energy model including testing battery storage.
- Work with partners such as Super Kitchen, the Food Assembly, Community Gardens and the Waste Supermarket, to develop resilience to rising food and fuel prices in our communities, to focus on reducing food waste and food miles, and to ensure opportunities for biodiversity are included in our neighbourhoods.
- Develop an exemplar new build community, with low energy sustainable housing and community growing.
- Efficiently and effectively communicate campaigns to ensure the widest possible take up of community offers or projects.
- Use 200 staff volunteering days to work on community projects focused on environmental or natural improvements or food growing.
- Continue to build networks in Nottingham, the UK and across the world, to increase our knowledge and to jointly bid for funding to help us continue researching and innovating and providing a test bed to support businesses testing their innovative green tech or environmental solutions.
- Offer our Environmental and Fuel Poverty e-learning to our tenants and communities.
- Develop a model for delivering works and advice to private sector residents and private landlords.

3.10 Our Business

3.10.1 The carbon emissions from our three largest offices are 673 tonnes of Co2 per year, down from 861 in 2014 /15. From our fleet, we emit 811 TCo2 per year, which is 234 TCo2 per year lower than it was four years ago; a significant reduction made through efficiencies. Our commitments to continue improving our business performance are as follows:

- Roll out ISO14001 across our whole business.
- Achieve SHIFT Gold by 2018.
- Make Environmental Sustainability a cross cutting initiative in Team Plans and make our Environmental Sustainability E-learning mandatory.
- Promote flexible working practices.
- Reduce paper waste and move to a paperless office, ensuring our IT capability supports this.
- Target 95% waste from construction sites to be recycled.
- Reduce our emissions from our offices to an average of 50kg/m2 from 60kg/m2.
- Centralise all energy spend with the Energy Team and deliver a 10% reduction through the term of the strategy.
- Save water in our offices through water efficient devices, education and signage and targeting a reduction in our current water use across Beechdale, Harvey Road and Loxley House from 6m3/employee/year to 5m3/employee/year.
- Continue to reduce our emissions from our fleet year on year, through more efficient working practices, and through sourcing electric vehicles where these suit our business needs, and work with NCC to ensure that electric vehicle infrastructure will work for our business by 2020.
- Encourage and incentivise cycling to and from work, and between sites.
- Implement a sustainable meeting policy, reducing inefficiencies in time and fuel.
- Ensure that by 2020, at least 50% of our tenants are communicated with by email or text instead of letter or newsletter.
- Ensure that by 2017, at least 80% of our staff are communicated with by email or text instead of letter or newsletter.
- Develop an ethical purchasing policy, including items such as non-polluting cleaners, fair trade and recycled items, and use this opportunity to review our purchasing policy for equipment and consumables.
- Sign up to SHIFT for contractors for all contracts delivering on the capital programme.
- Meet all legislative requirements and reduce our environmental complaints which rose in 2015; Environmental complaints primarily focus on rubbish and fly tipping, which will be reduced through Eyes Wide Open and management of contractors.
- Target and evaluate construction and maintenance projects on tonnes of waste created per £m of contract value to incentivise efficient design.

- Develop a network of Energy Champions who will take a lead on promoting energy and environmental behaviours across our business.

4 FINANCIAL, LEGAL AND RISK IMPLICATIONS

4.1 Financial Implications

- 4.1.1 The strategy is intended to be cost neutral or to save cost to deliver. Our energy costs for our business last year was almost £700,000. We are committing to a reduction of 10% against this, by the end of the strategy. The capital budget indicatively allocated to energy projects over the next five years is £38.035m. Plus NCH spend on dedicated staffing.

4.2 Legal Implications

- 4.2.1 None.

4.3 Risk Implications

- 4.3.1 Solid wall insulation is very visible and communities which have not yet received solid wall insulation are keen that they are in the programme. Therefore we could face customer complaints. However if we do continue in the way we have, we could face higher costs in the long term, when we have to remove insulation and replace with a better specification, or remediate issues caused by not insulating the whole property in the first instance.

- 4.3.2 Funding is a challenge in the current environment. BREXIT means European funding will no longer be available.

5 IMPLICATIONS FOR NOTTINGHAM CITY HOMES' OBJECTIVES

- 5.1 The strategy helps NCH to deliver on all four Corporate objectives.

6 EQUALITY AND DIVERSITY IMPLICATIONS

- 6.1 Has the equality impact of these proposals been assessed?
 Yes (EIA attached)
 No (this report does not contain proposals which require an EIA)

7 BACKGROUND MATERIAL AND PUBLISHED DOCUMENTS REFERRED TO IN COMPILING THIS REPORT

- 7.1 Environmental Strategy 2016 – 2021 [Appendix 1](#)

Contact officers: Name: Emily Braham
Address: Beechdale Court
Tel:07824 134811
E-mail: Emily.braham@nottinghamcityhomes.org.uk

Date: 13 October 2016



Environmental Strategy 2016—2021

September 2016

Contents

1. Introduction
2. Our Performance
3. Global Challenges
4. Fuel Poverty
5. UK Regulation
6. Finances and Funding
7. Technical Challenges
8. Local Context
9. Background and Progress
10. NCH Corporate Strategies
11. Vision
12. Delivering the Strategy
13. Our Homes
14. Case Studies
15. Our Communities
16. Our Business
17. Resources
18. Reviewing and Monitoring
19. Key Risks
20. Action Plan

“Since the planet is our life support system – we are essentially the crew of a largish spaceship – interference with its functioning at this level and on this scale is highly significant. If you or I were crew on a smaller spacecraft it would be unthinkable to interfere with the systems that provide us with air, water, food and climate control.... We are playing with fire, a potentially reckless mode of behaviour which we are likely to come to regret unless we get a grip on the situation” -

– Professor Chris Rapley, Climate Scientist at University College London and former director of the Science Museum in London

1. Introduction

Nottingham City Homes is an ALMO which manages around 27,000 homes. We are a key player in Nottingham, and a trusted partner of Nottingham City Council, which is one of the most ambitious councils in the UK, particularly in terms of energy. In 2013 we were awarded the title of Sustainable Landlord of the Year, through the UK Housing Awards. This award is important because it shows how much NCH has already done in terms of being an environmentally sustainable landlord.

We are also a SHIFT Silver landlord. The SHIFT assessment (Sustainable Homes Index for Tomorrow) benchmarks our environmental performance against other landlord members, evaluating our business and our homes. This process enables us to understand what we need to change as an organisation. We now need to focus on improving our performance so that we achieve SHIFT GOLD.

Some of the main areas for improvement include our stock performance, which we believe is partly due to historic data not having been updated, but also because we have large numbers of old homes within our stock; some of our business practices and policies; our office energy consumption; and environmental issues which are not energy related, such as water usage and adaptation to climate change. The Environmental Strategy brings together all of these improvements and is intended to help us achieve **our Vision, “To Create Homes and Places Where People Want to Live” now and in the future**. It supports the Council’s ambitious environmental ambitions and will ensure that we can deliver changes required to meet these in a planned and efficient way.

Being more efficient in our business practices means that we waste less and spend less, which helps with budget reductions and the financial pressures we face over the next few years. Continuing to invest in the energy performance of our homes and focusing on the performance of our new build homes will ensure that our tenants have the best chance of heating, eating, and paying their rent as Universal Credit is rolled out. Being better informed about the performance of our stock will put us in the best position to secure any external funding, which will help when our capital budgets are being reduced.

Many of the changes we will make, and projects and initiatives which will be delivered as part of this strategy will not only be good for business, and help sustain a healthy planet, but they will also improve the health and wellbeing of our communities, and our staff. For example, fuel poverty has been shown to increase mental and physical illnesses, and also to impact on educational achievement of children. We have evidenced this with our Impact Study into the Decent Homes programme, and more recently the Warm Homes for Health study. Another example is air pollution, which kills thousands of people every year. Contributing to reducing emissions will mean Nottingham air is healthier for our communities and staff.

Our Environmental Strategy will help us to support and promote Healthy People, Healthy Communities, a Healthy Business and a Healthy Planet.

This strategy also ensures that we think more broadly about environmental sustainability. Energy and fuel poverty are a priority for NCH and these issues have the biggest impact on our customers and our business. However we must also consider water use, pollution, waste, natural resources and food when we are ensuring that our activities reduce our environmental impact. The context section of the strategy includes information about why these global challenges are important to our customers and our communities.

