

ONGO – CARBON REDUCTION PLAN

Introduction

The UK was the first major world economy to pass a net emissions target into law. This target, which was recommended by the Committee on Climate Change, is one of the most ambitious and requires the UK to bring all greenhouse gas emissions to net zero by 2050.

In 2018, heating and powering homes accounted for 22% of all greenhouse gas emissions in the UK, therefore the housing sector is seen as a key area in the overall journey to net zero by 2050.

Even though over the next 30 years, at 300,000 new homes per year, a further 9 million homes will have been built, it is estimated that 73% of the stock that will be available in 2050 is already built.

The UK Social Housing sector accounts for 17% of all homes (over 5 million homes), which means Ongo along with all the other Registered Providers have a significant responsibility for reducing CO2 emissions.

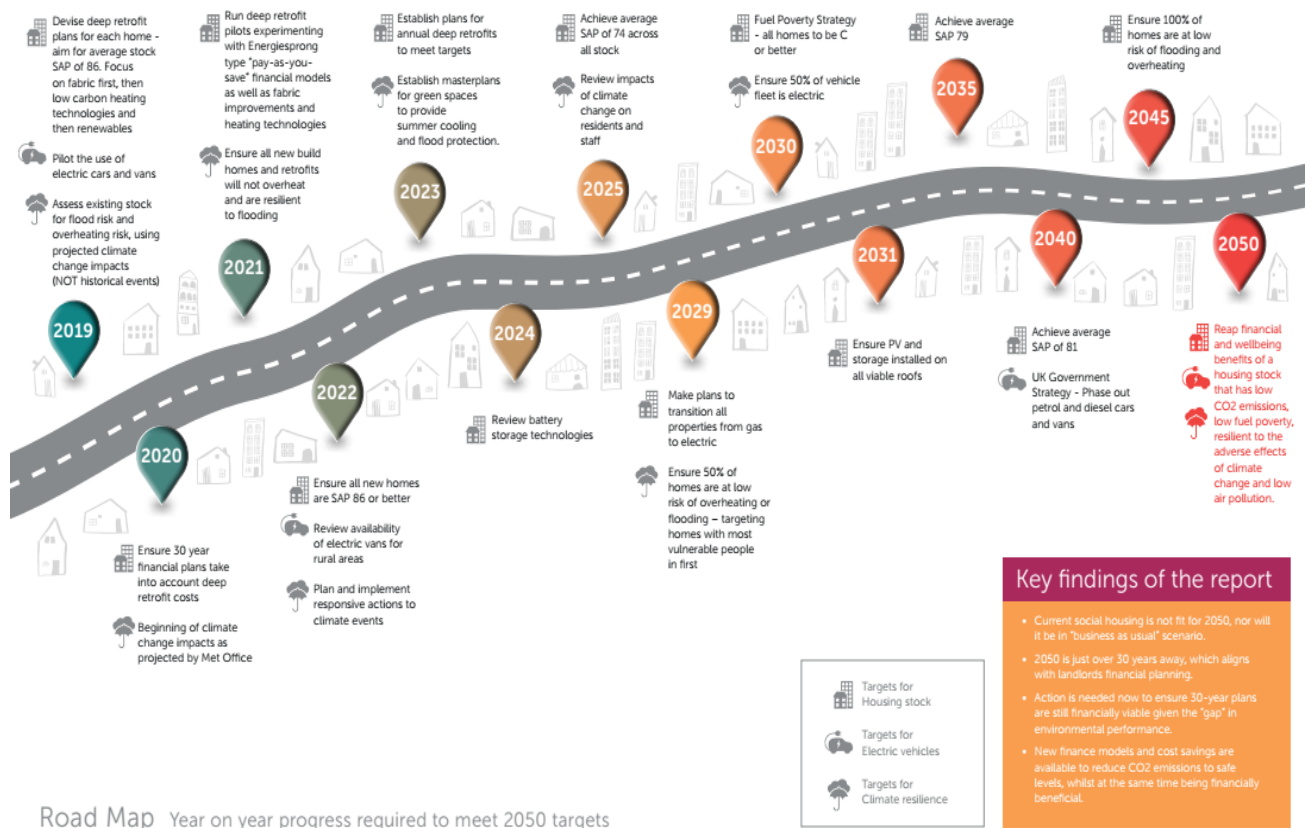
The Board at Ongo have recognised that a commitment to reducing the carbon impact of the business must be a key component of the Corporate Plan/Business Plan. It recognises that it will touch every aspect of the business and will affect all aspects of decision making across the organisation.

