Landlords and net zero: how tenants are driving change in social housing

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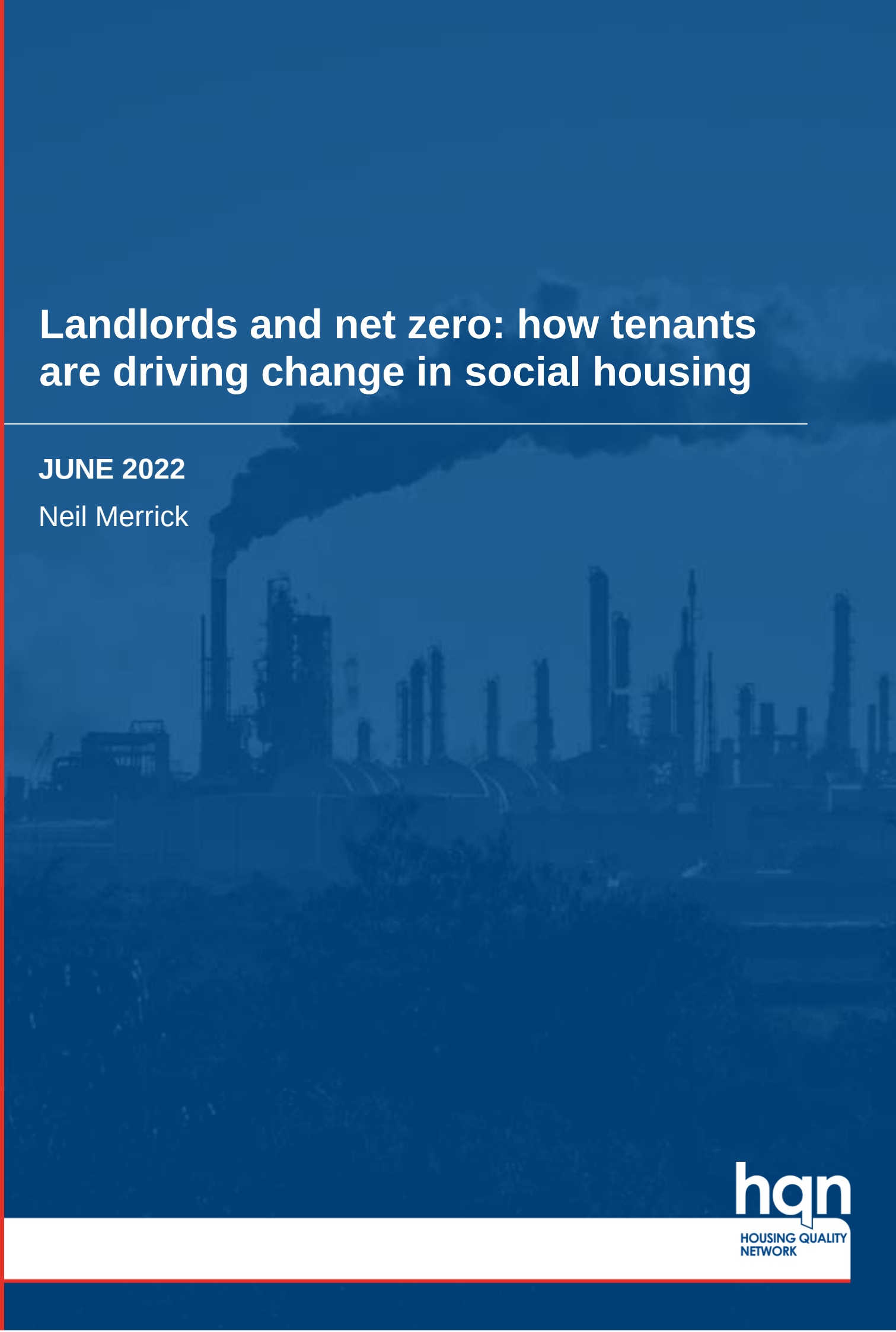

HOUSING QUALITY NETWORK

About the author

Neil Merrick is an experienced freelance journalist who writes about housing and other social issues. He writes regular briefings for the Local Government Information Unit and is an occasional contributor to *Public Finance, Local Government News*, *The Guardian*, and *Inside Housing.*

Introduction

Social landlords are forging ahead with plans to achieve net zero, in some cases sooner than the UK government's target date of 2050.