It is crucial to understand the current financial challenges which we are facing, and to ensure that the strategy is realistic and deliverable. For that reason, the strategy is focused on being more efficient, including planning for the longer term to ensure that we invest once and invest wisely, and in doing so, ensuring that we are ahead of any regulatory requirements.

2. Our Performance

Some of our successes:

- Installation of 14,221 boilers, 4140 loft insulation and 12588 cavity wall homes.
- Installation of 18760 double glazed window sets, 21743 doors
- Solid wall insulation to 4178 NCH homes and 2500 private sector homes
- Whole house retrofit to Bentinck, Manvers and Kingston 270 high rise flats, including district heating from burning waste
- PV to almost 4000 homes
- Successful delivery of Green Deal Communities grant funding to 1360 private residents, with ECO funding for more than 600 further private residents
- Funding of more than £10m secured for energy efficiency in our homes
- Fuel Poverty Advisors and Community Champions recruited and trained
- Water saving measures distributed
- Employee benefits including cycle to work and bus passes
- No bins under desks and recycling already in place.
- Awards for East Midlands Project of the Year 2015, Sustainable and Renewable Technologies, Local Government Chronicle Awards 2015, and the previously mentioned UK Housing Award 2013, as well as being shortlisted for many others.

The Performance of Our Business

- The carbon emissions from our three largest offices are 673Tonnes of Co2 per year, down from 861 in 2014 /15.
- From our fleet, we emit 811 TCo2 per year, which is a reduction of 234 TCo2 over the last four years.
- Property Services has ISO14001, but this is not organisation wide.
- We are a SHIFT Silver landlord.

The Performance of Our Homes

- Nottingham's current average SAP is 68.4. Our Corporate Plan target by 2018 is an average SAP of 69 which is the bottom of EPC Band C. ¹
- SHIFT landlords' current average SAP is 70, so we are currently just below average. We expect to achieve 70 through our programme of stock condition surveys.
- Our new build homes average SAP is 86. Our highest performing homes are the five new build homes built by our own DLO, and these average SAP 96 which is EPC A.



¹ We measure the performance of our homes using a SAP score (standard assessment procedure). SAP scores are banded into EPC (Energy Performance Certificate) ratings for homes.

3. Global Challenges

“Climate change poses a threat not just to the environment, but also to poverty eradication abroad and to economic prosperity at home ”
- Former Prime Minister David Cameron 2015

Climate Change has been stated to be a **worse threat than terrorism on our security**. It is caused by increased levels of gases in the Earth’s atmosphere which trap the sun’s heat and raise the temperature of the Earth. This is known as Global Warming. Global warming leads to ice caps melting and rising sea levels. Carbon dioxide is the biggest cause of Global Warming. Carbon dioxide emissions are produced when we use fossil fuels such as gas to heat and power our homes and oil to drive our cars. Methane is another significant contributor to global warming which is 25 times more powerful than CO₂. Methane is caused by rotting food in landfill sites, and cows burping and farting!

A single cow’s contribution to climate change each year is equivalent to driving 7,500 miles in an average car

Climate Change is worsened when we chop down trees and rain forests and when peat bogs dry out. These areas of rich vegetation absorb lots of carbon which is released back into the atmosphere if they are damaged.

The Government’s Climate Change risk assessment for the UK suggests that our biggest internal challenges will be increased **flooding**, pressure on clean **water security and supply**, **ECO systems** and **summer droughts**, which can cause greater impact on health services but that climate change impacts outside of the UK are likely to impact us even more due to **volatile food prices** and **environmental refugees**. [2]

Air pollution is caused by emissions from petrol and diesel vehicles as well as power stations and households burning solid fuels. NOX emissions are measured in different locations around the UK and in many of those locations, including in Nottingham, the emissions have been found to be higher than they are permitted to be by the World Health Organisation. **Air pollution is a major environmental risk to health** and can increase chance of stroke, heart disease, lung cancer, and both chronic and acute respiratory diseases, including asthma. [3]

We are currently using our planet’s resources far faster than they can be renewed. In the UK we are currently living a three planet lifestyle. We only have one planet so this is not sustainable.

Clean water is essential for life, and yet we are currently polluting much of the planet’s water, which has consequences for water based ECO systems, and potentially our health. Water Pollution is caused by industrial or agricultural waste, or by household sewage discharge. Chemicals or plastics which we use can end up in

² <https://www.gov.uk/government/publications/international-dimensions-of-climate-change>

³ <http://www.who.int/mediacentre/factsheets/fs313/en/>

the sea, rivers and lakes, and even in groundwater which means they could be present in the water we use in our homes, even for drinking. **Pollutants can also be swallowed by fish, and then get into our food supplies.** [4]

In the UK we currently have 10% more supply than demand for clean water. By 2050 demand is expected to exceed supply by 5 – 16% due to higher demand from changing uses and population, and reduced supply because of global warming. Half a million more homes are also expected to be at **significant risk of flooding**. Additional spending on flood defences, sustainable urban drainage systems (SUDS) and property level protection from flooding will be required to mitigate the risk. These figures are based on global temperatures increasing by 2 degrees. If temperatures rise by 4 degrees, mitigation will be inadequate and **more than one million homes will be at risk.** [5] 13% of new homes built since 2000 have been built on flood plains.

The Energy we need to run our homes and business comes from power stations which generate electricity in a range of ways. In 2015 the UK's electricity generation was made up of 30% gas, 23% coal, 22% nuclear and 25% renewables. By 2020 the UK has committed to producing 30% of electricity from renewable sources. [6]

Coal, gas and oil, are fossil fuels which are non-renewable as they take millions of years to be produced. As they are produced they absorb carbon which means that when they are burnt they release this into the atmosphere, adding to global warming. Our supplies of **fossil fuels are running out**, so we have to find alternative ways to make electricity. Renewable power is generated by using the sun, wind, waves or water and these can be at a major scale, supplying power stations, such as wind farms in the sea. Or they can be on a local scale, such as the PV panels we have installed. Biofuels are also considered to be renewable fuel sources because they can be quickly grown. However they require land and water which could be used for other things such as growing food, and they **contribute to air pollution**.

Nuclear power is a way of producing electricity which does not contribute to climate change, but it has **significant risks** associated with it. Power stations which currently use nuclear energy are expected to close by 2025 and new nuclear power stations are very expensive to build.

Gas is available to 85% of UK homes, and at around 1/3rd of the price of electricity it is the main fuel source for heating our homes. However gas is a fossil fuel, much of it is imported, and it will run out. Fracking has potential to produce cheap gas to replace fossil fuels but there is **concern that fracking could pollute groundwater** which is used to provide clean drinking water.

UK policy suggests a move towards electric heating, which will put more pressure on infrastructure and mean more investment is required in the national grid. Peak electricity demands are already seen across the UK at certain times of day, such as teatime when people get in from work. Reducing the electricity load at these times can have a huge impact on the requirement for coal fired power stations. Balancing demand with supply will be an important part of reducing the UK carbon emissions,

⁴ http://wwf.panda.org/about_our_earth/teacher_resources/webfieldtrips/water_pollution/

⁵ <https://www.theccc.org.uk/2015/10/29/preparing-for-uk-water-extremes-flooding-and-drought/>

⁶ <http://www.energy-uk.org.uk/energy-industry/electricity-generation.html>

which means Smart metering and electricity storage technology is very important. [7]

Many alternative **fuel supplies are more expensive** to develop than coal and the Government funds this development through charges to energy consumers, including our business, our staff and our customers.

The impact of climate change on other countries is critical to our customers and communities because of food production. **More than half of our food in the UK is imported.** [8] Food production uses land and water, and it produces carbon emissions. Transporting food also creates carbon emissions, and requires packaging which uses materials such as plastic, and creates waste. The World's population is growing and eating habits are changing. As more people across the world eat more meat, more land is required to grow food for livestock and more methane is created. Forests are cut down to provide farming land, which reduces the planet's ability to absorb carbon. This leads to more global warming, which causes **heatwaves and water shortages**, and both of these **reduce crop production** which leads to **rises in food prices**.

If UK households stopped wasting avoidable food and drink it would save 17 million TCO₂ which is equivalent to the emissions from one quarter of private car journeys made in the UK. The average cost of this wasted food is £470 per year, or £700 per year for families with children, so our tenants could save up to £40 per month by reducing their food waste.

With the production of food being so resource intensive, it is essential that we reduce our food waste. In the UK consumers throw away 4.2 million tonnes of avoidable food waste each year. Along with all the energy and water used for producing and transporting food being wasted, most discarded food reaches landfill sites where it emits methane and further adds to global warming. [9]

Energy and food prices are set to continue rising.