Ongo, in its approach to carbon reduction, needs to develop strategies in several different areas of operation:

- Existing Homes – 10,000 + stock, new Decent Homes standards, challenge to get all stock to Energy Performance Certificate (EPC) B etc.
- New Build Homes – establishing specification for the future, Modern methods of Construction etc.
- Corporate – Offices, fleet, procurement, purchase of utilities etc.

At the Board away day in November 2020 the Board were asked to consider their appetite towards the organisations future carbon reduction plans. Whilst the Board agreed that Ongo needs a pragmatic approach to the carbon neutral future, there was a strong desire to get started and be ambitious with future plans.

This delivery plan sets out proposed way forward for the organisation to start to move forward with its carbon reduction plans, whilst still acknowledging that things will be constantly changing such as Government policy and funding, changing technologies, associated costs etc. and the plan will need to adapt accordingly.



The above roadmap comes out of the ‘Housing 2050’ – *how UK social housing can meet the challenge of climate change* report produced by Sustainable Homes. Whilst the roadmap isn’t right for every organisation to follow, it does provide a source of reference/sense check when trying to establish Ongo’s future direction.

Key Principles underpinning this delivery plan

Whilst the plan is to be delivered over a long period of time and needs to remain flexible and be able to be adapted and reviewed on a regular basis, it is vital that behind it are a set of key stable principles that underpin it:

- **Availability of Quality Data** – A lot of the early actions rely on improving data collection and analysis about our properties. Quality data will be essential when accessing public funding.
- **Maximise available public funding opportunities** – Financing the necessary works within the Business Plan is one of the key challenges and access to public funding will be essential in this. Funding will be competitive and we need to be in a strong position with ‘oven ready’ value for money programmes planned in advance.
- **Scale up activities at the right pace** – ‘Invest with no regret’. There will be a need to gradually ramp up activity, as confidence increases and the necessary knowledge and experience develop in the sector and in the organisation. Carrying out pilot schemes will be a key part of this journey. Also need to ensure internal teams can undertake the transition at the same pace e.g. Repairs.
- **Carbon literacy** – Promoting a cultural change amongst staff and tenants is essential on the carbon reduction journey.
- **Social Value** – Decarbonisation requires long term investment and provides opportunities to create significant growth areas in the economy, thereby creating meaningful employment and training opportunities.

Existing Properties

The Government's target for zero greenhouse gases by 2050 means: no home heated by gas, coal or oil; a significant switch to solar, heat pumps, district heating and wind power; significant improvements in insulation in all properties.

It is self-evident that if Ongo is to make serious inroads into reducing its carbon impact then by far the biggest challenge relates to improving the carbon efficiencies of its existing 10,000 + properties.

To address the carbon impact of its existing stock, the organisation needs to consider three key interventions:

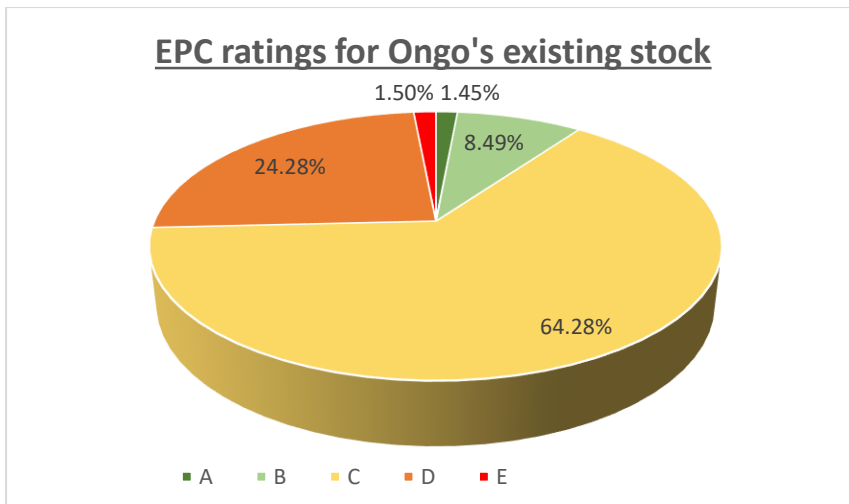
- Fabric first principle – Improve the level of Insulation of properties and in the first instance reduce the demand for energy, which in turn will reduce the carbon impact and the occupier's costs.
- Transition to renewable heat – The move away from heating systems reliant on fossil fuels (Gas, Oil, and Solid fuel) is central to any housing provider's decarbonisation plan and is already central to the Governments Clean Growth Strategy.
- Installation of renewable power – the installation of renewable power through Solar PV, battery systems etc. will not only help in decarbonising the grid, it will result in savings to tenants energy bills.

This decarbonisation programme over the next 30 years presents a massive challenge to the sector. Whilst the sector has an excellent record of delivering successful large scale property improvement programmes e.g. Decent Homes programmes, most of them have centred on elemental improvements due to age or condition, with some energy efficiency measures thrown in, such as loft and cavity insulation. The decarbonisation programme will need to be far more than that it, as it requires a significant change in culture and a need for everyone to buy into it.

The level of investment required to achieve the desired targets is substantial and will go far beyond what has been invested in through the Decent Homes standard and previous energy efficiency programmes. Investment will include internal wall insulation, underfloor insulation, triple glazing and mass replacement of heating systems. Fabric interventions on this scale will undoubtedly improve the air tightness of properties and in turn reduce energy consumption, but it will come at a significant cost.

Current position

- Typical ex-local authority stock with over 80% of the stock built prior to the 1980s. Significant number of properties built in the 1950s and 1960s.
- Currently around 26% of the stock has an EPC rating of below C (2,580 properties).



- Over 94% of the properties below an EPC C rating are a D rating and initial analysis suggests that a large proportion of these properties are quite close to a C rating and will therefore require limited investment over and above the rest of the stock.
- 96% of properties are heated by systems dependant on fossil fuels (94% Gas).
- Ongo has already installed 181 Air Source Heat Pumps to properties in rural off-gas areas.
- Approaching 1500 properties benefit from having PV panels installed on them.
- Extensive programmes of loft and cavity wall insulation have been carried out. Any isolated properties still requiring work are now being picked up through stock surveys.
- Significant programmes of external wall insulation have been carried out to solid wall and non-traditional stock over recent years – less than 20 left to address (conservation area, highway issues etc).

Proposed Actions / Changes

- Continuation with employing resources to the gathering and analysis of information about the energy efficiency of the stock. Explore the use of internal resources and the engagement of external consultancy resources.
- Purchase a specific module on the Asset Management system focussed on energy performance – ‘Intelligent energy’
- Gathering and using data from the existing low carbon systems we already have (heating costs, tenant satisfaction, maintenance costs & issues).
- Early focus on the properties with EPC ratings below C. Data driven set of individual priorities drawn up to improve EPC ratings, which will form the basis for bidding for available public funding.
- All properties to have an EPC C rating by 2030 and all properties to EPC B by 2042.
- Fabric first approach to be accelerated:

- Triple glazing programme based on renewal dates commencing from 2025.
 - Roof replacements to include additional insulation from 2021.
 - Roof insulation to be checked at void and increased levels installed where appropriate from 2021.
 - Initial programme of checking cavity wall Insulation commenced from 2021.
- Approach to transition to renewable heating systems:
 - Replacement heating with low carbon alternatives installed in non-gas areas when heating comes due for replacement (removal of solid fuel and Oil) from 2021. Accelerate where appropriate.
 - Consideration of replacement heating with low carbon alternatives in properties with EPC ratings below C. (delivered as part of the package of works) from 2021.
 - Main replacement heating programme with low carbon alternatives from 2030 but still when normal boiler replacement cycle is due.
- Installation of renewable power:
 - Roof replacement programmes to consider the installation of PV panels from 2025.
 - Planned programme of PV panel installation in addition to roofing programme from 2030.
 - Undertake pilot projects on poor performing properties as part of the overall package and when new technology around battery storage develops further and becomes more reliable.
- Carry out full survey of communal areas in flats and highlight necessary actions around energy efficient lighting etc. Information largely available from previous stock condition surveys.
- Carry out further investigation and pilot projects in introducing new technologies. These technologies are seen as a critical part of tackling climate change. Smart meters, light sensors, and systems to control services such as heating, ventilation and lighting will help to make homes more comfortable, especially for vulnerable residents, and to cut energy costs. Smart technology will also allow the monitor buildings remotely and thus save on travel costs.

Anticipated Outcomes

- The programme will have a significant effect on Ongo's carbon reduction impact and the increasing engagement with tenants will raise awareness and the need for cultural changes.
- Retrofitted properties will be more energy efficient and cheaper for tenants to live in.
- The necessary programme of works over a 30 year period will be of a sufficient scale and longevity to support training and employment opportunities.

Challenges / Risk

- The need to ensure that plans are developed based on accurate data.
- Solutions are not one size fits all ones and need to be property specific which is time consuming.
- Early adoption may pursue wrong technologies meaning wasted costs but on the other hand the quest for knowledge may prevent progress.
- Current uncertainty around costs - costs may fall over time meaning early adopters may pay more.
- Little clarity around Government policy and Regulatory intervention – New Decent homes standard.
- Reduced emissions versus fuel poverty - current running costs of low carbon heating can be higher than existing systems making fuel poverty worse.
- Timing of works – carrying out work before current replacement cycles means additional replacement costs in the 30 year business plan.
- Supply chain - Is the supply chain currently ready to deliver the products and materials needed.
- Availability of skilled labour – Do the skills needed to undertake the retrofit work exist at the scale needed.
- Access to Finance – uncertainty around Government funding and access to finance markets.
- Asset Management Challenges - What stock should be retained? – Which stock will be here and desirable in 70 + years? Is there a need for large scale estate regeneration?
- If properties can't be brought up to the required standard or it's not financially viable to invest in them, should Ongo try and dispose of them – is passing on the problem and getting rid of someone's home ethical.

Future New Build Properties

Obviously the homes that are constructed now and in the next decade will still exist in 2050 and it is significantly cheaper and easier to install energy efficiency and low carbon heating measures when homes are built, rather than retrofitting them afterwards.

The Government in the 2019 Spring Statement made a commitment that by 2025 it would introduce a Future Homes Standard for new build homes to be future-proofed with low carbon heating and world-leading levels of energy efficiency.

Through the introduction of the Future Homes Standard the Government will push through considerable improvement in energy efficiency standards for new homes. The Future Homes Standard consultation, launched in October 2019, represented a first step in incentivising these changes by providing a clear vision for implementation and setting an ambitious uplift to the energy performance requirements in the Building Regulations for new homes.

The Government in its consultation proposed:

- From 2025, new homes built to the Future Homes Standard will have carbon dioxide emissions at least 75% lower than those built to current Building Regulations standards.
- Introducing the Future Homes Standard will ensure that the homes this country needs will be fit for the future, better for the environment and affordable for consumers to heat, with low carbon heating and very high fabric standards.
- All homes will be ‘zero carbon ready’, becoming zero carbon homes over time as the electricity grid decarbonises, without the need for further costly retrofitting work.

The Building Regulations are due to change in relation to Part L (Conservation of fuel and power) and Part F (Ventilation) prior to the changes proposed in 2025 through the Future Homes standard signalling a stepped change towards the building of zero carbon homes.