New homes are being built in line with low- or zero-carbon standards, while existing housing is being retrofitted and gas boilers replaced with solar panels and other sources of green energy.

Without the support of tenants, the task facing housing associations and local authorities is more difficult. But where residents see the value and benefits of green lifestyles as well as clean energy, they seem more likely to welcome changes to their properties, especially if this results in lower fuel costs.

Following a survey of HQN members in spring 2022, this briefing looks at not just the ambitions of landlords but also the work that is taking place on the ground, including consultation with and the involvement of tenants.

Key points

- 84% of social landlords in our survey have agreed a plan to reach net zero by the UK government's target of 2050 or sooner
- Nearly half (48%) see working with tenants on carbon reduction as among their top three priorities
- 8% of landlords say tenants are helping them to shape and deliver the green agenda, while a further 52% are starting to bring tenants on board
- More than half (52%) of respondents say the green agenda cannot be funded from existing resources, while 44% are uncertain
- Three quarters of landlords have measures in place to assist tenants with rising energy bills.

The survey has raised lots of important issues for landlords. We've pulled out the key action points at the end and HQN will be putting together a plan to help members with them, including exchanging ideas and good practice, and providing examples, case studies and more over the coming period.

The response of social landlords to net zero

Agreeing a plan

According to HQN's survey, 84% of social landlords taking part have agreed a plan to reach net zero by the government's target of 2050 or sooner.

Two in five have set a date earlier than 2050. Among these landlords, 21% plan to achieve net zero by 2030, a further 7% are planning to achieve it by 2035, and 36% have set a target of between 2036 and 2040.

Identifying priorities

96% of respondents said reaching net zero for housing stock was among their top three priorities.

The second most popular option was identifying and securing funding (chosen by 72% of landlords), while 56% said they were reducing their carbon footprint as an employer (including offices and fleet vehicles).

Nearly half (48%) saw working with tenants on carbon reduction as among their top three priorities, while one in five chose work with supply chains.

Asked which area was providing the greatest challenge in achieving net zero, 56% said funding, 44% identified their supply chain, while 40% said it was improving stock (respondents could choose more than one option).

About a quarter (24%) said working with tenants on carbon reduction was proving to be a challenge.

The effect of energy prices

Asked if the sharp increase in energy costs had caused them to reconsider their approach to net zero, 12% of respondents said they had stepped up their plans, while the remainder said they would need to reconsider the options. (It should be noted that the survey took place before the latest rises in the cost of living.)

Three quarters of landlords said they had measures in place to assist tenants with rising energy bills.

Paying for the green agenda

Asked how they plan to pay for net zero programmes, 64% of landlords said they mostly expect to pay for it from their own resources but will draw on government funds where possible. 8% plan to borrow extra money to improve stock.

More than half (52%) of respondents said that aspirations around the green agenda cannot be met from existing resources, while 44% were uncertain.

How tenants are key to success

The survey suggests that landlords believe working closely with tenants puts them in a better position to achieve net zero by 2050, or sooner. However, the picture across the sector is far from universal.

Nearly half (48%) of landlords saw working with tenants on carbon reduction as among their top three priorities, though at the same time 24% said it was proving to be a challenge.

Asked to give more detail, 8% of landlords said tenants are helping them to shape and deliver the green agenda, while a further 52% were starting to bring tenants on board.

But 40% of respondents admitted they had not involved tenants much as yet. The remainder of this briefing looks at how landlords are working with tenants over the net zero agenda.

Together: Going green with tenants

It is more than six months since Together Housing launched its ‘Go Green Together’ campaign.

