

# Carbon Management Strategy

## 2021 – 2024

### 1. Introduction

- 1.1** Climate change is the greatest challenge facing the world. Extreme weather events, which is an outcome of climate change, is already impacting our customers, colleagues and stakeholders. Climate change is due to the increased use and burning of fossil fuels and Great Places can play our part by minimizing our energy use across every activity within the business and especially within our homes. Only by taking bold and radical action will Great Places be able to reduce carbon emissions and further limit consumption of scarce natural resources.
- 1.2** Government policy changes and future legislation consultation indicate that there will be increasing pressure in terms of legislation and financial penalties to encourage businesses to reduce their carbon emissions.
- 1.3** The effects of climate change are constantly in the media and our stakeholders, including colleagues and customers, are increasingly aware that Great Places needs to take positive and substantial steps to help reduce emissions and lead by example.
- 1.4** The Government has set a target of achieving zero net carbon by 2050. This is the minimum required by all businesses to avoid catastrophic run-away climate change. Local Authorities have subsequently set more challenging targets for example Greater Manchester has adopted a target of 2038. Great Places hold stock across a number of Local Authority areas with differing targets. The approach for this Strategy is for Great Places to work towards becoming a carbon neutral organisation by 2038. Great Places will ensure that the same targets are applied to all properties, aligned with the 2038 net zero carbon target.
- 1.5** In 2018 Great Places launched its 10-year Corporate Plan ambitions and our visions and values are clear in including the commitment to maximise our investment in safe, sustainable homes. For the purpose of this Strategy a Sustainable home is one where the customer can afford to heat the home, one where we effectively coordinate Carbon Management, Investment and repair improvements to minimise disruption to the customer; and a home that is zero carbon ready. Meaning that as we invest, we are preparing the home to be ready to be zero carbon in the future.
- 1.6** The definition of carbon management is to manage our carbon emissions through prioritising areas that have the greatest impact and where we can make significant cuts in emissions without incurring excessive costs. This Strategy covers Carbon Management activities including: carbon footprint, targets, reduction and legislation. It will be reviewed every three years and supported by the Carbon Management Plan which details the actions required to ensure this strategy is a success.

### 2. Context

- 2.1** On a global scale, nations have signed up to the Paris Climate Agreement. This requires all nations to reduce their greenhouse gas emissions to avoid catastrophic global warming. The

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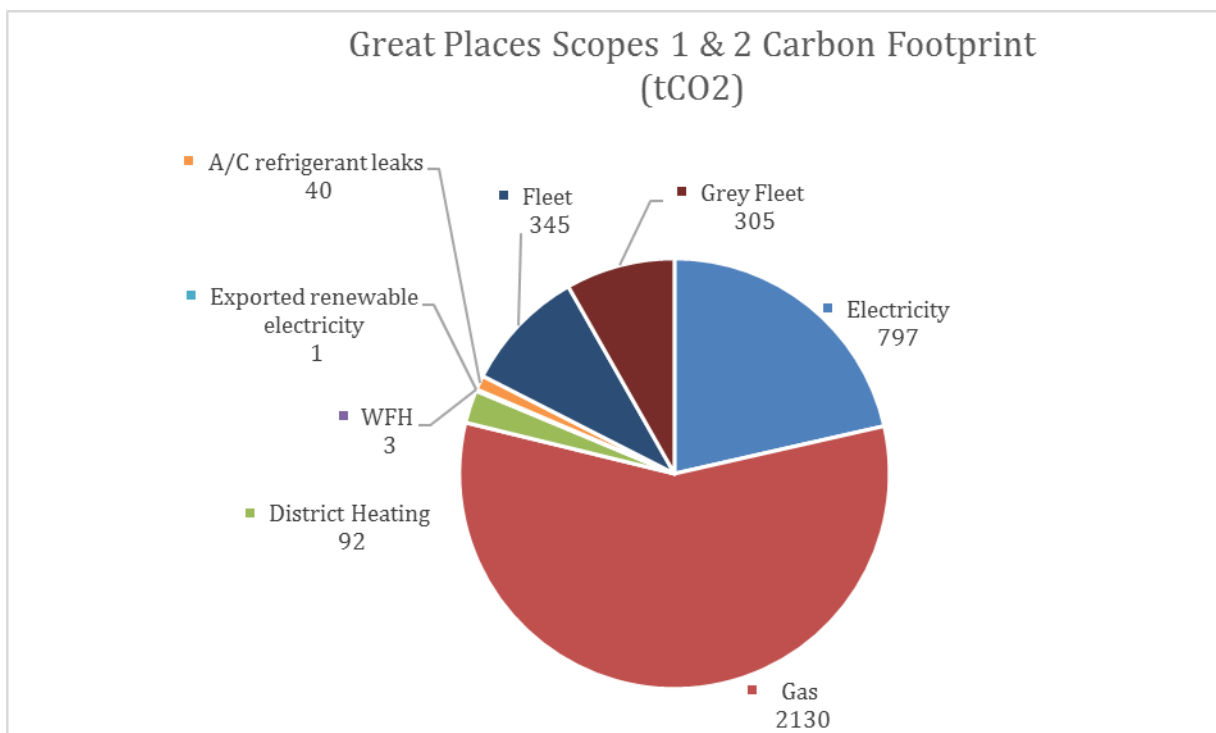
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Great Places Carbon Management Strategy will consider the agreed principles from the Climate Agreement and other relevant and emerging legislation.