4. Fuel Poverty

Many of the tenants living in our homes have a low income. The official definition of fuel poverty is low income / high cost; people must have a low income and higher than average costs. To have higher than average fuel costs someone must live in a home which is not energy efficient. However even residents who do not meet this definition because their home is more efficient than average, can still feel as though they struggle to heat their homes adequately. 23% of social housing tenants in the UK feel this way, compared to 11% who are actually classed as being in fuel poverty. This is due to social renters often having much lower incomes, so even efficient homes can be hard to heat. [10]

⁷ https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/48550/6099-elec-system-assess-future-chall-full.pdf

⁸ <https://www.theguardian.com/environment/2016/jan/06/more-than-half-of-uks-food-sourced-from-abroad-study-finds>

⁹ <http://www.wrap.org.uk/content/uk-handly-waste-facts-and-figures-retail-sector>

¹⁰ <http://fuelpoverty.eu/2016/09/30/the-continuing-importance-of-fuel-poverty-among-social-renters-in-england-explaining-the-gap-between-objective-and-subjective-fuel-poverty-measures/>

Cold homes are linked to a wide range of health issues, from mental health to asthma and respiratory issues, to trips and falls, some of which are attributed to excess winter deaths and excess winter hospital admissions as stated in the Fuel poverty report commissioned for the Government [¹¹]. The impact of these on the NHS has been estimated at £145m per annum [¹²]. Cold Homes also cost us more money because they are more likely to have recurring damp and mould issues. Nottingham City Homes spent £250,000 on anti-mould paint in 2012 –13. Anti mould paint treats the symptoms but not the cause.

Nottingham City Homes' recent study, **Warm Homes for Health**, has proven the saving to the NHS. This showed that residents living in solid wall homes had reduced numbers of visits to the doctors after their homes had been insulated and that they experienced an improvement in their mental health and wellbeing. So investing in our homes to ensure that our tenants have affordable heat means we can save money for the NHS. This helps with some of the wider financial pressures which the UK is facing.

The risk of rising fuel prices is a Corporate Business risk for us because our tenants' fuel bills are a huge part of their living costs, and if these rise disproportionately to their income, which has happened in recent years, they have less money for paying their rent. This is particularly challenging with the introduction of **Universal Credit**, when people are expected to manage their own budget when they haven't had to do this before. In 2015, NCH took part in a study with Sustainable Homes, called **Touching the Voids** [¹³]. This showed that when homes become more energy efficient they are void for a shorter length of time - on average, 31% shorter for band B properties compared to those in bands E and F. Also rent arrears were found to be on average half a month higher for properties in band F properties.

5. UK Regulation

In 1980 the UK introduced the Climate Change Act which set out a legally binding commitment to reduce carbon emissions by 80% on 1990 levels by 2050, with interim targets of reducing emissions by 34% by 2020 and 40% by 2030. More recently, in December 2015 a Climate Conference was held, and 195 countries adopted the first ever legally binding global climate deal. The commitments include limiting global temperature rises to below 2 degrees above pre-industrial levels.

The UK is expected to meet Climate Change targets through a combination of reduced consumption, a **shift from gas to electric heating** and from petrol and diesel to electric vehicles, **localised renewable generation** and de-carbonisation of the National Grid, through greener and cleaner power stations. In 2011, the Carbon Plan, published by the Government, set out the policies for achieving their carbon

¹¹ Hills, J. (2012). *Getting the Measure of Fuel Poverty*. London: Crown.

¹² BRE. (2011). *The Health Costs of Cold Dwellings*. London: Building Research Establishment.

¹³ Sustainable Homes (2016) *Touching the Void*. London: Sustainable Homes

targets. This stated that **by 2050 all buildings would need to have an emissions footprint close to zero** [¹⁴].

The 2015 Fuel Poverty strategy for England proposes all homes should be **EPC Band C** by 2030. **By 2030**, it has been suggested that gas appliances, **boilers** and heaters are also expected to have been **phased out in the UK**. Electric heating in homes is more expensive than gas at present, and because electric heating is usually provided by heat pumps, it is suited to **low temperature heating**, which **requires very energy efficient homes**. Electrically heated homes will also need to be Smart to maximise their efficiency. Smart homes allow energy flows to be managed better, so battery storage, smart meters and smart controls will be needed and these will make the UK's grid more efficient, which will reduce the cost of electricity.

6. Finances and Funding

Our business is also under significant financial pressure. In coming years we have to deal with welfare reform, budget pressure at NCC, and rent reductions which are reducing our 5 year investment programme by more than £35m. With these challenges it is crucial that we are more efficient, more focused, and smarter with our budgets.

There is currently no central Government funding for energy, and in recent years grant and even financial mechanisms have been introduced and then reduced or removed with very little notice, which gives little certainty for investment.

The Feed in Tariff is now so low that it is difficult to make investment in PV systems pay. ECO funding is the only current energy efficiency and fuel poverty funding. The targets and value of ECO have significantly reduced since its introduction in 2013 and its direction is currently under review again, and is likely to be aimed at fuel poor households only, with a proposal that social housing properties will only be eligible if they have an EPC of E or below. From our current data on 17735 properties, NCH has 7193 properties in Band D, and **1200 properties which are E or below**. Only the latter **are eligible for any ECO funding** under the proposals.

In 2013 the Green Deal was established alongside ECO funding, using money from the Green Investment Bank to provide loans for energy efficiency. In implementation this was overly complex and loans were too expensive and it proved very unpopular so was closed in 2015. The Green Deal concept of PAYS (Pay as You Save) is still favoured by the Government as it uses energy savings to pay for the measures which reduces the need for grant. The legislation which allowed loans to be collected through the energy bill still exists. It is also well proven that energy efficiency can create lots of jobs, and this is very

“The employment impact of investing in energy efficiency is between two and a half and four times larger than that for oil and natural gas” (Platt & Rosenow, Up Against the (Solid) Wall, 2014)

¹⁴ HM Government. (2011, December). *The Carbon Plan*. Retrieved October 16, 2014

beneficial to the UK economy, particularly if money spent on investing in energy efficiency is redirected from paying for oil and gas, using the PAYS mechanism.

NCH is currently using H2020 European funding and we had expected to access more EU funding, in future. Since **Britain's decision to leave the EU**, this **funding will no longer be available** and there is no clarity on whether UK Government will replace these funding programmes with a national alternative. There is potentially a short term opportunity for ESIF funding, until the UK has officially left the UK, which is currently projected to be by 2019.

7. Technical Issues

In a typical British home, around one-third of the heat produced by a central heating system is rapidly lost through the roof, floor, ceiling and walls. This means that for a poorly insulated property up to £1 out of every £3 spent on heating is being wasted. This is why insulation is so critical to reducing energy bills.

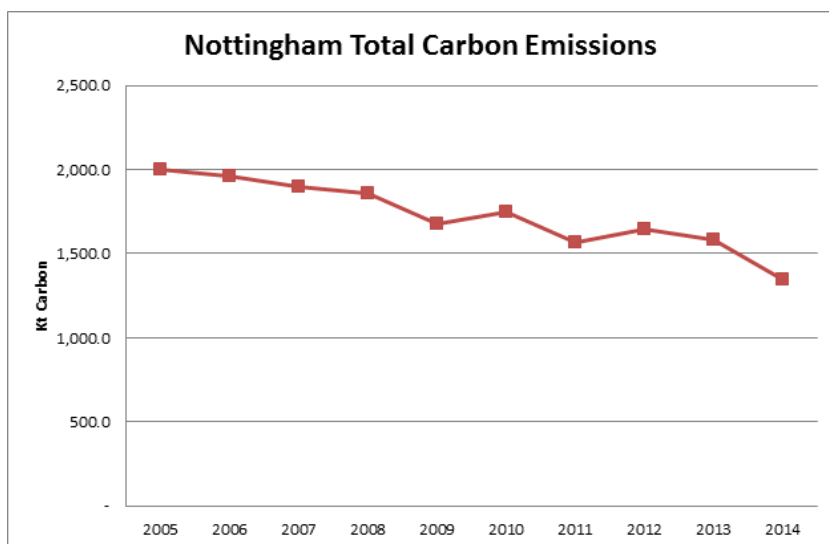
According to Government figures, there are 19,830,000 cavity wall properties in the UK, of which 14,150,000 are already insulated to today's standards. The remaining 5,680,000 include hard to treat cavities, and hard to access residents. There are 8,000,000 solid wall properties, of which only 3% have been insulated to date [¹⁵]. NCH has insulated almost 100% of our cavity walls and around 50% of our solid wall properties. We have insulated 85% of our lofts to current standards, and very few floors as this is the most difficult area to access to install insulation.