During construction the average house creates 50 tonnes of carbon dioxide, and an additional five tonnes per year from its operational emissions. Getting the future specification right will prevent Ongo adding to its carbon reduction challenges.

Ongo needs to clarify its ambitions in relation to the Future Homes Standard, with specific focus on agreeing the specification of the housing it intends to retain and manage as rental properties. Although it may not be possible to achieve the specification immediately, progress should be made against the standard in order to minimise the future need to retrofit.

Current position

- Current Development strategic plan includes an ambition to build 225 homes per year – At this rate this would mean that over 6,000 homes in next 30 years would be built.
- In the main properties are currently only built to comply with Building Regulations not exceed them – resulting in the majority of properties being built to EPC B standard. However a few smaller properties and flats do fall into the high C rating.

- Ongo has recently signed up to the Off-Site Homes Alliance with 20 other Registered Providers in the North – An alliance investigating and working towards the acceleration of Modern Methods of Construction in the North.
- A Pilot scheme for 8 properties in Scunthorpe is currently in for planning – The properties have been designed to be carbon neutral in the way they operate once built.

Proposed Actions / Changes

- Develop and agree the new detailed specification for new build properties to include improved insulation standards, heating specifications etc. Initially undertaking a comparison of the current specification with that needed to develop an EPC A rated property.
- Complete the initial pilot scheme and develop the 8 carbon neutral properties.
- Identify financial mechanisms and investment models to enable ‘extra over’ costs to meet the standards to be implemented and ensure new developments remain financially viable. Need to consider whole life costings.
- To explore and establish the way forward with Modern Methods of Construction with a view of commissioning the first scheme by 2023.

Anticipated Outcomes

- By 2025 all new properties being developed should be EPC A rated.
- All new properties will be future proofed and not require retrofit measures to meet low carbon requirements by 2025.
- New build properties will be developed with the aim of reducing energy usage and therefore help tackle fuel poverty by improving the level of affordability for tenants.

Challenges / Risk

- Risks associated with early adoption include not only potentially high costs, but risks over current supply chain and available skilled workforce.
- Technology and the number of options will improve over time, resulting in more efficient solutions both in relation to capital investment and actual running performances. Current issues around affordability and fuel poverty need to be considered.
- The additional costs associated with the improved specification will obviously have a substantial effect on the future financial viability of schemes. Whilst additional grant may be available, consideration will also need to be given to the extent of internal subsidy made available to achieve these desired standards.
- There is a need to negotiate with Partnering developers around the desired specification for the future. Ongo’s current development programme relies on 106’s and purchases ‘off the shelf’ and therefore decisions on acceptable specifications need to be established.

Transition to Electric Vehicle (EV) Van Fleet

Current position

- The current Government has confirmed that it will ban the sale of new petrol and diesel cars and vans from 2030, although some petrol/diesel hybrids will be available until 2035
- Currently Ongo has 80 vehicles leased (Maintenance, Neighbourhood services & Commercial businesses) - all diesel and in the main on rolling 4 year lease programme.
- All fleet vehicles are taken home in the evening by operatives and are fuelled using company fuel cards at high street filling stations.
- Wide operational geographical area, need to understand range of vehicles and mileage patterns.
- Current fleet replacement cycle allows for a maximum of 3 more replacement cycles (2021, 2025, 2029) before the ban is in effect.
- Using these replacement cycles, the earliest all fleet could be replaced is 2025 (ignoring contract early terminations and assuming like for like availability)
- Alternatively, the latest point that the fleet could include diesel vehicles is 2033 (ignoring contract extensions or early terminations and assuming full availability of diesel fleet at each replacement point).
- Staff are currently exploring the use of electric vehicles and following initial discussions with vehicle lease companies are piloting the use of these vehicles. Over the next few years staff resources will need to be employed to track and monitor the market and carry on the negotiations with the leasing companies.

Proposed Actions / Changes

- Over the next two years develop an EV charging plan with an aim of enabling either home or street or alternative charging.
- Between 2024 and 2028 there will be a phased introduction of electric vehicles to the van fleet subject to operational suitability.