- 2.2** At a regional level, over 260 councils have announced a Climate Emergency and have, or are in the process of, writing an associated Carbon Action Plan. Housing Associations are being requested by the councils to confirm our carbon reduction aims. Great Places work in numerous local authority areas and are aligning with the sector leads in terms of carbon reduction and will include all our housing stock, irrespective of region, within our carbon reduction targets.
- 2.3** Meeting this target will require significant change in how Great Places operates, including how we work with and support our customers, communities, suppliers and contractors, as well as our colleagues. With over 25,000 assets, providing a large repairs service, and in our role as a large developer with influence through participation in the Off Site Homes Alliance and being host of the Innovation Chain North procurement framework, Great Places have a responsibility and an opportunity to make a significant impact on the carbon emissions associated with housing in the north.
- 2.4** This strategy sets out the principles for reducing the carbon footprint of our homes whilst keeping the operating costs affordable, and providing homes that people want to and can afford to live in.
- 2.5** Where are we now:
- 2.5.1** Great Places have been undertaking various carbon reduction measures. We have in place a cross organizational Carbon Management Team, chaired by the Director of Sustainable Assets, consisting of Heads of Service from each of the Directorates who have developed this strategy and associated action plan. The team is leading on the completion of the actions and giving direction to Great Places and has an Executive member sponsor to ensure the team aligns with work undertaken across Great Places and Corporate Plan Objectives.
- 2.5.2** Great Places have undertaken work to reduce our carbon footprint and understand the next steps we need to take. We have focused on improving our worst performing homes. Great Places has 25,000 assets and of these has the repair and maintenance obligation for 15,800 homes. For these homes we will seek to make energy efficiency improvements based on their Energy Performance Certificate (EPC). Of the 15,800 homes, 2000 have not yet been surveyed for energy performance. These are prioritised and will be progressed through our action plan.
- 2.5.3** Great Places have a target to improve as many homes as possible to an EPC C by 2028. This will keep Great Places ahead of national EPC targets which is a challenging aspiration. We currently have 3,500 homes that fall below an EPC C rating and it is estimated that these homes will require £10 million of investment to improve to a C rating.