SWI (Solid wall insulation) was previously a priority for ECO funding. Insulating solid wall homes is part of the UK Government's Carbon Plan. However recent reviews commissioned by the Government have shown that there are technical problems with some SWI installations, with poor detailing and inadequate ventilation causing damp and mould, and subsequent performance issues.

¹⁵ DECC. (2014, September 23). *Quarterly Statistical Release Green Deal, ECO and Insulation Levels in Great Britain*. Retrieved October 27, 2014

8. Local Context

Nottingham has a high profile in tackling Climate Change. The Nottingham Declaration of Climate Change was developed here and has now been signed by hundreds of other Local Authorities. NCC signed up to the Covenant of Mayors early, and wrote an ambitious Energy Strategy in 2010. For a number of years we have been proud of the fact that we are the most energy self-sufficient City in the UK.



The Nottingham City Council Energy Strategy 2010: 26% reduction in CO2 emissions from a 2005 baseline, by 2020. This has already been achieved, four years early, partly thanks to the insulation and renewable projects which NCH has delivered.

The Nottingham Plan to 2020 includes further targets for fuel poverty: By 2020, Nottingham will have reduced fuel poverty below that of any Core City. Against this we are making progress, and are now third of all Core Cities.

RHE (Robin Hood Energy) has been set up by Nottingham City Council to meet their objective to deliver a 'Nottingham Tariff'. This was a commitment in their Energy Strategy and the Nottingham Labour Manifesto. NCH has supported RHE with their roll out, and we now switch all void properties to RHE.

In 2010 Nottingham generated 11.45% of heat and power from CHP (Combined Heat and Power) and renewables. **Our target by 2020 is to generate 20% of all power locally.**

English Core Cities comparison	Domestic PV installation up to end March 2016	FTTs Per 10,000 homes March 2016	Domestic PV installation up to end December 2015	FTTs Per 10,000 homes Dec 2015
Nottingham	5,109	401	4,514	354
Manchester	5,991	285	4,926	235
Sheffield	4,750	204	4,587	197
Leeds	6,478	198	5,343	164
Bristol	3,452	186	3,273	176
Newcastle	2,006	169	1,913	161
Liverpool	2,982	142	2,535	121
Birmingham	5,723	137	5,551	133

Over the last five years we have installed almost 4000 PV systems to NCH homes, and Nottingham now has far more PV systems installed per 10,000 homes, compared to other Core Cities. We have also

expanded the district heating network into more homes. This uses waste as fuel which also helps to reduce Nottingham's waste to landfill.

Nottingham is delivering the Smart Cities Agenda, and the EU funded REMOURBAN and SENSIBLE projects which NCH is part of are both developing Nottingham as a 'Smart City'. Other partners in Nottingham, such as the two universities, are pivotal to this agenda. The Green Theme Partnership has been set up as a cross organisational group to drive the green agenda, and NCH expects to play an important part in this group throughout the period of this strategy.

Nottingham City Council has recently been awarded £6m of funding from (OLEV) Office of Low Emissions Vehicles. This is to support the city in developing electric vehicle infrastructure which will reduce emissions and improve air quality. NCH's fleet is made up primarily of diesel vehicles. In the last four years we have reduced our carbon emissions through working more efficiently, using opti-time to plan our journeys and jobs better, and right first time and multi-skilling to ensure we can complete works in one visit. Our current annual carbon emissions are 811TCo₂, from 1045TCo₂ in 2013.

NCC has also secured £6.1m to implement a programme to develop Nottingham as a Cycle City. This includes developing better cycling connections and ensuring safe routes for less experienced cyclists. NCH already offers Cycle to Work scheme bikes, and cycle facilities in the majority of offices. Recently agreed is a cycle mileage scheme to incentivise cycling between sites.

9. Background and Progress

Our 2013 - 2018 Asset Management Strategy committed to insulating all remaining un-insulated solid wall homes, and attracting £50m ECO funding. We initially made good progress against this target; a fuel poverty index was developed to prioritise which neighbourhoods received insulation first, and six neighbourhoods and almost 2500 NCH homes have subsequently been insulated under the **Greener Housing** programme, our partnership brand with NCC.

DECC's 2016 fuel poverty statistics show that NCH's energy projects have reduced fuel poverty in Nottingham. Most wards above the 12.6% Nottingham average are predominantly areas with private landlords and owner occupiers with Arboretum coming out highest. The areas with NCH homes which are above average include Aspley, Wollaton East and Lenton Abbey and The Dales. All of these have received insulation works in 2016 and therefore statistics in the next release are likely to show a drop in these wards too.

During our programme ECO funding reduced by almost 90% and now provides only a few hundred pounds per property. NCC and NCH committed to continuing with the SWI programme, which includes around 4000 homes still to be insulated. Some of these are part of the current programme, which has been procured and is on site. Others are budgeted to be insulated over the next five years. There are some challenges with our current plan:

- SWI costs around £6,000—£8,000 per property, and saves around £240 per year.
- If ECO funding continues to be available it will not be for all of our solid wall homes, and will be offered at very low rates.
- Lack of funding is a significant barrier to private residents in our communities, and our commitment in the Asset Management Strategy was to deliver cross tenure.
- Planners in Nottingham have worked with us on projects being delivered in estates such as Lenton Abbey, and have been generally positive about the results. However they have stated that the current solution will not be satisfactory for all Nottingham red brick estates.
- Low to zero carbon homes which are suitable for electric heating would need to be very efficient. Technical questions about how to deal with areas below the Damp Proof Course for example, mean that homes with SWI will not always be suitable for low temperature heating.
- The work takes more than 4 weeks, and this can be quite disruptive.

But our residents have stated that warmth is one of their priorities. Affordability is also a key issue for our customers and our business so we cannot afford not to improve our homes, but we must think carefully about how we do this in the most cost effective and efficient way.

Within our Asset Management Strategy 2013—2018 we stated that ‘most of our homes can, with the investment detailed in this plan, continue to provide quality accommodation over the next 30 years. These properties will need on-going maintenance, while some of the non-traditional construction and solid wall properties with no cavities will require significant additional insulation to improve their energy efficiency’. The significant additional insulation has been focused on solid wall insulation. We are not intending to replace all of our stock in 30 years, but in 34 years our homes are expected to have zero carbon emissions. If we do not consider how to achieve this now, and we continue to invest and build over the next 30 years, without focusing on performance, we will see significant additional costs.

10. NCH Corporate Strategies

The other Corporate Strategies which this strategy contributes to and builds on are the Corporate Plan 2015 – 2018, the Asset Management Strategy 2013 – 2018, the Damp and Mould Strategy, and the Health and Wellbeing agenda. The new HRA business plan, which is being written currently, will align with this strategy. The STP (Sustainability and Transformation Plan) and the NCC Health and Wellbeing Strategy will be supported by the delivery of this strategy.

Environmental Sustainability is a challenging concept, because it is about making decisions now which will impact our lives and those of others in the future. If we don't take the steps now, as identified in the Stern report, it will cost us all much more money in the future.

11. Vision

This strategy is based on the Government's declaration that by 2050 all buildings, commercial and domestic, need to be low to zero carbon, and that we want to achieve 'Zero 2050 homes' in the most efficient and cost effective way. Through our 2013 Asset Management Strategy we acknowledged that some of our homes require significant additional insulation to improve their energy efficiency. If we spend significant amounts of money now on bringing our homes up to an EPC C, and regulation is introduced which requires our homes to be EPC A or B, we will have no money left to make the additional improvements. If we make our homes an EPC C and fuel prices rise as expected, our tenants who had been lifted out of fuel poverty, will once again struggle to pay their bills, and their rent. We could decide to pause work now and wait until further grant funding is introduced, but if we once again base our strategy on chasing funding, we are at risk of boom and bust delivery, increased costs, and pressure to deliver within unrealistic timescales. This also does not help to grow the low carbon economy, which could provide many of our tenants with training and jobs. So we need to move towards a position where we are not reliant on grant funding, whilst ensuring we can attract this when it is available. The result of this will be future proofed homes which we only have to invest in once.

