



Energy and Sustainable Development Strategy

2016/17-2018/19



choice
choice-housing.org

Executive Summary

Choice have a successful history of energy and environmental management, which includes the following:

- Developing some of the most sustainable homes on the Island of Ireland
- Investing heavily in energy efficiency improvements for our homes
- Reducing energy consumption across our housing schemes
- Procuring energy effectively in order to reduce costs for our tenants
- Developing an experienced energy management team
- Offering support and advice for our staff and customers
- Working successfully alongside partner organisations

We are widely recognised as industry leaders, receiving multiple awards in this area in recent years from organisations such as the Chartered Institute of Housing NI, Action Renewables, The Green Apple Awards and the Northern Ireland Housing Council.

We intend to build on this success and our Energy and Sustainable Development Strategy outlines a number of key targets which we hope to achieve over the next three years.



1.0 Context

1.1

This Energy and Sustainable Development Strategy (ESDS) sets out the framework for the management of energy consumption and our impact upon the environment for the three year corporate plan period 2016/17-2018/19.

The strategy follows the Group's performance management framework where annual action plans are mapped under four key business headings:

- **Finance & Business Growth**
- **Internal Business Processes**
- **Learning & Innovation**
- **Customer Excellence**

1.2 Background

Various initiatives have been undertaken in recent years with regards to energy conservation, environmental improvement and sustainable development. This strategy aligns previous strategies and relevant policies to ensure we continue to be leaders in this field.

The strategy outlines how we intend to effectively manage the energy we use, procure this energy in a cost effective manner, reduce our CO² emissions, alleviate fuel poverty and develop more sustainable homes. The key aims of this strategy are to deliver value for money for tenants, reduce our environmental impact and ensure regulatory compliance.

It will contribute to achieving our vision for Choice Housing Ireland Ltd (Choice) to be regarded as an exceptional housing provider, making a difference to people's lives.

1.3 Governance and Oversight

This strategy is managed by the Energy Manager under the responsibility of The Group Director of Development and Assets. Figure 1 shows how energy management fits within the departmental organisational structure and Figure 2 shows how this Directorate fits in with the overall organisational structure.

The strategic oversight of this strategy is the responsibility of the group Board. The group Board has delegated to the Development and Growth Committee the oversight of property development, asset management and energy management.

The primary duties of the Committee are:

- To oversee and monitor its approved annual budget
- To oversee operational management of the Directorate
- To approve property investments
- To oversee and monitor operational performance

The group Board has approved the management of Development, Assets and Energy through three teams, which are overseen by the Group Director.

Development Responsible for the development and delivery of our new homes. This includes identifying suitable sites, the planning and development of scheme proposals, construction and project management. This is in line with the Social Housing Development Programme and is focused on achieving best value for money.

Asset Management Responsible for delivery of the planned maintenance programme, stock condition surveys, life cycle component costing, long term investment and major disabled adaptations.

Energy Management Responsible for reducing the amount of energy we use, the cost of energy and our impact upon the environment. This team is also responsible for promoting a culture of energy efficiency within Choice and providing support and advice to our customers.

The Group Director will provide the Committee with regular reports on performance against targets, full and relevant information to consider proposals and reports on risk and business opportunities.