It follows a survey, carried out last summer, that showed most tenants were aware of issues surrounding climate change, but less familiar with terms such as ‘net zero’.

“There was an appetite to hear more about it,” says communications manager Thomas Holmes. “Residents were pleased we were developing a plan and making a contribution towards the UK reducing emissions.”

Together Housing owns about 37,000 properties across the north of England, a quarter of which are below EPC (energy performance certificate) level C. More than 31,000 homes use gas as their primary heat source.

Work on retrofitting homes began last year. By 2035 the association plans to replace gas boilers with renewable heat across its entire stock, while 17,500 homes will be equipped with solar PV and other low-carbon energy systems. The total cost of retrofitting is likely to be about £50m (at today’s prices).

The campaign, launched in September, focuses on three audiences: tenants whose homes are due to be improved, other tenants, and staff, who are being trained in issues around net zero.

Patrick Berry, director of Together Net Zero, says the association recognises that gaining tenant support is key. “They have to let us through the door,” he says. “What we’re planning can be disruptive and requires them to incorporate changes in behaviour.”

On one level, this means explaining how to operate an air-source heat pump (and not switching it off in the same way as a gas boiler). But there is also the need for greener lifestyles.

The survey found high levels of reduction, reusing and recycling, with more than 90% of tenants saying they recycle cans, plastic and other materials. One in five households collect rainwater, while 16% compost food waste.

A research project with Huddersfield University will explore further changes that need to be made by tenants and staff to realise the benefits of carbon reduction. “There is definitely goodwill towards the subject and a strong willingness to participate,” adds Berry.

Orbit: Taking housing estates back to nature

Residents at Orbit Housing appear keen to adopt green lifestyles. A survey of 900 households carried out last year revealed enthusiasm for not just cheaper energy bills, but safe cycling and walking routes, more trees and wildlife, and charge points for electric vehicles.

Last month (June), the association pledged that at least 30% of its estate will be managed in a way that supports nature by 2030. This includes hedgerows, shrubs and wildflowers that benefit insects and other wildlife. Where space is limited, artificial habitats such as birdboxes will be created.

Biodiversity pilots have begun on four estates in the Midlands, supported by Warwickshire Wildlife Trust. Jessica Marshall, Orbit’s environmental change manager, says it is important to balance the needs of wildlife with those of residents, but most people are happy to see more wildlife-friendly landscapes within green space, alongside traditional play or recreation areas.

At the same time, people whose homes require retrofitting are given choices, such as what colour front door they prefer. “We need to approach this holistically,” she adds. “You can’t just talk about homes and heating without addressing issues they feel they have control over.”

Charley Gibbons, Orbit’s director of customer experience, says the focus on warmth and comfort and energy affordability leads naturally to interest in climate change, and acceptance of new technology.

Half of residents want to be able to charge an electric vehicle at home, even though most do not presently own an EV. The association has been working with customers on a policy for the installation of chargepoints. “We’re doing things in a much more customer-centric way,” adds Gibbons.

Orbit is committed to achieving net zero in its operations by 2030, with homes and supply chains following before 2050. The cost of net-zero carbon retrofit is estimated to be about £600m.

Orbit was awarded nearly £3m from the Social Housing Decarbonisation Fund, matching it with £6.8m, to improve 200 homes. “Unless it’s done hand in hand with customers, it won’t be a success,” says Marshall. “We want to be in a position where people are volunteering to have their homes retrofitted.”

South Yorkshire: Starting a conversation with tenants

Over the next few months, customers at South Yorkshire Housing Association will be invited to discuss the impact of climate change and the part played by their home.

Whilst most of the association's least energy efficient homes have been brought up to EPC band C, largescale retrofitting has yet to begin to tackle mid-range performing homes.

Work to improve South Yorkshire's 6,000 properties, including insulation improvements and replacement of gas boilers, will take years.