Our Vision is to 'Provide Homes and Places where People Want to Live'. As a sustainable business this does not just mean now, it also means that we want to continue doing this in the future. What will Nottingham's homes and communities of the future look like?

- All homes will be super-efficient, requiring very little heating and cooling, and using rainwater for some of their water provision. Low temperature heating will be standard, provided either by community heating or by renewable electrical heating such as heat pumps.
- Our homes and communities will generate electricity, and will be part of a Smart Homes network, which buys, sells and stores power to ensure lowest cost and carbon dioxide emissions.
- None of our residents are in fuel poverty.
- Gardens and external communal areas provide a source of food, and biodiversity for insects and animals, and drainage for surface water run-off.
- People are able to breathe clean air as they carry out their daily activities.
- Our residents have access to job opportunities, sustainable transport, and affordable healthy food.

This aspiration for Nottingham's communities of the future may seem ambitious, and it will not be realised within the term of this strategy, but if we are to reach these goals by 2050 in the most efficient way possible, we must set out our direction of travel. This will ensure all decisions taken now will not adversely impact our ability to achieve our vision in the long term.

12. Delivering the strategy

In the short term, we need clear goals and projects which will move us towards achieving our vision. These goals and projects are set out over the following pages, with an Action Plan in the appendices which gives more detail of who will deliver each element and the specific tasks which help us to deliver on our goals.

Our commitments are grouped into 3 key areas:

1. **Our Homes**
2. **Our Communities**
3. **Our Business**

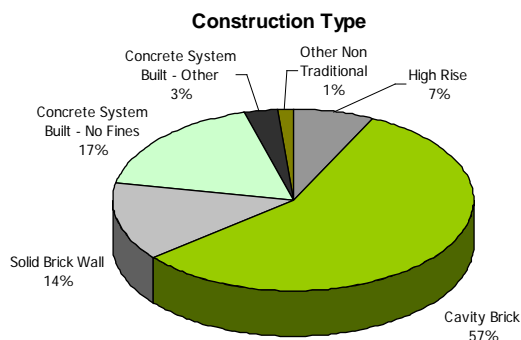
As a landlord we can directly impact the **environmental performance of our homes**. We can take a **long term view** of how we invest in our assets, and we also have an **opportunity to influence** our tenants and our communities. As a business we can take control of our energy consumption, and we can **influence our supply chain** through our procurement policy.

The strategy ensures that our business is mitigating our environmental impact, and helping our tenants to do the same.

By being ambitious, we put ourselves in a great position to **influence national policy**, which will help us to ensure that any grant funding will help us to deliver our strategy, rather than grant funding driving our strategy.

13. Our Homes

Whilst we have made significant investment into the performance of our homes, we have not always updated our Energy Performance Certificates, or SAP scores, so our current SHIFT score is based on data which is not up to date. Therefore it does not recognise all of the work we have done to improve our homes.



57% of our homes have insulated cavity walls. For today's standards cavity wall insulation is sufficient but with insulation installed earlier than 2000, these properties will require additional investment to improve their energy performance before 2050.

The remaining properties are classed as hard to treat, which means they require solid wall insulation. We have around 4000 solid wall homes remaining un-insulated. These are our worst performing homes, in which tenants are most likely to be in fuel poverty. Whilst our focus must continue to be on these 4000 properties, and bringing them up to a standard fit for today, we must not create problems for the future, so we need to reconsider our strategy.

We are also now facing the challenge of rent reductions, giving us reduced budgets over the 30 year HRA Business Plan period. With limited budgets we need to ensure that when we make significant investment in our properties, we are achieving **the standards we will require in the future; not the standards we require now.** For this reason, and those set out in Section 7, our strategy is to now look to the longer term. This means we need to be better informed about our long term plans, and we need to pilot solutions for how we will achieve these plans. However we must also ensure we are continuing to reduce fuel poverty.

We will do this through piloting a range of high performance whole house retrofit solutions, use external funding & financial mechanisms to support HRA budgets. We will use our pilots to develop a 30 year investment plan by 2020. Because it will take longer to deliver this programme to all homes, we will also install lower cost measures to more homes, which will ensure we reduce fuel poverty for more of our tenants sooner.

Low cost measures include ensuring all of our lofts are insulated, draught proofing, LED lighting and installing more effective heating controls. We will also use innovative methods to insulate and improve our homes, and ensure we continue to provide a test bed for green tech solutions developed in Nottingham and further afield. Collectively through these different projects, we will ensure that **none of our homes are less than an EPC D by 2020 and C by 2030.**

During the first period of this strategy, we will carry out analysis to ensure we understand which properties should be prioritised for the significant investment, and which properties require cheaper low cost measures. We will also understand the ways we can achieve our '2050' homes. We will support the roll out of Smart metering and ensure our tenants understand how to make the most of these. We will also focus on other environmental impacts of our homes. We have for many years been installing low flow taps and low flush toilets as part of Decent Homes, but we have not routinely offered showers. We will now do this on a paid for basis. We will also ensure we are installing water butts when we deliver any relevant projects.

Our best performing new build homes are the ones which we built with our own DLO. These achieve a high EPC A. To reduce the risk of having to retrofit our new build homes in the next 30 years all new build homes will now be built to the same performance standard as the NCH DLO properties. Our planned 'Eastglade' project is focused on developing low carbon homes, with low impact living including community food growing. This new build project will set our benchmark for the future.

Our Commitments:

- Establish our performance baseline for all properties.
- Improve all homes up to a minimum EPC of D by 2020, and C by 2030.
- Develop road maps for each NCH archetype, to understand how to achieve long term targets most cost effectively.
- Plan for the long term, and by 2020 agree an Energy Investment Strategy for 2050 zero carbon, budgeted within and to be delivered over the 30 year HRA Business Plan.
- Use our existing solid wall insulation budget and any grant we are able to attract to pilot a range of solutions for '2050 homes', including renewable energy solutions, battery storage and whole house retrofit.
- Develop and test a financial model which enables NCH and NCC to share the benefit of the savings created by our investment. This is 'Energiesprong'.
- Develop a commercial business model, delivering insulation in-house to 100 homes, using the most innovative methods to ensure long term business opportunities and offering this to private residents and other housing providers.
- Support the roll out of Smart meters, and test smart controls, ensuring that our tenants understand smart technologies and get the best use from them.
- Target EPC A for all new build, using our DLO homes, and our planned exemplar Eastglade project as our benchmark.
- Install water saving appliances in kitchens and bathrooms and water butts in any projects which remove rainwater pipes.
- Develop a new build policy ensuring we are building homes which do not put tenants at risk of overheating or flooding, as well as supporting biodiversity through the design of external areas.
- Build and retrofit houses using materials which look good and which are hard wearing and will last for a minimum of 50 years.

14. Case Studies

Case Study: BMK

Our retrofit of Bentinck, Manvers and Kingston Court tower blocks, is a great example of where bringing together budgets has achieved homes fit for 2050. These have been evaluated by a BRE (Buildings Research Establishment) project called URBANEER which used monitoring equipment to compare the performance of the blocks before and after the retrofit project to assess the impact of our investment. It found that temperatures in the blocks before works were carried out were lower than healthy 18 to 21 degrees prior to retrofit, and that humidity levels were high. Retrofitting the whole building has resulted in ideal comfort conditions, and 50% savings on tenant bills. The new district heating connection also means the homes are now super low carbon and these have been stated to be an exemplar retrofit.



Case Study: REMOURBAN



REMOURBAN is a project funded by the European Union, through which Nottingham is developing an integrated replicable urban development plan in the Sneinton area.



Nottingham City Homes is receiving 1.8m Euros funding for the works, and more than 150k Euros funding for our time, to show how we can develop homes which belong in Smart Cities. We are calling them our '2050 homes'. We have already insulated 126 solid brick homes in the Windmill Lane area, with a methodology which has gained

national recognition by the Government, through their Bonfield review, looking at quality, standards and customer care for Energy projects. Our next REMOURBAN projects include an energy retrofit of Newark Crescent and Morley, Haywood, Keswick and Byron Courts, which will also receive low temperature district heating, PV and battery storage at a communal level.

The 2050 homes, which is a pilot of a terrace of William Moss houses, will use the Energiesprong model, developed in the Netherlands, to procure a supplier who will guarantee the energy performance of the properties once they have been retrofitted, with a target of zero energy consumption after retrofit.