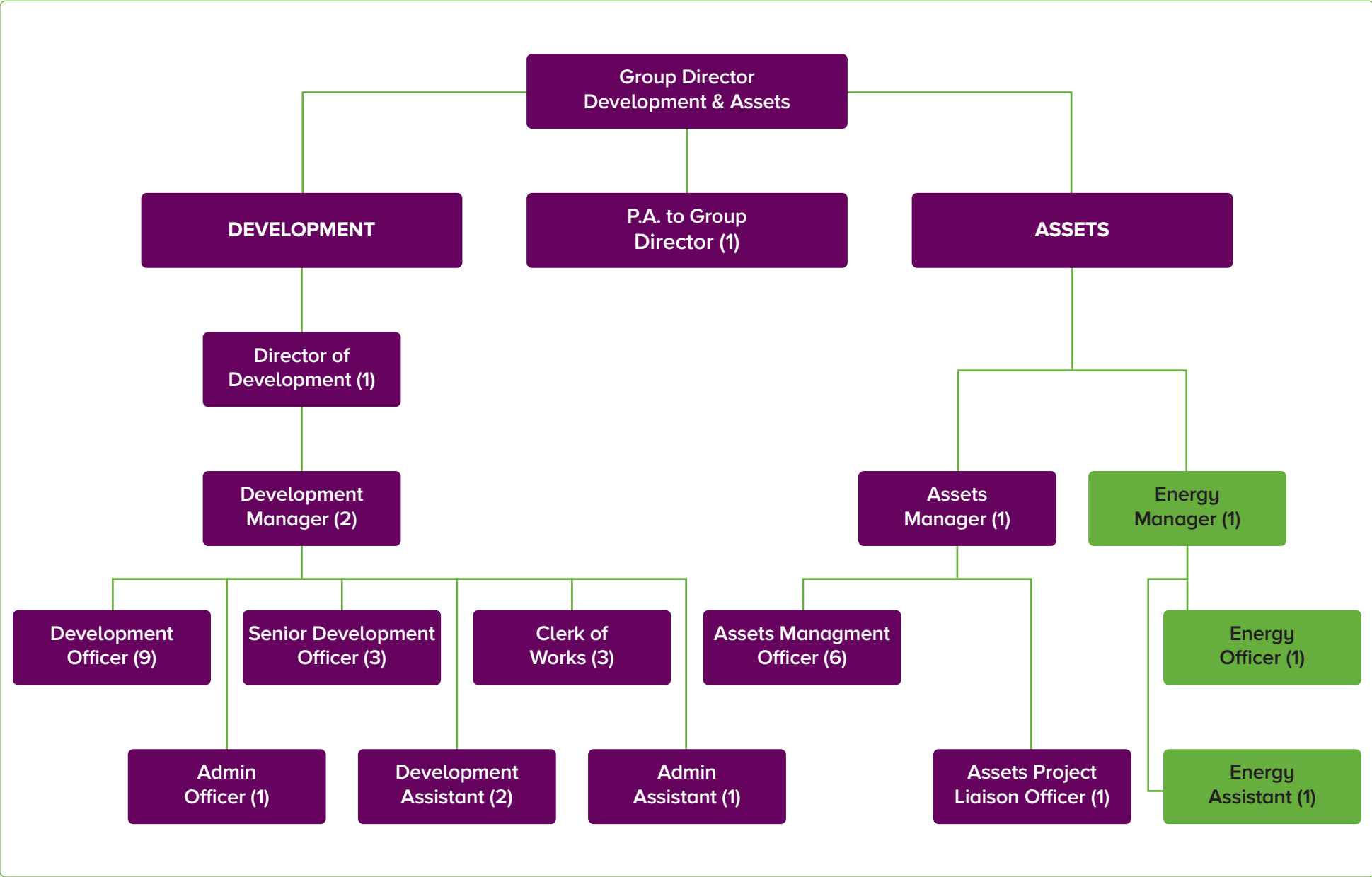


Figure 1 Development and Assets Directorate

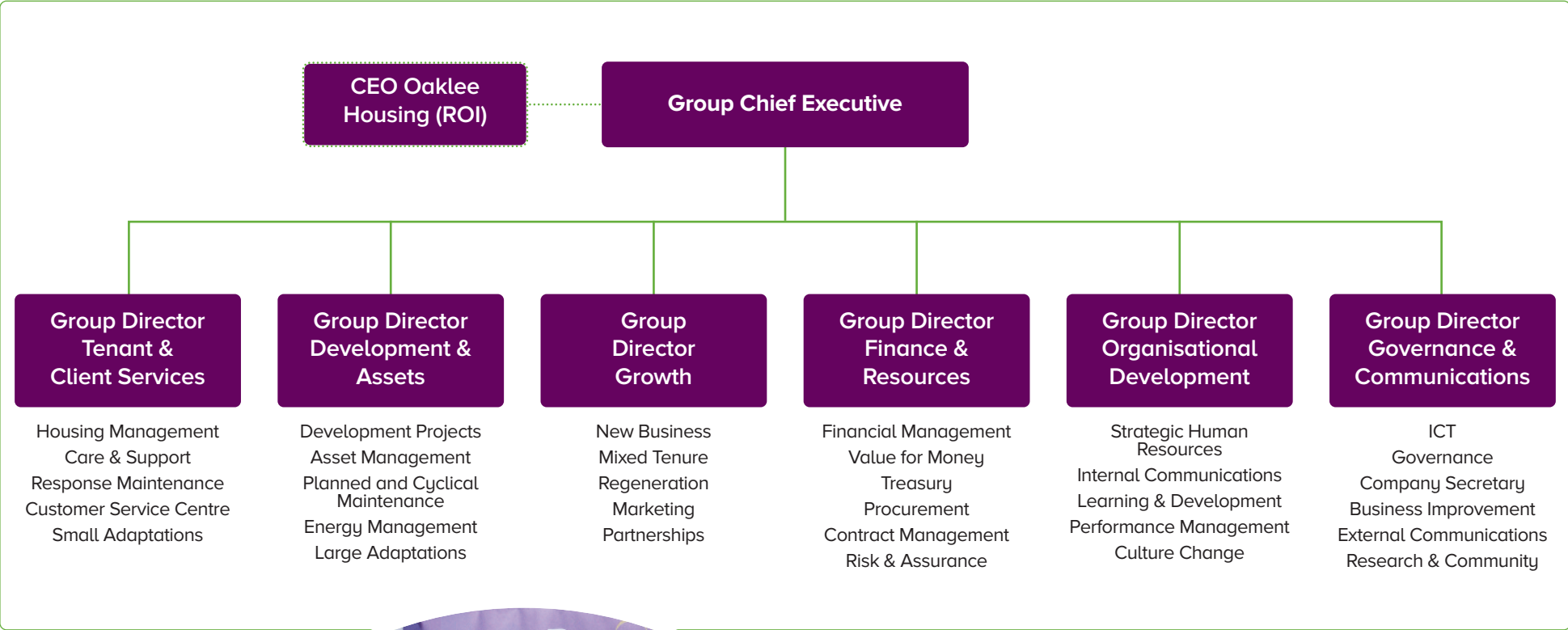


Figure 2 Choice Directorates



2.0 Strategic Context

Choice manage over 10,000 tenancies at locations throughout Ireland. Many of our sheltered housing schemes have landlord electricity and heating supplies and charges for these are often passed on to our tenants as part of their service charge. The same would also apply to a large number of our tenants living in supported housing and also a number of general needs tenants living in apartment blocks.

Our total known annual energy bill at present is over £1 million and our tenants will collectively have energy bills totaling in excess of £10 million¹. This demonstrates the need to manage our energy consumption and the cost of our energy effectively and also to support out tenants in managing their energy bills.

Figure 3 indicates approximately how much landlord or communal energy we use, with the estimated cost of energy highlighted in Figure 4 and the approximate impact our energy use has on the environment, in terms of CO² emissions, shown in Figure 5.