Anticipated Outcomes

- By 2027 van fleet carbon reductions reduced by 75%. By 2028 fully Electrical Fleet with zero fleet emissions.
- By 2027 energy/fuel costs associated with the van fleet will be reduced by 75%.
- The physical transition to EV fleet will help engage staff and customers on the overall decarbonisation plan.

Challenges / Risk

- The main risk is in relation to the necessary infrastructure around the charging strategy and whilst home charging will be available in many cases there will be challenges around on street charging where the roll out is still very uncertain.
- Impact on productivity of the workforce - Non-productive time spent charging at intervals through the working day.
- Current range limitations with electric vehicles c75-100 miles which could be impacted by load weights.
- Identifying and funding the charging solution that will work with vans being taken home. It is however anticipated that operational charges will be lower, despite potentially higher leasing costs, as fuel costs and servicing are likely to be lower.

Corporate Offices

Current situation

- Ongo's current office accommodation consists of Ongo house, Cole Street, Northampton Road, The Arc and the Viking centre.
- Whilst Cole Street, The Arc and the Viking centre are owned by the organisation, Ongo House is on a long term lease (40 years) and Northampton Rd on a shorter lease.
- Ongo House and The Arc are modern buildings designed and built in the last 3/4 years. Both buildings already have intelligent heating & lighting, PV panels and efficient lighting arrangements. Heating systems at Ongo house and the Arc are due to be replaced between 2030– 2035.
- Cole Street on the other hand is a much older property that would require significant work around its fabric, heating system etc. in order to reduce its carbon footprint.
- The Viking centre is a converted pair of terraced houses in Barton, built in the mid 1970s.

Proposed Actions / Changes

- During the next two years undertake a full review of office accommodation with a view of exploring the potential reduction of space occupied and therefore corresponding consumption of fuel.
- Undertake a full assessment of the corporate offices with a view of fully understanding the necessary work needed to reduce their carbon impact of using the buildings.
- Work with North Lincolnshire Council on future bids for funding towards replacing the heating system at Ongo House and introducing any other energy efficient measures.

- Following the impact of the pandemic, continue to promote agile working. The organisation has over the last year functioned successfully through staff working from home and having the appropriate IT set up available. This has had a positive impact upon Ongo's carbon impact through reducing energy demands in offices and through reduced travel by staff.

Anticipated Outcomes

- All Corporate offices to be carbon neutral by 2027 with non-carbon heating and lighting and use of smart technologies such as movement sensors to reduce energy usage.

Challenges / Risk

- The Arc and the Viking Centre are estate based assets that provide much more than office accommodation and therefore are unlikely to form part of the review of office requirements. Therefore any review would be around the use of Ongo House, Cole Street and Northampton Road. Due to the long lease arrangement at Ongo House the options are more limited.

Education – Carbon literacy

Residents/customers

Ongo's journey to reduce its carbon impact will affect every one of its properties and will therefore touch every resident/customer. The need for continuous engagement with and the buy in from residents is critical to the whole journey and represents one of the main initial challenges facing the organisation.

Tenant engagement and consultation is engrained into all our current investment programmes, but this programme is very different to anything previously carried out before. It not only requires physical works being carried out to properties it also requires a vast cultural change and the buy in of all residents and staff.

Current situation

- Initial surveys have been sent to residents to gauge the level of knowledge on climate change issues and establish the level of interest in getting involved.
- Initial sessions have been held with Community Voice to explore the challenge from a residents' perspective and seek their views on how best to move forward.
- Articles have started to be included in the residents' newsletter Key News with a view of constantly drip feeding information.
- The organisation has had limited previous experience on resident engagement connected to the installation of air source heat pumps and PV panels and can draw on this.

Proposed Actions / changes

- Produce an engagement/communications plan to engage tenants
- Implement an environmental awareness campaign –use of surveys, website, build into events (carnival, we care days etc.).
- Increase awareness raising articles in Key News
- Explore tenant focus groups, tenant champions etc.
- Better energy advice/support - signpost residents to energy comparison / switching sites
- Hold pop up events in partnership with North Lincolnshire Council (NLC) to raise awareness of the impact of not recycling
- Involvement in Tenant Climate Jury (National Housing Federation) - Watch and learn from the new National Hurricane Centre (NHC) initiative.