Energiesprong

Energiesprong is a radical approach to retrofit and regeneration, which involves wrapping the home to create a super insulated home, which generates as much energy as the consumers require, and which guarantees the energy performance.

The concept, which was developed in Holland, means Energy Leap in English. Because the energy savings and the maintenance are performance guaranteed, money which we would have spent anyway, and a contribution from savings which the tenants will make, can be used to create the Energiesprong solution. After the work has been completed, the tenant will be warm and comfortable, and have a significantly improved home, with lower maintenance, and for this they will pay a set fee instead of a fluctuating energy bill, which will help them manage their budget.

The requirements for an Energiesprong are as follows:

- The work must pay for itself within 30 years (HRA investment and tenant savings)
- It must be installed in less than 10 days
- The solution must have a performance guarantee for the energy savings and the maintenance—this is crucial for us to develop a model where we use our existing investment and use a PAYS (PAY AS YOU SAVE) model for tenants.

15. Our Communities

Our Communities include our traditional communities and also our business communities. NCH has great networks and links with a range of different types of organisations in Nottingham, the UK, and even internationally. We also have a network of customers within our 27,000 homes and more people within our communities. We have 1000 staff. These networks are all communities which include opportunities.

Our communities in the traditional sense consist of our customers and residents living in homes which have been subject to right to buy. These residents are potential customers for energy projects. In the past we have generated an income by delivering solid wall insulation to private residents in our communities, which has helped achieve NCH's fourth Corporate Goal; to generate new business, securing income to reinvest in Nottingham and our communities. It is important that we continue to seek out business opportunities with new types of energy project.

Our Fuel Poverty Officer is working with many cross tenure community organisations to ensure that our advice can reach more people, and we have already trained several Community Energy Champions who are now giving advice to their friends and family. One of the cheapest ways of saving our communities money is by helping them to switch to a cheaper energy supplier. If this is NCC owned RHE, even better!

Fuel switching takes less than an hour, is free, except for staff time, and can save tenants more than £200 per year. Linking fuel switching to our rent first campaign will help to ensure tenants spend money on rent, not energy bills.

Rising prices of food and fuel will affect our communities, and it is important that we help them to develop resilience, by becoming more self-sufficient, and by creating jobs and skills. As new housing is required, and space for allotments is used, sustainable food growing areas such as orchards or mini-allotments need to be incorporated into our streets and gardens. Our new build projects are piloting some of these ideas.

The UK is developing a low carbon industry, which will include new jobs, which can provide opportunities for our communities. Nottingham has a thriving Green Tech industry, and NCH has previously supported local companies by being a test bed for innovation. We will continue to partner with organisations piloting new technologies, and will grow our links with research partners, ensuring we keep up to date with innovation.

Our Commitments:

- Deliver our Fuel Poverty Action Plan and include fuel poverty within our Eyes Wide Open campaign, including recruiting community energy champions who can engage their communities directly in staying warm and well, and saving energy.
- Save £10,000 on tenant fuel bills per year, through offering Switch and Save or switching to Robin Hood Energy.
- Pilot a community energy model including testing battery storage
- Work with partners such as Super Kitchen, the Food Assembly, Community Gardens and the Waste Supermarket, to develop resilience to rising food and fuel prices in our communities, to focus on reducing food waste and food miles, and to ensure opportunities for biodiversity are included in our neighbourhoods.
- Develop an exemplar new build community, with low energy sustainable housing, and community growing.
- Efficiently and effectively communicate campaigns to ensure the widest possible take up of community offers or projects.
- Use 200 staff volunteering days to work on community projects focused on environmental or natural improvements or food growing.
- Continue to build networks in Nottingham, the UK and across the world, to increase our knowledge and to jointly bid for funding to help us continue researching and innovating and providing a test bed to support businesses testing their innovative green tech or environmental solutions.
- Offer our Environmental and Fuel Poverty e-learning to our tenants and communities.
- Develop a model for delivering works and advice to private sector residents and private landlords.

16. Our Business

Our staff operate from four main sites; Loxley House, Harvey Road, Beechdale Court and Bestwood Housing Office, and several smaller sites or Joint Service Centres. Beechdale Court and Harvey Road will be merged in 2017 which should help to make our business more efficient, both in terms of energy consumption, but also by saving transport between offices. However flexible working and technology are key to improving our business efficiency.

Our Commitments:

- Roll out ISO14001 across our whole business
- Achieve SHIFT Gold by 2018 and aim for SHIFT platinum by 2022.
- Make Environmental Sustainability a cross cutting initiative in Team Plans and make our Environmental Sustainability E-learning mandatory
- Develop a network of Energy Champions, who will take a lead on promoting energy and environmental behaviours across our business
- Promote flexible working practices
- Reduce paper waste and move to a paperless office, ensuring our IT capability supports this
- Target 95% waste from construction sites to be recycled.
- Reduce our emissions from our offices to an average of 50kg/m² from 60kg/m²
- Centralise all energy spend with the Energy Team and deliver a 10% reduction through the term of the strategy
- Save water in our offices through water efficient devices, education and signage and targeting a reduction in our current water use across Beechdale, Harvey Road and Loxley from 6m³/employee/ year to 5m³/employee/ year.
- Continue to reduce our emissions from our fleet year on year, through more efficient working practices, and through sourcing electric vehicles where these suit our business needs, and work with Nottingham City Council to ensure that electric vehicle infrastructure will work for our business by 2020.
- Encourage and incentivise cycling to and from work, and between sites.
- Implement a sustainable meeting policy, reducing inefficiencies in time and fuel.
- Ensure that by 2020, 50% of our tenants are communicated with by email or text instead of letter or newsletter.
- Ensure that by 2017, 80% of our staff are communicated with by email or text instead of letter or newsletter.
- Develop an ethical purchasing policy, including items such as non polluting cleaners, fair trade and recycled items, and use this opportunity to review our purchasing policy for NCC equipment and consumables.
- Sign up to SHIFT for contractors for all contractors delivering on the capital programme.
- Meet all legislative requirements and reduce our environmental complaints which rose in 2015; these primarily focus on rubbish and fly tipping, which will be reduced through Eyes Wide Open and management of contractors.
- Target and evaluate construction and maintenance projects on tonnes of waste created per £m of contract value to incentivise efficient design

17. Resources

The delivery of the strategy will require the involvement of all NCH staff. It is a cross organisational strategy which requires our staff to change their behaviour. It will be Energy Team's responsibility to influence behaviour change, using a network of Energy Champions.

The investment in our homes and surveys will be delivered by Asset Management, including Capital Delivery and Assets, as well as the Energy Team. Decent Neighbourhoods will be involved and the New Build Team will take ownership of ensuring the Environmental Sustainability of our new homes. The DLO will take responsibility for delivering insulation as part of their new commercial team as well as some of the paid for measures. The Mechanical and Electrical team will be involved in delivering LED lighting as well as innovative heating solutions. Fleet and facilities will be involved, and performance management will be pivotal to ensuring that our systems are robust and will maintain our ISO14001 accreditation, whilst helping us deliver our strategy. Our Marketing and Communications teams will be essential to changing behaviour in our staff and communities.

18. Monitoring and Reviewing

A cross organisational team will be set up and include a tenant board member, EMT representation, Performance Management, Facilities, Marketing and Energy. This team will meet monthly to review progress and reports will be taken to board each year. Interim results will be published on the intranet.

19. Key Risks

We are operating with funding and financial challenges for social housing which are unprecedented. Key business risks such as welfare reform, rent reductions and the Council's budget deficit are all risks because they increase pressure on staff and customers, which can mean getting buy in to a new strategy can be more difficult. These pressures often mean it is more difficult for staff to think innovatively and to change their behaviour or working practices, even though this is often what is required to increase efficiencies and to overcome the challenges.

Rising fuel prices impact on our customers and our business and this is a Corporate Risk.

Britain's decision to leave the EU means there is further financial uncertainty. Lack of long term national policy adds risk to this strategy as does the reduction in ECO.

Merging Beechdale Court and Harvey Road is an opportunity to reduce carbon emissions and cost however the short term expected life of this building makes it difficult to invest in technologies which could save us money and reduce carbon.

NOTTINGHAM CITY HOMES

REPORT OF THE COMPANY SECRETARY

THE BOARD
27 OCTOBER 2016

ANNUAL OD PERFORMANCE MANAGEMENT UPDATE 2015/16

1 SUMMARY

- 1.1 This report sets out the key company employment trends and statistics for the period April 2015 to March 2016.