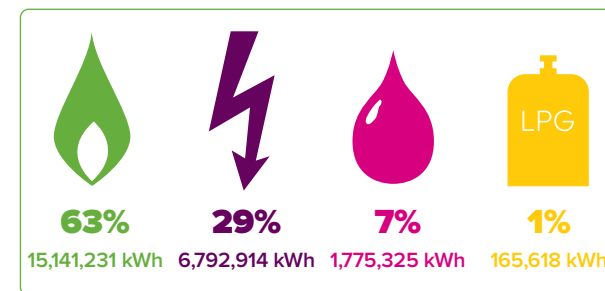


Figure 3 Energy Consumption in 2014/15

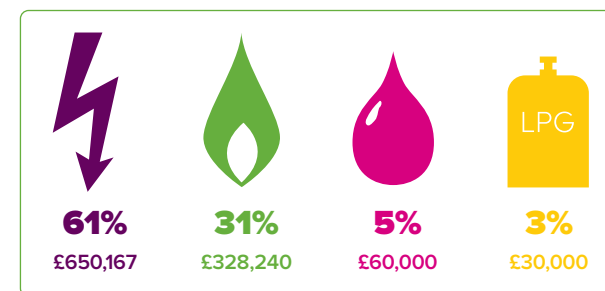


Figure 4 Cost of Energy in 2014/15

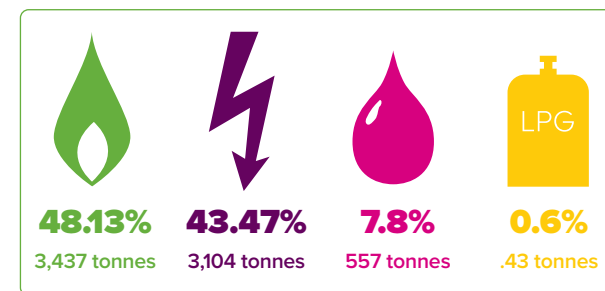


Figure 5 CO² Emissions from Energy in 2014/15



¹ Household electricity and heating costs are expected to exceed £1,000 per home.

3.0 Our 3 Step Approach and Key Objectives

3.1

Our strategy takes a three step approach.

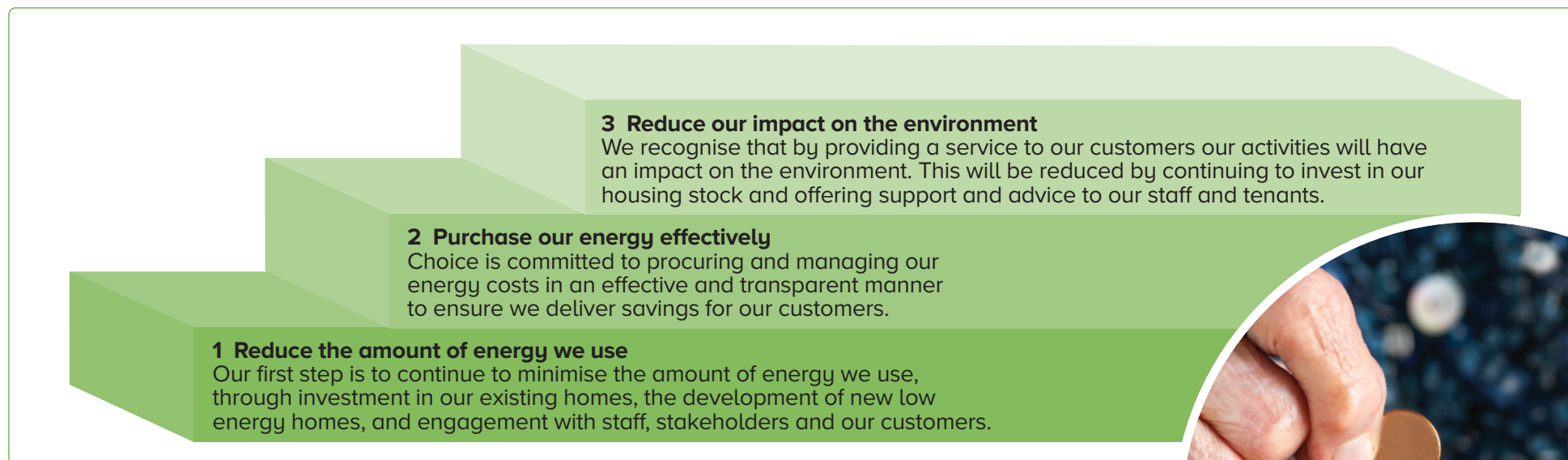


Figure 6 Our Three Step Approach

3.2

The above approach will help to meet a number of Key Objectives:

- To educate and support our staff and tenants on aspects of energy conservation.
- To embed sustainability within our capital investment and development programmes.
- To increase the energy efficiency of our housing stock and seek to deliver sustainable new homes.
- To explore options to secure external funding to support the delivery of the strategy.
- To be the leading Housing Association on the Island of Ireland in relation to Energy and the Environment.
- To ensure regulatory compliance in the delivery of the strategy.
- To consult, listen to, and engage Tenants fully in the development and implementation of the strategy.

