

Sustainability & Energy Strategy

UPDATE 2023

choice-housing.org

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As part of Energy Saving Week 2022, Choice released our latest Sustainability & Energy Strategy 2022-2025.

The aim of Choice's latest strategy is to build upon our successes in reducing fuel poverty and improving energy efficiency, to address systemic challenges such as the climate crisis and biodiversity loss. This document is a brief update on our progress against our commitments one year into our strategy.





Choice have committed to achieving net-zero Carbon emissions by 2050 in line with the UK governments commitment to The Paris Agreement (2015).

As a first step on this journey, our latest strategy outlines interim targets that will allow Choice to shape a decarbonisation pathway to 2030 with the aim of limiting average global temperature increases to 1.5 Celsius. In delivering this ambition Choice recognise that there will be significant societal shifts that reshape important parts of our tenants life's. Therefore, our net-zero commitment will seek to balance environmental and social issues to ensure that our transition to net-zero is done so in an equitable manner.

Our latest strategy has a significant focus on a just transition to net-zero, however, Choice recognise that legacy programmes such as addressing fuel poverty are as important today as they ever have been. This is particularly true of the previous year as we have been experiencing a historic cost of living crisis and an unprecedented energy crisis simultaneously. This update will highlight the important work undertaken by Choice to manage these crises in the context of sustainable social housing.

Finally, our latest strategy has been developed with national and international sustainability criteria in mind. Choice have taken our latest strategy as an opportunity to place our commitments into a wider context, and have therefore mapped our strategy against the UN Sustainable Development Goals and the Sustainability Reporting Standard for Social Housing. In addition to those issues detailed above, we have taken action to address the existential impacts of housing on biodiversity loss. In doing so we aspire to deliver a holistic approach to a sustainable future for our tenants.

Achievements 2022-2023

Choice Housing's
Sustainability & Energy
Achievements 2022-2023

DELIVERED
£302K
SAVINGS
FROM ENERGY PROCUREMENT PRACTICES

REDUCED
LANDLORD ENERGY
CONSUMPTION BY
£242K

GENERATED
£65K
FREE RENEWABLE
ELECTRICITY
FOR TENANTS

REDUCED
OUR OPERATIONAL
CO₂ EMISSIONS
BY OVER
143 TONNES

£1.29
MILLION
INVESTMENT
IN HEATING SYSTEMS

6 MAJOR
RETROFIT
PROJECTS
COMPLETED

INCREASED
OUR AVERAGE EPC RATING
FROM 76 TO **77**
SOCIAL HOUSING AVERAGE NI: 73

ADOPTED
INNOVATIVE
RETROFIT
MODELLING
SOFTWARE
SAVA INTELLIGENT ENERGY

INTEGRATED
AI DRIVEN
ENERGY BILL
MANAGEMENT
SOFTWARE
ENERGY ELEPHANT

DEVELOPED
A STRATEGIC
PARTNERSHIP
WITH
**ULSTER
WILDLIFE**



Strategic Priority #1 Great Homes

Net-Zero Impact:
Reduce Scope 3
emissions



Ambition 1: Develop efficient, climate resilient homes that ensure affordability and reduce GHG emissions.

Target 1a: Build all new homes to SAP A standard.

Target 1b: Develop one 'Landmark' development with sector leading sustainability credentials.

New Builds

In June 2022 Part F 'Conservation of Fuel & Power' of the Northern Ireland Building Regulations were amended to require a 40% betterment in Carbon emissions for new-builds. In preparation for this uplift Choice's Building Services Engineer undertook a modelling exercise to develop an 'Energy Efficiency Blueprint' for Choice developments. This modelling is based on Choice's previous landmark development – Killynure Green Phase 2 (KGP2). KGP2 adopted a brick & block construction with enhanced thermal insulation, natural gas heating and a significant solar PV provision. This model exemplifies a highly energy efficient template that is simple to construct, low cost to maintain and user friendly for our tenants. Otherwise referred to in Choice as 'fit-for-purpose'. Since June 2022 Choice's energy efficiency blueprint has formed the backbone of our new build programme. Using this blueprint we expect to comfortably achieve SAP Band A in all properties with a Carbon emissions reduction in the region of 60% better than the 2012 Building Regulations. i.e. 20% less emissions on average compared to the amended 2022 Building Regulations.