2 RECOMMENDATIONS

- 2.1 It is recommended that the Board notes the report.

3 REPORT

3.1 General Workforce Analysis

- 3.1.1 Appendix 1 breaks down all Nottingham City Homes (NCH) employees in terms of their diversity for the period April to March 2015 and 2016. The permanent workforce (people directly employed) has decreased slightly from 986 to 982. We employ roughly the same number of males and females as we did last year. There are significantly more males than females in the organisation because a large proportion of our employees work in Craft and Caretaking which are traditionally male dominated professions. We have recently launched our Women in Construction initiative aimed at increasing the number of females employed in this area of the workforce.
- 3.1.2 120 employees left NCH during the period equating to a turnover figure of 12.2%. There has been a slight increase in this figure over the past 5 years. The average turnover across all organisations as last reported by the Chartered Institute of Personnel Development (CIPD) is 13.6%. The figures for Local Authorities in the same period is 13%.
- 3.1.3 We employed 116 people during the period, a number of which were on fixed term contracts. This was primarily to provide cover for vacancies being filled on a temporary basis while restructures took place.

3.2 Equality and Diversity

- 3.2.1 The number of Black and Minority Ethnic (BME) employees in the organisation as a percentage of the Company has increased slightly from 17.7% to 18.2%. This compares to 35% of City residents reporting BME ethnicity in the last Census.
- 3.2.2 The number of employees registering themselves as having a disability has decreased slightly from 9.5% to 9.3%. It is estimated that around 19% of people working in the UK have a disability (Source: Disability Rights

Commission). The latter figure has remained constant for the past 5 years.

- 3.2.3 In terms of age, the number of under 24 year olds employed across the Company has increased from 4.6% to 6.7%, a reflection on the increasing number of apprentices being employed. The number of over 55s has also decreased slightly from 21.4% to 20.4%. However, over 54% of the NCH workforce is over the age of 45. A new Workforce Planning process has recently been launched across the organisation in recognition of the fact that we have an ageing workforce.
- 3.2.4 We have recently been successful with our Social Housing Equality Framework (SHEF) accreditation and Chartered Institute of Housing (CIH) Leadership and Diversity Award though our statistics demonstrate that there is still work to be done in employing a more diverse workforce.
- 3.2.5 Disability and Carers, BME and Lesbian, Gay, Transgender and Bisexual (LGTB) staff groups currently exist to promote equality and diversity among NCH employees. The first two groups are currently being re-launched. Following publication of the new Equality and Diversity Strategy earlier in the year, a new umbrella group, the Equality and Diversity Steering Group, has been set up to promote diversity across all NCH activity. One of its early actions will be to consider producing and promoting a positive employment action plan.
- 3.2.6 NCH also runs a successful “Diversity Week” each year to promote diversity across the organisation and mentoring and management development programmes have been designed which will support under represented groups in the organisation to apply for more senior positions. We currently use the Stonewall Index to benchmark our approach to diversity and we currently sit just outside their top 100 list of employers.

3.3 Sickness Absence

- 3.3.1 Sickness absence reduced by 20% during the period to 11 days per employee per annum but has shown little sign of reducing further since then. Approximately 70% of our figures relate to long term absence. Local Authorities are currently reporting around 8.5 days per employee, 58% of which relate to long term absence. These primarily relate to musculoskeletal injuries and stress. Our target for March 2017 is nine days.
- 3.3.2 A number of initiatives are in place to support managers and we are currently working on a new suite of absence reports which will help identify trends and patterns for further action. The Absence Procedure has been re-written and training provided to managers. This will be refreshed shortly. A recent Wellbeing Survey is currently being analysed which will be used to roll out health surveillance initiatives. More flexible and bespoke methods are being used to bring people back to work earlier from long term absences. Changes to Craft Worker terms and conditions of employment would also help reduce absence figures.

3.4 Disciplinary

- 3.4.1 A total of 32 disciplinary cases were completed or started during the period. This is a slight increase on previous years. 17 were in Housing and Customer Services and 15 in Repairs and Maintenance. Eight people were

dismissed, five for fraud related offences. Fraud cases are reported quarterly to the Audit Committee.

3.5 Grievance

- 3.5.1 12 grievances were registered during the period, around half of the number reported in previous years. Eight were in Repairs and Maintenance, three in Housing and Customer Services and one in Investment and Business Services. There was no particular pattern to these grievances.

3.6 Employment Tribunals

- 3.6.1 The Company settled two Employment Tribunals during the period. Two are currently outstanding.

3.7 Organisational Development Strategy

- 3.7.1 We have been consulting widely with staff and unions on our new Organisational Development Strategy as well as looking at best practice elsewhere across the country. As a result we will focus on four key areas over the next three years that will support us in achieve our ambition to be a great place to work:

Customer Focus and culture - to make everyone in the Company truly customer focussed and build a customer first culture around this. We will support our Customer Service Strategy and bring our cultural vision and Company values to life through a co-ordinated learning program impacting on every employee.

Empowerment and Engagement - develop further our strong relationship with unions and improve employee communication. Ensure we have a diverse workforce to meet the needs of our tenants and residents. While empowering employees, maintain a strong focus on performance management and value for money.

Flexibility and Agility - employ a more agile multi-skilled workforce able to move more freely around the business, supported by good flexible working practices. Identifying future employment needs of the company and have the right skills and succession planning in place to meet this demand. Also retain a strong focus on absence and wellbeing using flexible working methods to reduce sickness levels.

Talent Management - following the launch of our Leadership and Management Program, ensure everyone in the Company has the right level of learning to do their job effectively, and ensure succession and workforce planning are effectively embedded and supported by strong recruitment practices.

The strategy document will be brought before Board shortly.

3.8 Organisational Development Team

- 3.8.1 A new Organisational Development Team has recently been created comprising the Learning and Development, Human Resources and Equality and Diversity functions. As a result there has been a significant level of

turnover of senior staff over the past 12 months. A new Head of Organisational Development commenced earlier in the month.

3.9 Apprenticeships

- 3.9.1 NCH continues to promote apprenticeships across the organisation, most recently taking on its first ever cohort of six Housing Trainees. Ten unemployed city residents have been taken on as Apprentice Caretakers in our “Step Up” project supported by Nottingham Jobs Fund and the Rebalancing North Nottingham Foundation. We are currently working on our response to the Apprenticeship Levy. Approximately 5% of NCH employees are apprenticeship based.

3.10 Major Change Programmes

- 3.10.1 As previously reported to Board, we completed and implemented our Single Status and Management Review proposals with full union support during 2015-16. The Review of Craft Operative terms and conditions is currently at the informal consultation stage with a move into formal consultation likely in the next few weeks.

3.11 Mini staff Survey

- 3.11.1 We asked people to complete a mini staff survey at our Staff Conferences held at the beginning of October. The results can be found at [Appendix 2](#).
- 3.11.2 We asked employees whether they would recommend NCH as a place to work and 76% said yes. When we asked whether people would recommend NCH as a good place to work in our 2013 survey 70% said yes. This is a good outcome given the significant level of change the organisation has gone through from top to bottom over the past few years. There are other areas arising from the survey, such as employee empowerment and training that we also need to review and will consider in developing our new OD Strategy.

4 OTHER OPTIONS

- 4.1 None.

5 FINANCIAL, LEGAL AND RISK IMPLICATIONS

5.1 Financial

- 5.1.1 Detailed employment management information will assist financial planning. Effective management of all of the process outlined in this report will lead to a reduction in staffing costs across the Company.

5.2 Legal

- 5.2.1 None.

5.3 Risk Management

- 5.3.1 Risks related to the Company’s employment practices are included in the Corporate and Departmental Risk Registers and are regularly reported to the

Audit Committee.

6 IMPLICATIONS FOR NOTTINGHAM CITY HOMES' OBJECTIVES

- 6.1 Effective management of people has a positive impact on NCHs performance and sits in line with Company's objective to be a great place to work, widely respected as an efficient and professional organisation.