3.3

Our Core Values underpin all of the work we do, and our three step approach and Key Objectives have been set in line with these Values, as outlined in Figure 7. By way of example, we are demonstrating trustworthiness in our desire to reduce the amount of energy we use and purchase our energy in a transparent manner. We are customer-centred in offering support and advice on energy management to our staff, stakeholders and customers. We are dynamic in our ambition of being the leading Housing Association on the Island of Ireland in relation to Energy and the Environment.



Figure 7 Core Values

3.4

The strategy will have regard to relevant external factors, such as:

- Meeting social housing need.
- Best practice guidance.
- The Department for Communities NI Housing Strategy.
- The Welfare Reform agenda.
- The Northern Ireland Programme for Government.
- Future potential funding opportunities such as the Energywise Scheme and the Northern Ireland Investment Fund.
- Consultation with tenants about our services.

4.0 Key Performance Indicators

Our strategy has a number of KPIs which are mapped against each of our four business headings.

4.1 Financial and Business Growth

Energy Management

Choice currently spend in excess of £1million on energy each year with most of this being recharged on to our customers through service charges. We recognise therefore that effective management of energy consumption could deliver substantial savings for our tenants. Based on current costs a reduction in energy consumption of 5% could result in savings in the region of £50,000 or more. Choice is the first Association in N.I. to have a dedicated energy management team.

KPI 1 We will complete an assessment of energy consumption at our schemes and offices by Q3 of Year 1 in order to identify a Base Year. This will be derived from on an average of energy consumption in 2014/15 and 2015/16.

KPI 2 We will aim to reduce known energy consumption at our schemes and offices by 5% by Year 3 compared to our Base Year. Our aim will be to reduce energy consumption by 3% in Year 1, and 4% in Year 2, compared to our Base Year.

Energy Procurement and the Management of Energy Contracts

An aspect of energy management which has proved to be successful in recent years is energy procurement and the management of our energy contracts. In 2015/16 the effective procurement of our energy is estimated to have delivered savings in excess of £150,000. Managing our energy contracts effectively in 2015/16 has also delivered savings in excess of £65,000, through the identification of billing errors.

We will continue to review our electricity, natural gas and heating oil supply each year and ensure we are on the most appropriate tariffs with competitive suppliers to maximise financial savings which we can pass on to our customers. We will also report our performance at least annually to Board.

KPI 3 Through smart procurement we aim to deliver a 5% saving on energy costs for each year of this strategy, when compared to regulated or average market prices.

4.2 Internal Business Processes

Environmental Management

Environmental Management is crucial to ensure legislative requirements are met, our environmental impact is being managed, appropriate policies and procedures are in place and communicated effectively, and there is a goal of continual improvement. Choice will also seek to examine opportunities to improve the environment we live in and work with relevant organisations involved with environmental management.

KPI 4 In Q4 of Year 1 we will implement the Environmental Management System BS8555 for our Head Offices. This will be reviewed and renewed annually.

Asset Management

In recent years we have made significant improvements to our housing stock, and we will continue to invest in energy efficiency measures such as:

- Improving insulation levels in our homes.
- Installing energy efficient heating systems with lower running costs.
- Installing new energy efficient heating controls.
- Low energy lighting (typically sensed LED lighting to include emergency lighting).
- Renewable technologies where the financial payback is less than seven years.

As part of our annual planned maintenance programmes and stock remodeling we will review each project and seek to integrate energy efficiency measures. This may include the installation of further renewable technologies and also the review of any new financial models to achieve value for money and reduced maintenance costs.

KPI 5 Each Year we will review individual planned maintenance and stock remodeling projects and provide advice on potential improvements. In Q1 in Year 1 we will create a template to streamline this process, which will be reviewed annually.



Sustainable Development

Choice have developed some of the most energy efficient homes on the Island of Ireland and are recognised as industry leaders. We will continue to build quality, energy efficient homes using the fabric first approach, which will ensure our customers have reduced energy costs.

KPI 6 We will review our Design Guide annually in Q4 to ensure we have well defined objectives and requirements which consider whole life cycle costs, energy efficiency, quality and value for money.