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**2.6** Great Places signed up to the commitment to become a zero-carbon business by 2038. Our first task was to complete our Scope 1 and 2 Carbon Footprint which includes activities under our direct control such as the energy use in our offices and schemes. The chart below demonstrates our emissions for the financial year 2019/2020. Our Scope 3 Carbon Footprint, which is predominately our supply chain, will be calculated by the end of 2021. The Carbon Footprint provides our baseline and enables Great Places to demonstrate reduction in emissions as we deliver this strategy.



### 3. Strategy Approach and technology

- 3.1** It is acknowledged that this 3 year Strategy Period will comprise predominantly of raising awareness and trial and testing.
- 3.2** In the first 2 years of the Strategy our approach will be to test and trail existing and new technologies. The outcome will provide Great Places with agreed options that it can then deploy across its stock in year 3. We will also explore how to use and leverage existing and future funding streams and lobbying for long term support to develop investment plans.
- 3.3** It is anticipated that the preceding Strategy, starting in year 4 will capture this learning and move to a business as usual delivery phase approach.

## 4. Financial Implications

- 4.1** The costs to improve our homes to an EPC C is estimated to be £10 million. Improving our existing homes to Band A (close to zero carbon) is estimated to cost Great Places £259 million. Through active asset management Great Places can use existing investment budgets to develop some limited energy improvements focussing on a fabric first approach.
- 4.2** To implement carbon management test projects will require capital investment. There are provisions within the budgets and the business plan to address some of the carbon reduction requirements. In the event, however, of significant projects being identified an options appraisal will be submitted to the Carbon Management Team for review and as appropriate to Great Value, Directors or Executive team for decision.
- 4.3** We have signed up to be an early adopter too the Environmental Social Governance Reporting Standard (ESG). The aim of ESG is to support the sector in attracting ethical investors and we will consider future Green Bonds.
- 4.4** Great Places has had success in developing Carbon Literacy training as an income stream. Over the course of this strategy we will seek to develop further income streams such as renewable technology servicing and maintenance.

## 5. Aims & Objectives

**5.1** The Carbon Management Team have developed the aims and objectives to prioritise the largest and most significant emissions areas first. Based on data and external research the priority areas of focus for Great Places under this strategy are as follows:

- Development
- Assets and Investment
- Operations;
- Governance;
- Customers and colleagues;
- Natural Capital;
- Collaboration;
- Waste

**5.2** While we progress the objectives we will ensure that activities undertaken maximize the potential value of every pound considering economical, social and sustainable value aligned with the wellbeing of our customers.

### 5.3 Development

**5.3.1** The construction of new homes has a significant carbon footprint including the embodied carbon of the materials used, the energy required to construct the homes and the long term energy requirements to operate the home and potentially retrofit later. Decisions taken today regarding new build development have the most significant impact on our

long term carbon emissions. Upgrading these homes to meet zero carbon in the future through retrofit will be costly and technically challenging.

- 5.3.2 The homes that we build today will be in use as the extremes of climate change take effect. We will research design, specification and construction methods which minimise the impact of the extremes of weather such as over heating and mitigation from flooding, as well as reduce carbon emissions and increase energy efficiency. Preparing mitigation at the point of construction will minimise our long term costs.
- 5.3.3 Great Places will continue to work on a number of different routes to net zero carbon homes. This includes; full and part off site construction, developing the fabric first approach and a strategic approach to new technologies, as well as reviewing the long term maintenance and operating costs of the changes made. This approach will be aligned with Future Homes Standard.
- 5.3.4 Alongside the desktop research Great Places will undertake demonstration pilots to understand the true costs and impacts on the supply chain of building to net zero carbon.
- 5.3.5 Great Places will review the potential impact of extreme weather as part of our Development process and provide the homes we build today with mitigation where possible.