Landmark Development

Choice completed a horizon scanning exercise with respect to emerging low or zero Carbon technologies and best practice within the construction industry. The result of which was a specification for a landmark development with aspirations relative to these practices. This particular target is expected to run throughout this strategy. At this time we can disclose that we have upskilled our sustainability team in these practices, including air tight construction design and holistic sustainable development standards.



Net-Zero Impact:
Reduce Scope 1,
2 & 3 emissions



Ambition 2: Demonstrate ‘pilot’ technologies and processes that reduce GHG emissions.

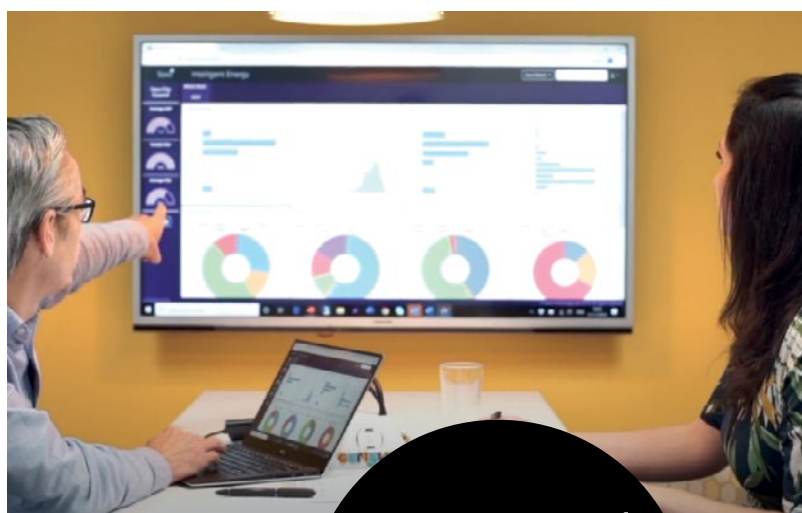
Target 2: Invest £250k in innovative technologies and processes that will contribute to a reduction in Greenhouse gases (GHG) through ‘pilot’ projects with a purpose.

Greenhouse Gas Reduction Fund

Similar to our upcoming landmark development, Choice have completed a horizon scanning exercise to determine technologies of interest with respect to GHG reduction. This covers both hardware technology solutions as well as software products that allow for detailed analysis. Several projects are running into Year 2 of the strategy, however, we have completed the adoption of one particular project in year 1 – Sava Intelligent Energy. Sava Intelligent Energy (IE) provides improvement planning and cost modelling for retrofit projects.

IE utilises data from EPCs and our Asset Management database to perform detailed calculations of the energy performance of our stock. In addition to the high level information that an EPC provides, IE assesses the measures that can be taken to reduce Carbon emissions and tenant energy bills towards specified targets. Using building specific details such as fabric construction, space heating and low/zero Carbon technologies, IE models retrofit scenarios suited to Choice.

With respect to our net-zero target by 2050 and our commitment to maintain a 1.5 Celsius Carbon reduction trajectory to 2030, IE will play an important role in helping Choice understand which properties in our portfolio are at risk of failing to meet these goals. Furthermore, the planning function within IE allows Choice to understand the cost of achieving these goals so we can finance our sustainability programmes.



Net-Zero Impact:
Reduce Scope 3
emissions & enhance
Carbon capture
opportunities



Ambition 3: Manage environmental impacts associated with the lifecycle of our properties.

Target 3: Complete a lifecycle analysis of the environmental impacts of our developments and take action to reduce these impacts.