KPI 7 We will review each planned capital investment on a scheme by scheme basis to look for opportunities to exceed minimum standards and encourage our consultants and contractors to seek to embed creative solutions and bring enhanced benefits for our customers.

Energy Performance Certificates (EPCs)

We are required to provide Energy Performance Certificates for all new developments or void properties and by April 2016 we have completed over 3,500 EPCs since the introduction of legislation in 2009.

KPI 8 We will continue to provide EPCs for all properties where they are required and will use our EPCs as a tool to identify further improvement measures. An annual summary will be provided to the Senior Management Team on EPCs that have been completed.

Waste and Recycling

Choice recognise the environmental impact of waste and are aware of the legislative requirements around waste and disposal of electronic equipment. We will seek to work with Councils and other relevant organisations to examine ways in which we can promote the reduction of waste and encourage recycling amongst our staff and tenants.

KPI 9: We will work with Councils to promote the reduction of waste and encourage recycling, providing information and support for our customers. By Q4 of Year 1 we will have created a database of contacts in Councils and relevant organisations.



Statutory Compliance and Best Practice

As part of our Environmental Management System we will continue to maintain a register of applicable legislation and put procedures in place to ensure compliance.

We will also continue to strive to be the leading housing association on the Island of Ireland in relation to Energy and Environmental matters and provide an example to other Housing Associations on Best Practice. We will seek to promote our activities and achievements through wider industry engagement and also increased submissions for relevant energy and environmental awards.

KPI 10 We will carry out, as a minimum, an annual review in Q4 to ensure that we have an up to date register of relevant legislation and that compliance checks are carried out.

4.3 Learning and Innovation

Innovation

Choice have invested substantially in Solar PV systems for our sheltered accommodation and have put in place an innovative financial model to ensure this investment is sustainable. We have also been involved in two InnovateUK Research projects in recent years, the most recent of which has examined how occupants use their homes, and has also looked at innovative areas of energy management including Energy Storage and Demand Side Management.

These innovative measures demonstrate that we are market leaders on the Island of Ireland and will ensure we are best equipped to deliver energy and environmental savings for our customers.

KPI 11 We will carry out an annual review of technologies and financial models to determine possible investments where the financial payback is less than 7 years, with these measures communicated to Senior Management Team.

Improved Education and Support for our Staff

Choice have been active in encouraging our staff to save energy in recent years and have held Energy Weeks and provided training on environmental areas such as low carbon transport and recycling. With the growth of Choice we have seen a large number of new staff and changing staff roles and so we will seek to educate, support and encourage our staff.

KPI 12 We will ensure energy and environmental information is available on our intranet and in Q3 of each year we will hold an Energy Week for staff and customers.

4.4 Customer Excellence

Improved Services for our Customers

The financial benefit and impact of energy conservation has already been highlighted and a key driver to investment in energy reduction is to deliver reduced costs for our customers.

Choice have a dedicated energy management team and regularly provide relevant information to our tenants around energy efficiency measures and ways to reduce energy costs. The energy management team will also continue to work closely with our tenant facing departments and also support our Joint Managed Partners.

Choice have sought to reduce energy costs for our customers directly through innovative preferred supplier arrangements with a supplier procured for electricity for our new homes. We have also highlighted opportunities for our tenants to reduce energy costs by considering switching suppliers, checking tariffs and payment methods, and considering joining oil buying clubs if appropriate.

Fuel poverty levels in Northern Ireland are higher than any other area of the UK and this can be alleviated through continued investment in energy efficiency measures, support to reduce the cost of energy and the encouragement of measures which may improve income, such as having regular benefits checks carried out.

KPI 13 In Q3 of Year 1 we will update our energy booklet for tenants and make this accessible.

KPI 14 In Q3 of each Year we will review, update and promote information available to our customers, such as the content of our website and information provided in our tenants' newsletter.

KPI 15 In Q3 of each Year we will seek to procure a preferred supplier for electricity within our new homes and examine opportunities to extend this exercise further.



5.0 Oaklee Housing Key Performance Indicators



Oaklee Housing is a sister company of Choice Housing Ireland Ltd, operating in the Republic of Ireland to meet a wide variety of housing needs by providing accommodation for single people, families and those with special needs.