But the time to start the conversation is now, says sustainability manager Gordon Watts. The discussion with tenants will revolve around three areas:

1. How should the association communicate with tenants about the climate emergency and SYHA's role in reducing carbon emissions and achieving net-zero targets?
2. How can it best work with residents over retrofitting their homes?
3. How might residents be helped to adopt greener lifestyles, including travel and recycling?

"The average energy performance of our stock is better than most social housing providers but that does not change anything when it comes to decarbonising heating," says Watts. "We still need to take the boiler away, and this will need to be supported by further wholesale improvements in insulation levels."

One issue that needs addressing is whether all insulation improvements can be carried out at the same time, so reducing disruption, or whether a staged approach is needed.

While bringing homes to EPC band C is "manageable" within the association's business plan, hitting net-zero carbon before 2050 and funding this will be challenging, he adds.

The association hopes to create a "coalition of the willing" in its communities that acknowledges the climate emergency and promotes retrofitting. Kris Mackay, business growth manager, says: "If people actively champion change to their neighbours, then it's much better than it all coming from us."

South Yorkshire already works with residents on co-design and co-creation of community projects, including green space and schemes to reduce fly tipping. Pictorial meadows, including wildflowers, are increasingly common across estates.
But it is energy costs that are likely to concentrate residents' minds as much as the desire for green living. "Suddenly with spiralling bills it's on everybody's agenda," says Gordon Watts.

Conclusion

Achieving carbon reduction goals over the next three decades will be hard for most organisations, including landlords. Without the support of tenants, the task for housing associations and local authorities may be almost impossible.

Surveys carried out by some associations show that residents are not just interested in the climate agenda, but ready to adopt greener lifestyles that benefit their community and the planet.

Accepting the need for home improvements and greener energy should follow on naturally from that, and in many cases will. But it assumes that landlords not only communicate climate issues effectively, but possess the skills and expertise to answer queries, especially when retrofitting causes shorter- or longer-term disruption.

Some of the technology and terminology is a challenge for professionals in the sector and is no less of an issue for tenants. But most people see the value of living near parks and green space, recycling plastic and even driving an electric car (providing they can afford one).

Housing providers face enough of a problem paying for the vast work needed to decarbonise housing, including the replacement of gas boilers with cleaner energy sources. Those that work effectively with residents, make the climate agenda feel fun and do not appear to be requiring customers to do things against their will are likely to find the task considerably easier.

Points to consider:

1. What is the impact of achieving net zero by 2050 likely to be on your organisation's business plan and residents? Is there scope to reach the goal earlier?
2. How are you communicating your plans with tenants and residents? Are there opportunities for residents to help shape the priorities and drive the agenda forward? Is your communications strategy on net zero aligned to your business plan and programme?
3. To what extent are your residents aware of a range of issues around climate change and net zero? What more can you do to improve their understanding?
4. Are tenants generally supportive of retrofitting their homes and other measures linked to the climate agenda? If they have concerns – for example, about retrofit and fuel bills – how are you working to provide assurance? How are you assuring them over the disruption involved with major works? Do you have community champions to explain your work programmes?
5. How are you making the link between improving the energy efficiency of housing and programmes to encourage green lifestyles and protection of the environment? Are you working with organisations that can promote local action on food, cutting waste, open spaces and the environment?

Further reading

This blog from the Energy Saving Trust looks at options for energy efficiency, including warm rents: https://energysavingtrust.org.uk/a-new-energy-efficiency-standard-for-social-housing-in-england/.

This study by the Royal Institute of British Architects looks at the scale of the challenge in decarbonising UK housing, and proposes some solutions: Greener Homes - decarbonising the housing stock (architecture.com).

This report, commissioned by the Climate Change Committee, looks at options for residential heat decarbonisation: Development of trajectories for residential heat decarbonisation to inform the Sixth Carbon Budget (Element Energy) - Climate Change Committee (theccc.org.uk)

Details of HQN's climate change group and best practice workshops can be found here: https://hqnetwork.co.uk/climate-change-group.

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