Environmental lifecycle assessment

In 2023 Choice formed a strategic partnership with Ulster Wildlife. The Ulster Trust for Nature Conservation was formed in 1978 by a group of naturalists who saw an urgent need to put wildlife protection on a firmer footing.

Choice’s aspiration here is to utilise Ulster Wildlife’s expertise and curate our construction and grounds maintenance practices to minimise net biodiversity loss. Choice acknowledge that constructing homes is disruptive to local nature, but that we have an opportunity to reduce negative impacts and in many cases have a positive impact to local biodiversity.

By the completion of this strategy we aim to have a strategic approach to reducing biodiversity loss from construction and a plan to improve biodiversity gains within our grounds maintenance practices. The first collaboration with Ulster Wildlife commenced in 2022/23 when we contracted them to consult on five upcoming developments and make recommendations on how to balance our negative and positive impacts to biodiversity.



Strategic Priority

#2 Great Services

Net-Zero Impact:
Reduce Scope
1, 2 & 3 emissions



Ambition 4: Refurbish our existing stock to improve affordability and reduce environmental impact.

Target 4a: Achieve a minimum EPC band C across 65% known Band E, F & G properties.

Target 4b: Achieve 100% coverage in Energy Performance Certificates (EPCs).

Retrofit programme

At the commencement of the strategy Choice had an EPC coverage of 73.8%, of which 215 properties were in the lowest EPC bandings – E, F & G. When drafting this strategy our Board agreed that Choice should adopt a ‘worst first’ approach so that we could reduce our Carbon footprint, whilst also reducing fuel poverty risk for tenants living in our poorest performing properties. This led to two targets, (1) we would confirm how many E, F & G properties we had by increasing EPC coverage to 100% by 2025, and (2) we would retrofit approximately 140 properties within these EPC bands by 2025.

In 2022/23 we completed our first six retrofits as part of our Victoria Homes refurbishment programme. This resulted in six E, F & G properties achieving Band C. We were also able to eliminate the only Band G properties in our portfolio.

When reviewing Choice’s 215 poorest performing properties, our sustainability team surveyed many of Choice’s known E, F & G properties and assessed them to actually be Band C or D. This is as a result of historic investment over the previous 10 years which

had not been captured. As a result Choice completed a validation exercise of all known E, F & G properties and determined that we actually had 73 present at the end of 2022/23 (80.4% EPC coverage).

However, it is Choice’s expectation that we will find a small number of further E, F, & G properties amongst the remaining 19.6% of assets with no EPC. By 2025 we will achieve 100% coverage of EPCs and confirm all outstanding E, F & G properties that require retrofit. In 2023/24 Choice will focus on delivering three ‘deep retrofit’ pilots that allow us to understand PAS 2035 and emerging technologies in-depth. This project differs from the six retrofits completed in 2022/23 which focused on non-intrusive energy efficiency improvements. By comparison Choice’s ‘deep retrofit’ pilots will employ all available (intrusive) energy efficiency measures to understand the maximum efficiency that can be achieved in such properties.

At the conclusion of our ‘deep retrofit’ pilots Choice will evaluate these measures and use this expertise to develop our retrofit programme into and beyond 2024/25. In 2024/25 Choice aim to complete 132 retrofit projects including all known E, F & G properties, and a cohort of band D properties.

TARGET UPDATE

	Baseline 2021/2022	Target 2022/2023	Current 2022/2023	Performance
4a. Achieve a minimum EPC Band C energy efficiency rating across 65% E, F & G properties.	215 EFG 0 Projects (0/140)	212 EFG 3 Projects (3/140)	73 EFG 6 Projects (6/140)	-66% EFG +3 Projects
4b. Achieve 100% coverage in Energy Performance Certificates (EPCs).	73.8%	80.0%	80.4%	+6.6%

CHOICE EPC PORTFOLIO

EPC Banding	2022 %	2023 %	Variance %
A	0.8	0.8	0
B	27.9	30.8	+2.9
C	31.8	36.2	+4.4
D	11.4	11.9	+0.5
E, F or G	1.9	0.7	-1.2
NO EPC	26.2	19.6	-6.6

Net-Zero Impact:
Reduce Scope
1, 2 & 3 emissions



Ambition 5: Reduce our Scope 1&2 GHG emissions, footprint our Scope 3 GHG emissions and develop a 1.5°C decarbonisation pathway.