#### **5.4 Assets and Investment**

- 5.4.1 Decarbonisation of our homes and offices is the biggest challenge the building sector faces. The sector is in the early stages of understanding what works in terms of both technology and building physics are required to improve the homes to a net zero carbon standard. There is not a single solution that suits all building types and needs to also be affordable for Great Places and our customers. Great Places has undertaken desk based and survey work to understand the energy efficiency of our homes and the work required to improve them to higher energy standards. Over the course of this strategy we will continue to develop our understanding of the challenge ahead, undertake research, learn from and share best practise as well as improve homes where technically and financially viable to do so.
- 5.4.2 We will work closely with the business to develop a coordinated annual programme of work.
- 5.4.3 Options for homes that cannot achieve an EPC C due to technical or financial constraints will be considered, including applying a rent freeze, supporting those customers and potentially divestment. These will be reviewed on a case by case basis.
- 5.4.4 Performance monitoring at the Stretford Road project provided demonstrable evidence on the benefits to our customers. Here loft and cavity wall insulation was installed and savings of £400 per property per year were evidenced. Performance monitoring and quality assurance have also influenced how we specify energy efficiency improvements

that meet future energy standards avoiding the need to return to the properties and undertake further work.

- 5.4.5 We will develop a ‘whole house’ approach, considering options that move our homes towards zero carbon while acknowledging that we are unable to economically and technically achieve zero carbon on every home at this time. We will plan to make sure each home we retrofit can become zero carbon in the future; this is known as ‘zero carbon ready’ and our approach to zero carbon ready will be based on a fabric first approach.
- 5.4.6 The adoption of this ‘whole house’ approach is also mirrored in the data collection principles being adopted by the Asset and Investment Team. Here Great Places are seeking to collect property data in a holistic manner, ideally visiting properties once and collecting all the data required in one visit. This data collected will also include collecting environmental information to inform the Carbon Management Action Plan.
- 5.4.7 Great Places has had success in developing pilots which have enabled the roll out of improvements in other works leading to, for example, a complete change in our loft and cavity wall insulation specifications and inspection regime. Great Places will continue to undertake limited pilots and trials in this strategy period, to understand, test and learn the full cost implication of zero carbon ready homes.
- 5.4.8 There is an awareness that through decarbonising our homes there is a risk of placing too much pressure on the electricity grid. As we move forward with new technologies, Great Places will engage with the local electricity network operators to ensure infrastructure changes and proposed solutions work with the grid infrastructure provision.

### 5.5 Operations

- 5.5.1 The operations of the business, after existing homes and development, is one of the largest contributors to our carbon footprint. This covers electricity and gas used at our offices and the transport emissions associated with our commute, repairs service and business travel.
- 5.5.2 There has already been significant work to identify reduction measures for van fleet emissions. Great Places will move to a fully hybrid van fleet to deliver our repairs service in 2021/22. The introduction of dynamic scheduling software will make job allocation of repairs jobs more efficient, resulting in fewer miles driven by each van.
- 5.5.3 The challenge to Great Places is the grey fleet; cars driven by colleagues for business miles and commuting. It will require a culture change and strong leadership to encourage through both incentives and disincentives to change colleague behaviour. We will continue to support minimising unnecessary travel, input to shaping agile working and work with colleagues on suitable alternative low carbon travel options. We will also assess offices and schemes for suitable for electric charging points.
- 5.5.4 Office energy supply is under long term contracts. As the contracts expire, low carbon suppliers and tariffs will be prioritised. This aim has already proved successful with the

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Repairs Distribution Centre recently moving to a low carbon tariff resulting in an annual carbon saving of 6.5 tonnes per annum. By 2023 we will move all our office energy to low carbon suppliers.

### 5.6 Governance

5.6.1 The Carbon Management Strategy and Plan is governed by the Carbon Management Team. A cross working group from across Great Places which meets monthly, is chaired by the Director of Sustainable Assets and has an Executive Director Sponsor. The Carbon Management Team will monitor action against the Strategy and Plan.

5.6.2 Part of the governance is to develop our current reporting template to ensure that the carbon emissions impact of the report decision is acknowledged, included and weighted appropriately.