Whilst different market conditions and legislative requirements may apply, energy and environmental management is a group function and our KPIs will have relevance to all companies and sections within the Group.

Figure 8 highlights the specific KPIs which are directly relevant to Oaklee Housing. Progress on each of these KPIs will be reported at least annually to the Oaklee Housing Management Team.

KPI	Details
1	We will complete an assessment of energy consumption of our schemes and offices by Q3 of Year 1 in order to identify a Base Year. This will be derived from an average of energy consumption in 2014/15 and 2015/16.
2	We will aim to reduce known energy consumption at our schemes and offices by 5% by Year 3 compared to our Base Year. Our aim will be to reduce energy consumption by 3% in Year 1, and 4% in Year 2, compared to our Base Year.
3	Through smart procurement we aim to deliver a 5% saving on energy costs for each year of this strategy, when compared to regulated or average market prices.
7	We will review each planned capital investment on a scheme by scheme basis to look for opportunities to exceed minimum standards and encourage our consultants and contractors to seek to embed creative solutions and bring enhanced benefits for our customers.
8	We will continue to provide Building Energy Ratings ² (BERs) for all properties where they are required and we will use our BERs as a tool to identify further improvement measures. An annual summary will be provided to the Oaklee Housing Management Team on BERs that have been completed.
14	In Q3 of each Year we will review, update and promote information available to our customers, such as the content of our website and information provided in our tenants' newsletter.

Figure 8 Oaklee Housing KPIs

² Building Energy Ratings are a legislative requirement in the Republic of Ireland, in contrast to Energy Performance Certificates which are required in Northern Ireland.

6.0 Strategy Delivery and Monitoring

6.1 Performance Management

We will carry out periodic reviews and updates of our Energy and Sustainable Development Strategy. This strategy has been formulated in accordance with our corporate plan and underpinning strategies, and will be continually reviewed to ensure it is aligned to our strategic objectives.

We will assess how well we have delivered against the priorities and targets set and identify areas for improvement. We will report to Development and Growth Committee on our energy and environmental management, to include:

- The energy efficiency of our housing stock
- Measures that have been undertaken
- Financial savings from energy reduction and energy procurement
- Performance against targets.

6.2 Staff

The Group Director of Development and Assets is responsible for delivery of this strategy with the Energy Manager responsible for implementing this strategy along with support from the energy team and other staff throughout the organisation. We will ensure that these key staff members and other relevant staff are adequately resourced and trained.

6.3 Equality and Diversity

We have undertaken an Equality Impact Assessment to consider how the Energy and Sustainable Development Strategy will impact on Tenants, service users and staff. This is particularly relevant to our diverse stakeholder base. The assessment will consider the effects this strategy may have on people falling into the NI Equality Commission's nine groupings.

6.4 Funding

The targets and initiatives of the Energy and Sustainable Development Strategy will be funded in the main through the Association's reserves and rents. Where appropriate, we will seek grant funding and all opportunities to obtain external funding will be explored and recommendations proposed to management. In particular, options for investment where there is a financial payback will be explored along with alternative financial models.