Anticipated Outcomes

- Consistent messages from the organisation going out in a planned and controlled way.
- Greater resident awareness about the need for cultural changes – communications much wider than just property improvements, need to cover neighbourhoods, use of cars, use of energy in homes, waste etc.
- Establish tenant involvement channels directly related to the carbon agenda including resident champions, focus groups etc.

Challenges / Risk

- Use of consistent language is important and understood throughout the whole organisation from Chief Executive through to front facing staff. Constant clear messages to residents are essential.
- Need to build trust of residents around fear of change and uncertainty of future heating costs, need to establish confidence in the new technology etc.
- Different residents and groups of residents will require different approaches – there isn't a one size fits all way of engagement.
- Need to ensure the tenant engagement methods used encourage a wide make up of residents to be involved and are therefore representative.

Staff

Whilst much of the focus around carbon reduction challenges has centred on property issues, the approach by organisations like Ongo need to be very Corporate with staff from all areas of the business being involved.

All staff need to gain an understanding of the organisation's commitment to reducing our carbon emissions both at work and outside of the workplace. In order to do this, carbon literacy training needs to be delivered consistently across the organisation and our commitments need to be built into the everyday running of the business e.g. from new starter inductions to major procurement decisions.

The Coronavirus pandemic and subsequent lockdown led to enforced changes in the way that businesses throughout the world operate. Ongo, like other businesses had to make some major changes to its approach and practices at very short notice. In the second half of 2020, a "Project 6" group was formed to further investigate how Ongo could make the most out of this opportunity at a time when Ongo stakeholders, just like the wider world are very receptive to and eager to drive change.

All Ongo staff were invited to join one of six focus groups, including one whose theme was "Environment and Carbon Reduction". Participants brought a huge amount of energy and enthusiasm to the debate. As a result they generated a large amount of ideas for improvement displaying an extremely positive outlook and desire to be involved in shaping decisions and driving progress on a critical issue not only for Ongo, its stakeholders and the wider world, but crucially in this case, to those individuals themselves.

The next step is to further harness and co-ordinate this staff enthusiasm and energy in order to achieve the optimum outcome from our future work on carbon reduction. We need to establish and maintain traction behind the good things that colleagues are already doing and to capture and develop the ideas that many are keen to put forward. Positive news stories should be publicised and successes celebrated to further embed carbon and the environment in the forefront of colleagues' minds. Focus groups will be necessary to generate and develop further ideas.

It is essential that the organisation has a detailed and widespread knowledge of carbon reduction, ranging from the understanding of available funding and how it can be accessed and staying up to date with emerging technologies to the need for recycling and changes to the way we manage our open spaces. Not one person can do all this, it needs all staff to be involved.

Therefore it is critically important that senior leadership lead by example and drive the carbon reduction plan forward. Carbon and the environment need to be embedded in all decision making, from inclusion in cross cutting themes when making recommendations to or requesting decisions by board, through day to day operational decisions to inclusion in the PDR process for all colleagues.

Proposed Actions / changes

- Produce an engagement/communications plan to engage staff.
- Develop Intranet page to focus on Carbon reduction agenda. Promote stories on progress.
- Establishment of a Sustainability & Carbon Reduction steering group made up of cross cutting colleagues.
- Continue to raise awareness of agile working policy (less office use, less travel)
- Explore incentives to encourage Colleagues to change vehicle to Electric or Hybrid

Anticipated Outcomes

- Consistent messages from the organisation going out in a planned and controlled way.
- Greater staff awareness about the need for cultural changes – communications much wider than just property improvements, need to cover neighbourhoods, use of cars, use of energy in homes, waste etc.

Challenges / Risk

- Use of consistent language is important and understood throughout the whole organisation from Chief Executive through to front facing staff. Constant clear messages to staff are essential.
- Need to ensure the current enthusiasm and desire to be involved is embraced and developed throughout the organisation, encouraging everyone to get involved.
- Need to avoid the appointment of the sustainability and carbon reduction manager resulting in staff thinking it's not their responsibility to get involve and impact on change.