### 5.7 Customers and Colleagues

5.7.1 Engagement with customers and colleagues alike will be crucial to ensure the success of this strategy.

5.7.2 We will adopt a variety of approaches to support our differing customer base including our digital offer to engage colleagues, customers and stakeholders will be developed on an ongoing basis as part of the strategy. We will target awareness campaigns for colleagues to engage key groups on the working practice changes they can make. The Great Places website has detailed energy saving information and will be updated over the course of this strategy. In addition we will create a landing page to promote the Carbon Literacy training.

5.7.3 Carbon Management is crucial to developing our Great People too. This can be demonstrated through Great Places being one of the first housing associations (HA) to achieve Platinum Carbon Literate organisation standard and being the first to develop the training as a business venture. Having Carbon Literate colleagues will increase awareness and will help community and customer engagement.

#### 5.7.3.1 Customers

5.7.3.1.1 We will develop a community focused Carbon Literacy course enabling customers to participate in the training to improve their knowledge potentially enhancing their employability.

5.7.3.1.2 We will work with contractors to ensure customers are given energy efficiency advice at point of installation of equipment and also when they move into their new homes.

5.7.3.1.3 Our customers will benefit from this strategy including:

- Reducing fuel poverty through energy advice enabling customers to save money and carbon
- Development of new highly energy efficient homes and retrofit of existing homes



- Focussed communication on the climate crisis
- Opportunities for customer engagement
- Development of a community carbon literacy course enabling training and employment
- Improved customer service and satisfaction through more energy efficient homes

### 5.7.3.2 Colleagues

- 5.7.3.2.1 Reducing our carbon footprint will be successful if we are able to bring our colleagues along with us. We want to be a green and ethical employer that ensures colleague recruitment and attention.
- 5.7.3.2.2 We will listen to our colleagues regarding initiatives they would like to see and use a variety of communication methods to ensure our colleagues are well informed on carbon management issues.
- 5.7.3.2.3 We will support our colleagues to take action to apply carbon saving ideas of their own.
- 5.7.3.2.4 We will demonstrate and share good practise for our colleagues to implement in their own homes / lives too.
- 5.7.3.2.5 We are currently working with the People and Culture Steering Group and with this cross cutting working group we are providing input to influence sustainable thinking into our future office strategy.

### 5.8 Natural Capital

- 5.8.1 Great Places has a substantial amount of natural capital across the estate, including over 18,000 trees, ponds, a marina and more. This adds value to local communities by minimising the effects of 'Urban Heat Island', reducing the risk of flooding and providing people with a space to meet, socialise and relax. Our natural capital absorbs CO<sub>2</sub> and is an important aspect of reducing climate change.
- 5.8.2 Great Places will support the objectives of the Environment Bill which requires all development sites to have a 10% biodiversity net gain. We will undertake research to understand how this legislative change can be for the benefit of the wider community and our customers.
- 5.8.3 Through working with the community and developing action plans to improve the use of natural capital, we will seek to unlock previously unloved pockets of greenspace into areas that the community can value subject to financial constraints.

### 5.9 Collaboration

- 5.9.1 Great Places is unable to achieve zero carbon targets alone. As part of this strategy we will work with partners and other housing associations and supply chain partners.



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5.9.2 Great Places already engage with a wide range of sector representatives and this work needs to be further developed as part of this strategy. Great Places will share knowledge and insight with others to lobby for improved standards and develop funding opportunities.

5.9.3 Procurement has a significant impact on our carbon footprint and by working with our suppliers and contractors we will establish viable and sustainable measures to support, monitor and engage with them to reduce their carbon emissions too. We will work with suppliers and stakeholders on this action and develop a sector specific approach to carbon management of suppliers and contractors.

5.9.4 Social Value will play a role in procuring and engaging suppliers to make positive steps towards net-zero. Reducing carbon emissions is a key part of social value and working with our supply chain will help drive this objective. Social value will be embedded in all tendered contracts and suppliers will be required to support the Carbon Management Strategy and action plan.