Target 5a: Reduce Scope 1&2 emissions by 3% per annum from 2020/21 baseline.

Target 5b: Reduce energy usage by 3%.

Energy consumption and GHG Emissions

	Baseline 2021/2022	Current 2022/2023	Performance
5a. Reduce Scope 1&2 emissions by 3% per annum from 2021/22 baseline.	Scope 1: 3,702	Scope 1: 3,753	Scope 1: +50 (+1%)
Tonnes of CO2e.	Scope 2: 1,346	Scope 2: 1,145	Scope 2: -202 (-15%)
	*Scope 3: 37	*Scope 3: 44	*Scope 3: +7 (+20%)
	Total: 5,086	Total: 4,942	Total: -144 (-3%)
5b. Reduce energy usage by 3%. (MWh)	24,947	23,241	-1,705 (-7%)

*Scope 3 emissions restricted to company travel using personal vehicles, i.e. mileage.
We plan to deliver a complete Carbon footprint including all Scope 3 emissions by 2025.

Scope 1&2 emissions

In 2022/23 Choice reduced our operational emissions by 3%. This is a result of three main activities: (1) investment in energy efficiency at our communal heating schemes, (2) monitoring and management of landlord heating and electricity and (3) reduced Carbon intensity of the electricity we purchase. It should be noted that our company travel emissions increased as a result of reduced Covid restrictions.

Energy consumption

Of this year's £1.29M invested in heating system efficiency, £735K was invested in commercial heating systems. 75% of Choice's landlord energy is used on oil and gas heating systems, of which 90% is used on our communal heating systems or heat networks (35 schemes). Since 2018 Choice has invested a considerable amount in these systems to

upgrade their efficiency and deploy better control systems such as 'Building Management Systems'. This investment reduces consumption through more efficient burning of oil and gas, but also greater control of when and how much heat is delivered at these schemes.

Likewise good management of energy helps us reduce consumption. Choice's sustainability team have an important role here in advising on how to reduce energy, but a larger share of this reduction can be attributed to Choice colleagues and tenants at the schemes who take responsibility of managing their energy on a daily basis. In total Choice reduced our energy consumption by 7% from the previous year which at current energy costs equates to £242K in savings for tenants.

Net-Zero Impact:
Reduce Scope
1, 2 & 3 emissions



Ambition 5: Reduce our Scope 1&2 GHG emissions, footprint our Scope 3 GHG emissions and develop a decarbonisation pathway.