Offsetting

A carbon offset is a way to compensate for an organisation emissions by funding an equivalent carbon dioxide saving elsewhere. Offsetting plays a vital role in combating climate change, but if done in isolation it is not the solution.

Ongo currently doesn't have any formal carbon offsetting plans in place, however it should be noted that Ongo through its work at the allotment and in planting schemes included on estate improvements, development landscaping etc. does provide a limited amount of carbon offset already in its everyday activities.

Moving forward Ongo needs a more strategic approach to its off-setting activities and build it into the decision making processes within the organisation.

Within this more strategic approach considerations for carbon offsetting need to include:

- Carbon offset projects to be defined based on type of project and geography (local or international)
- Volume of carbon to be captured through the projects need to be calculated and recorded.
- Ongo has land available within its current estate to support tree planting (and associated biodiversity and health benefits). A strategic review of our green spaces is needed to identify alternative approaches to their management and maintenance.
- Ongo is also able to purchase additional land for further tree planting
- Land for carbon offsetting can be built into new build development plans. Need to review our development briefs to ensure where possible our interventions complement and enhance local biodiversity and amenity.
- North Lincolnshire and North East Lincolnshire has strong connections to green energy and low carbon industries. Need to establish partnership working.
- Engaging those in the know to choose the most environmentally beneficial and aesthetically appealing ways to plant/nurture our land will be critical. Use of plants and trees suited to the local area and which maximise carbon capture and give maximum environmental benefit is an example.

Partnership working

Partnership working is vital to ensuring our carbon reduction plan is deliverable and that we are kept well informed and in the right place to make the right decisions. It is essential that Ongo works in partnership with lots of organisations and the plan continues to adapt and develop based on sound knowledge and learning from many different areas.

Some of the Key partnerships that need to be established are:

- Contractors – New build and retrofit contractors.
- Suppliers – Heating replacements, PV panels etc.
- Consultants – specialist energy consultants, architects etc.
- Procurement frameworks
- Specialist alliances with other Registered Providers – Off-Site Housing Alliance and MMC.
- Local Authority partners – be part of the bigger picture in operational area.
- Other strategic groups in our operational area – Sheffield city region etc
- Training establishments – preparing the necessary skilled workforce.
- Specialist sustainability groups/networks - SHIFT

In addition to the key partnerships, it is essential that Ongo participates in the sector learning and continues to learn from and contribute to the journey that all Registered Providers are going down.

Finance

Financing the vast amount of necessary work is one of the key challenges in delivering the carbon reduction plan over the next 30 years. The additional costs associated with the plan need to be factored into the organisations Business plan and stress testing exercises.

The Conservative Party's election manifesto promised social landlords a 10 year, £3.8 billion Social Housing Decarbonisation fund. However to date the chancellor has only committed to a £2bn Green Home Grant and a £50m fund to set up decarbonisation pilot programmes.

Whilst there is funding available from the Government, in reality much of the necessary investment will need to be provided through existing funding streams and self-investment. In addition future streams are likely to come on board and Ongo needs to ensure it is in the best position to benefit from them.

This initial plan has allowed the organisation to start to include carbon reduction assumptions into its Business plan. The main assumptions currently inserted are:

- Decarbonisation spend of £10k (over and above current Business Plan allowances) for properties currently at D and below to get them up to C/B, phased from 22/23 to 29/30.
- Another £7.5k per unit for everything that is C to lift to B thereafter to end of plan.
- Inclusion of costs of transfer to electric fleet from 24/25.

The target now is to start to firm up these assumptions in the business plan by obtaining/cleansing data and fully understanding the baseline positions and necessary works needed on the stock, the fleet and the offices and fully understanding the impact on new build costings/feasibilities. The initial focus over the next few years will be on making sure the organisation has the reliable data to make these informed financial decisions and thereby reduce the risks associated with those decisions.