## 5.10 Waste

5.10.1 Waste has a carbon footprint generated not just at end of life but also at every stage of the chain. Waste disposal is increasingly legislated against and this strategy acknowledges that waste is a valuable resource and Great Places will seek to implement the waste hierarchy to minimise the amount being discarded.

5.10.2 Our overarching target is to reduce waste to landfill with key focus on long term maintenance to minimise the need to replace components and minimising waste from construction. In addition we will assess where waste is produced and how we stop the waste being produced in the first place. This will then be continually monitored.

5.10.3 Our office locations and Distribution Centre are two areas where we are fully in control of the waste being generated. We will work closely with suppliers particularly tech services with regards to products and packaging to assess alternatives or take back options.

## 6. Summary of key objectives and deliverables

Area	Objective	Timeframe
Development	Assess the cost implications of a zero carbon standard including costs to achieve Future Homes Standard and decarbonisation of development	December 2021
Asset and Investment	Complete an EPC survey for all homes requiring one	March 2023
Operations	Procure green energy for all our operations including offices and schemes	Dec 2023
	Review fleet and understand options for hybrid and electric fleet	April 2022

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	Introduce Dynamic Resource Scheduling to minimise travel emissions	April 2022
Natural Capital	Plant 1 tree for every new home we build and 1 tree for every existing home that fails to meet an EPC C rating	Annual
Finance	Continue to Research opportunities for sustainable finance including develop our ESG reporting to attract investors	April 2022
Collaboration	Create a new supplier carbon benchmark to encourage suppliers to reduce their carbon footprint	April 2022
Customers	Develop communications plan to enable focused communication on the climate crisis.  Develop a Community Carbon Literacy Course tailored to meet the needs of our customers, with pilot sessions completed in year 1 and action plan for future years developed based on take up and feedback	Strategy to be added to website May 21  December 2021
Colleagues	Engage colleagues in taking Carbon Reduction Action by retaining a Platinum Standard Carbon Literacy organisation standard	April 2022
Waste	Introduce a sustainable purchase plan for stationary orders to minimise waste.  Review waste generated at the Distribution Centre	November 2021  March 2022

## 7. Risk

- 7.1** The main risk to Great Places' and its customers is that we do not reach our carbon zero targets, although this must be undertaken in a measured way and through securing suitable funding.
- 7.2** Climate change and carbon reduction is high on the national and local agenda, resulting in potential reputational risk if we fail to make positive progress. By not taking action Great Places will miss out on valuable lessons learned and new technologies. There is also a risk that Great Places value engineer out the carbon reduction elements of a project due to short term thinking.
- 7.3** It is anticipated that carbon management will become a regulatory or legislative requirement therefore Great Places must develop its Carbon Management Strategy to avoid the risk of falling behind and not meeting legislative requirements.
- 7.4** To achieve a low carbon future Great Places will be innovative and take some bold decisions on being the first to undertake limited pilots of different measures and technologies. The risk will be managed through being open and transparent and measuring the risk against performance and feedback from customers and colleagues alike.

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- 7.5** Colleagues and customers may be resistant to change and colleagues may have other short term priorities some which may conflict with carbon reduction measures. This will be mitigated as the senior leaders of Great Places will own and drive the delivery of the Carbon Management Strategy through the Carbon Management Team.
- 7.6** There is significant risk to Great Places for not implementing a Carbon Management Strategy including higher fuel bills for customers, risk of overheating in homes, reputational damage and not preparing for extreme weather events.
- 7.7** This Strategy will only be successful if we bring colleagues, customers, partners, suppliers and other third parties along the carbon journey with us. Through working together we will understand those who need additional support as well as learn from leaders in this sector. Reducing this risk of failure is embedded in the action plan to ensure we work with suppliers and stakeholders to work together to reduce carbon impacts.