7 BACKGROUND MATERIAL AND PUBLISHED DOCUMENTS REFERRED TO IN COMPILING THIS REPORT

- 7.1 CIPD – various articles
Internal Statistical analysis from HR Team
Local Government Workforce Study 2016
Disability Rights Commission – various information
HR E & D Statistics - Appendix 1
Staff Survey Outcomes – Appendix 2

Contact officers: George Pashley
Executive Management Team
14, Hounds Gate, Nottingham, NG1 7BA
Tel: 0115 9157354
E-mail: George.Pashley@nottinghamcityhomes.org

Date: 13 October 2016

Nottingham City Homes
Equality & Diversity Statistics
31st March 2014 to 31st March 2016

Gender	31.03.2014 – 31.03.2015		31.03.2015 – 31.03.2016	
	Head Count	Percentage	Head Count	Percentage
Female	328	33.27%	330	33.60%
Male	658	66.73%	652	66.40%
TOTAL *	986	100.00%	982	100.00%

*Excluding Casuals

Disability	31.03.2014 – 31.03.2015		31.03.2015 – 31.03.2016	
	Head Count	Percentage	Head Count	Percentage
Disabled	94	9.53%	91	9.27%
Not Disabled	884	89.66%	885	90.12%
Not Known/Stated	8	0.81%	6	0.61%
TOTAL	986	100.00%	982	100.00%

LGBT	31.03.2014 – 31.03.2015		31.03.2015 – 31.03.2016	
	Head Count	Percentage	Head Count	Percentage
Bisexual	2	0.20%	2	0.20%
Gay	7	0.71%	8	0.81%
Heterosexual	461	46.75%	493	50.20%
Lesbian	3	0.30%	8	0.81%
Not known/Stated	509	51.62%	467	47.56%
Prefer Not to Say	4	0.41%	4	0.41%
TOTAL	986	100.00%	982	100.00%

AGE	31.03.2014 – 31.03.2015		31.03.2015 – 31.03.2016	
	Head Count	Percentage	Head Count	Percentage
17-19	8	0.81%	9	0.92%
20-24	37	3.75%	57	5.80%
25-34	179	18.15%	175	17.82%
35-44	213	21.60%	209	21.28%
45-54	338	34.28%	332	33.81%
55-59	135	13.69%	123	12.53%
60-64	65	6.59%	59	6.01%
65+	11	1.12%	18	1.83%
TOTAL	986	100.00%	982	100.00%

Nottingham City Homes
Equality & Diversity Statistics
31st March 2014 to 31st March 2016

BME	31.03.2014 – 31.03.2015		31.03.2015 – 31.03.2016	
	Head Count	Percentage	Head Count	Percentage
BME (Black Minority Ethnic)	174	17.65%	179	18.19%
Non-BME	809	82.05%	800	81.30%
Not Known	3	0.30%	5	0.51%
TOTAL	986	100.00%	984	100.00%

Religion	31.03.2014 – 31.03.2015		31.03.2015 – 31.03.2016	
	Head Count	Percentage	Head Count	Percentage
A - All Other Religions	19	1.93%	16	1.63%
B - Buddhist	1	0.10%	1	0.10%
C - Christian	435	44.12%	431	43.89%
H - Hindu	12	1.22%	14	1.43%
J - Jewish	1	0.10%	1	0.10%
K - Not Known/Stated	133	13.49%	120	12.22%
M - Muslim	23	2.33%	21	2.14%
N - No Religion	356	36.11%	372	37.88%
S - Sikh	6	0.61%	6	0.61%
TOTAL	986	100.00%	982	100.00%

Ethnic origin	31.03.2014 – 31.03.2015		31.03.2015 – 31.03.2016	
	Head Count	Percentage	Head Count	Percentage
ASIAN - INDIAN	18	1.83%	21	2.14%
ASIAN - PAKISTANI	19	1.93%	18	1.83%
ASIAN - BANGLADESHI	0	0.00%	0	0.00%
ASIAN - OTHER	3	0.30%	2	0.20%
BLACK CARIBBEAN	61	6.19%	60	6.11%
BLACK AFRICAN	7	0.71%	7	0.71%
BLACK - OTHER	7	0.71%	8	0.81%
CHINESE	2	0.20%	1	0.10%
OTHER RACIAL GROUP	5	0.51%	5	0.51%
WHITE & BLACK CARIBBEAN	20	2.03%	28	2.85%
WHITE & BLACK AFRICAN	1	0.10%	1	0.10%
WHITE & ASIAN	3	0.30%	3	0.31%
OTHER MIXED	2	0.20%	2	0.20%
NOT KNOWN	3	0.30%	5	0.51%
WHITE BRITISH	809	82.05%	798	81.26%
WHITE IRISH	11	1.12%	10	1.02%
OTHER WHITE	15	1.52%	13	1.32%
TOTAL	986	100.00%	982	100.00%

New Hires	2015		2016	
	Hire Head Count	Percentage	Hire Head Count	Percentage
No of Permanent Staff	46	7.91%	64	6.52%
No of FTC	33	3.34%	52	5.29%
TOTAL	79	11.25%	116	11.81%
Company Total	986		982	

Staff Survey Outcomes

Do you know that NCH's vision is to create homes and places where people want to live?

Yes – 94% No – 6%

Do you think that NCH does a good job for our customers?

Yes – all or most of the time – 88% No – hardly ever or never – 12%

Do you think that NCH has improved the services it provides to its customers during the time you've worked here?

Yes – 74% No – 26%

Do you know how to report health and safety incidents or concerns?

Yes – 82% No – 18%

Do you think that NCH offers its staff a good pension scheme?

Yes – 76% No – 24%

How long have you worked at NCH?

Less than a year – 10% One to five years – 26% Five to 10 years – 11% More than 10 years – 53%

Are you motivated to do a good job for customers?

Every day – 57% Some days – 33% Hardly ever – 5% Never – 4%

Does your manager support your learning and development?

All of the time – 26% Most of the time – 25% Occasionally – 24% Never – 26%

Do you get 'Round the Houses? (Company Magazine)

Every month – 64% More often than not – 18% Rarely – 8% Never – 10%

Do you know about staff benefits?

I know there's a discount scheme, but I never think to use it – 34%

I know about all the staff benefits – 21%

I know about some of them – 32% I don't know about any of them – 14%

Would you recommend NCH as a place to work?

Yes – it's a great place to work – 27% Yes – it's not bad – 49%

No – it's not a good place to work – 11% No – I wouldn't wish it on my worst enemy – 13%

Has NCH become a better place to work during the time you've worked here?

It's got much better – 17% It's got a bit better – 30% It's got a bit worse – 27%

It's got much worse – 26%

Do you feel that you're consulted on the things that affect you at work?

All the time – 6% Most of the time – 21% Occasionally – 39% Never – 34%

Are you asked for your views and ideas at work?

All the time – 8% Most of the time – 20% Occasionally – 37% Never – 35%

NATIONAL FEDERATION OF ALMOS MEETING ON 4 OCTOBER 2016 UPDATE

AGENDA

- 1) The future direction of the NFA- Hugh Boardbent Chair
- 2) Today's ALMO world - Eamon McGoldrick NFA Managing Director
- 3) Group Structures – Troy Henshaw – Barnet Group chief Executive
- 4) Keeping residents at the heart of services - James Joyce, Derby Homes and Louise Egan, Brent Housing Partnership
- 5) The Governance Journey- Steve Douglas, Altair
- 6) The National Policy Landscape- Chloe Fletcher, NFA Policy Director

Hugh Boardbent talked about ALMOs being significant social enterprises that have shown themselves to be very enterprising and with a strong NFA can demonstrate their localism credentials.

Troy Henshaw explained how the Barnet Group which is a Local Authority Trading Company functioned, it consists of Barnet Homes, Open Door Homes (registered provider), Flex which recruits people to work within the group, they also manage Adult Social Care, Homelessness (a big issue in the area) and they have recently taken on the Streetscene service at the request of the council. The group consists of three boards with a mixture of tenants and councillor members of which the chair is a tenant appointed by the council.

James Joyce talked about having noticed the poor attendances at community meetings over recent years, a decision had been taken for staff to go out on to the estates and talk to people on the doorstep about any problems in the area whilst at the same time asking if they would like to get more involved in the way the company delivers its services. By doing this they spoke to over 4,000 people in two years.

Brent Housing Partnership has worked very hard to engage with people in the local community and now have a Tenant Academy along with various panels including complaints, communications and block champions.

Steve Douglas talked about the role of board members and how it was important to have your board member hat on when attending meetings - an example being a councillor board member who may have received several complaints around repairs would use that knowledge when asking about the targets for getting repairs completed as opposed to highlighting individual cases.

Chloe Fletcher talked about the upcoming Housing and Planning Act regulations and their impact on ALMOs, along with the challenges of the introduction of universal credit which includes in some areas a high percentage rate of tenants being in arrears, another problem is local authorities not being informed when mistakes are made in relation to allocating universal credit.