7.0 KPIs for 2016/17-2018/19

KPI		Year 1	Year 2	Year 3
Financial & Business Growth				
Energy Management	1	We will complete an assessment of energy consumption at our schemes and offices by Q3 to identify a Base Year.	~	~
	2	We will aim to reduce known energy consumption at schemes and offices by 3% compared to our Base Year.	We will aim to reduce known energy consumption at schemes and offices by 4% compared to our Base Year.	We will aim to reduce known energy consumption at schemes and offices by 5% compared to our Base Year.
Energy Procurement and the Management of Energy Contracts	3	Through smart procurement we aim to deliver a 5% saving on energy costs, when compared to regulated or average market prices.	Through smart procurement we aim to deliver a 5% saving on energy costs, when compared to regulated or average market prices.	Through smart procurement we aim to deliver a 5% saving on energy costs, when compared to regulated or average market prices.
Internal Business Processes				
Environmental Management	4	In Q4 we will implement the Environmental Management System BS8555 for our Head Offices.	In Q4 we will review and renew our Environmental Management System BS8555 for our Head Offices.	In Q4 we will review and renew our Environmental Management System BS8555 for our Head Offices.
Asset Management	5	We will review individual planned maintenance and stock remodeling projects and provide advice on potential improvements. In Q1 we will create an energy checklist template to streamline this process, which will be reviewed annually.	We will review individual planned maintenance and stock remodeling projects and provide advice on potential improvements. In Q1 we will review our energy checklist template.	We will review individual planned maintenance and stock remodeling projects and provide advice on potential improvements. In Q1 we will review our energy checklist template.
Sustainable Development	6	We will review our Design Guide in Q4.	We will review our Design Guide in Q4.	We will review our Design Guide in Q4.
	7	We will review each planned capital investment on a scheme by scheme basis.	We will review each planned capital investment on a scheme by scheme basis.	We will review each planned capital investment on a scheme by scheme basis.
Energy Performance Certificates (EPCs)	8	We will provide EPCs for all properties where they are required and use our EPCs as a tool to identify further improvement measures. An annual summary will be provided to the Senior Management Team.	We will provide EPCs for all properties where they are required and use our EPCs as a tool to identify further improvement measures. An annual summary will be provided to the Senior Management Team.	We will provide EPCs for all properties where they are required and use our EPCs as a tool to identify further improvement measures. An annual summary will be provided to the Senior Management Team.

KPI		Year 1	Year 2	Year 3
Waste and Recycling	9	We will work with Councils to promote the reduction of waste and encourage recycling, providing information and support for our customers. By Q4 we will have created a database of contacts in Councils and relevant organisations.	We will work with Councils to promote the reduction of waste and encourage recycling, providing information and support for our customers.	We will work with Councils to promote the reduction of waste and encourage recycling, providing information and support for our customers.
Statutory Compliance and Best Practice	10	We will carry out a review in Q4 to ensure that we have an up to date register of relevant legislation and that compliance checks are carried out.	We will carry out a review in Q4 to ensure that we have an up to date register of relevant legislation and that compliance checks are carried out.	We will carry out a review in Q4 to ensure that we have an up to date register of relevant legislation and that compliance checks are carried out.
Learning & Innovation				
Innovation	11	We will carry out a review of technologies and financial models to determine possible investments where the financial payback is less than 7 years.	We will carry out a review of technologies and financial models to determine possible investments where the financial payback is less than 7 years.	We will carry out a review of technologies and financial models to determine possible investments where the financial payback is less than 7 years.
Improved Education and Support for our Staff	12	We will ensure energy and environmental information is available on our intranet and in Q3 we will hold an Energy Week for staff and customers.	We will ensure energy and environmental information is available on our intranet and in Q3 we will hold an Energy Week for staff and customers.	We will ensure energy and environmental information is available on our intranet and in Q3 we will hold an Energy Week for staff and customers.
Customer Excellence				
Improved Services for our Customers	13	In Q3 we will update our energy booklet for tenants and make this accessible.	~	~
	14	In Q3 we will review, update and promote information available to our customers, such as the content of our website and information provided in our tenants' newsletter.	In Q3 we will review, update and promote information available to our customers, such as the content of our website and information provided in our tenants' newsletter.	In Q3 we will review, update and promote information available to our customers, such as the content of our website and information provided in our tenants' newsletter.
	15	In Q3 we will seek to procure a preferred supplier for electricity within our new homes and examine opportunities to extend this exercise further.	In Q3 we will seek to procure a preferred supplier for electricity within our new homes and examine opportunities to extend this exercise further.	In Q3 we will seek to procure a preferred supplier for electricity within our new homes and examine opportunities to extend this exercise further.

8.0 Summary of Key Targets for 2016/17-2018/19



Figure 9 Summary of Key Targets for 2016/17-2018/19



choice-housing.org

Choice Housing Ireland Limited
Leslie Morrell House
37-41 May Street, Belfast, BT1 4DN
Email: enquiries@choice-housing.org

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choice-housing.org
0300 111 2211
enquiries@choice-housing.org

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