### **8. Performance monitoring**

- 8.1** The successful implementation of this strategy requires collaboration across Great Places. Strategic responsibility for the delivery areas is detailed in the Action Plan and performance against the actions will be the responsibility of the Carbon Management Team.
- 8.2** The remit of the Carbon Management Team is to agree the baseline and monitor ongoing emissions and ensure they reduce as planned and recommend mitigation if they do not. The team has a clear mandate and an Executive Director Sponsor. It will consider carbon reduction projects, agree their priority and timeframes and recommend for funding through appropriate routes.
- 8.3** The baseline of Carbon emissions associated with scope 1 and 2 was completed in December 2020 the performance updates will be provided annually to the Executive and Board.

### **9. Equality & diversity implications**

- 9.1** Lower income, vulnerable and older people are more disproportionately impacted by climate change. They are more likely to be at risk of fuel poverty, undertaking energy efficiency improvements to the building fabric helps to reduce the risk. The socially vulnerable are most likely to be impacted by the extremes of climate change such as cold, flooding and heatwaves. Great Places will take action to reduce our carbon emissions and mitigate against the extremes of climate change on behalf of our customers.
- 9.2** At Great Places we know that our vulnerable customers are less likely to be able to afford contents insurance therefore when a flood hits it will be much harder for them to get back on their feet. Some of our customers have no ability to prepare for, or recover from, climate events because they cannot modify their homes, therefore we must do all we can through this Carbon Strategy to minimise our impacts and help our customers live in homes they can afford to heat, and supported to mitigate against climate change.

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**9.3** Through working with the investment and development teams in retrofitting and building energy efficiency homes we will reduce inequality caused by the domestic energy policy, where lower income households pay more for their energy costs through prepayment meters even though they contribute the least carbon emissions.

## 10. Equality Impact Assessment

<b>1. Is this a key strategic document, major policy or procedure or service change?</b> Examples may include: Homeless Strategy/ Customer Involvement Strategy	<b>YES</b>		<b>NO</b>	
	Yes			
<b>2. What impact will your document or service delivery change have on the public or staff, giving particular regard to potential impacts on minority groups?</b> Issues to consider include race, disability, gender, sexual orientation, religion, age, carers and other socio-economic factors	<b>HIGH</b>	<b>MEDIUM</b>	<b>LOW</b>	<b>DON'T KNOW</b>
		X		
<b>3. Please explain your answer:</b> Provide a narrative explaining why you gave the impact rating above.	The strategy aims to have a positive impact on the lives of socially vulnerable customers, including older customers and people in fuel poverty			

1. If, for question 2 you have answered LOW, there is no need to continue to an Equality Impact Assessment.
2. If, for question 2 you have answered DON'T KNOW, please discuss with a member of the EIA Group who can confirm whether an EIA is required.
3. If you have answered YES to question 1, and you have identified MEDIUM or HIGH impact in 2, you should move on to an Equality Impact Assessment and complete the section below:

**If you have completed a full Equality Impact Assessment please provide the following:**

**What are the main conclusions of the Equality Impact Assessment? (Q10 from the full EIA form)**

The strategy supports our commitment within the EDI strategy to tackling inequalities faced by our older customers and people on low incomes or living in poverty. We will improve the energy performance of our homes, reducing risk of fuel poverty.

**As a result of these conclusions what actions (if any) will be included in your business actions and wider review processes? (Q11 from the full EIA form)**

We will monitor the outcomes of the strategy and the impact this has had on the lives of our older and socially vulnerable customers. We will engage customers in this process and undertake performance monitoring to ensure the impact can be demonstrated.

If you require any help please contact a member of the EIA group:

[EIA@greatplaces.org.uk](mailto:EIA@greatplaces.org.uk)

<b>Policy Approval Date:</b>	
<b>Equality Impact Assessment Date:</b>	

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<b>Safeguarding impact</b>	
<b>Policy Review Date:</b>	
<b>Lead Team:</b>	
<b>Level of Authorisation Required:</b>	