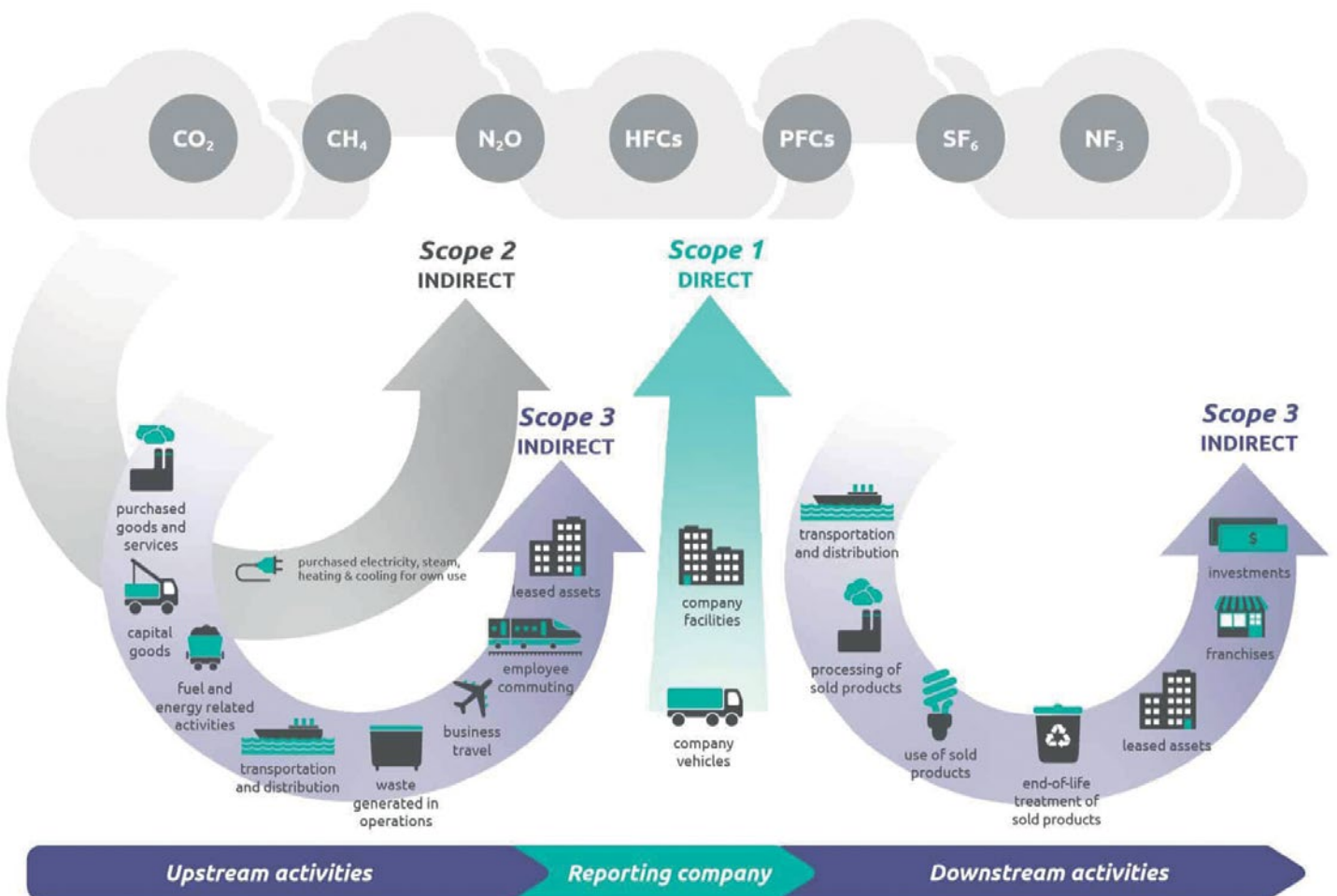
Target 5c: Develop a complete lifecycle emissions footprint inclusive of scope 3 Carbon emissions upstream and downstream of Choice’s activities.

Target 5d: Set 1.5°C carbon reduction target complete with decarbonisation plan.

Decarbonisation plan

In 2022/23 Choice commenced market place engagement in this area. We appreciate that this is a significant undertaking which requires specialist skills. Therefore we have started to explore solutions available to Choice. We understand that a significant portion of our footprint and decarbonisation plan will rest within our new development programme and therefore within construction materials and activities.

Choice’s development team have started to consider what ways we can access ‘activity’ data for these processes. Likewise, Choices landmark development specification is inclusive of a requirement for a ‘Lifecycle Carbon Assessment’ to be introduced at RIBA stage 1 and throughout the project as an opportunity to understand how to reduce emissions in housing construction.



Strategic Priority

#3 Great Communities

Net-Zero Impact:

Enhance Carbon capture opportunities



Ambition 6: Promote positive biodiversity behaviours amongst tenants and enhance ecosystem services at our properties.

Target 6a: Deliver employee and tenant engagement on biodiversity at work and at home.

Target 6b: Deliver a biodiversity zone at Carolan Road and encourage uptake of biodiversity supporting activities at tenanted properties.

Target 6c: Set aside land for nature conservation/restoration project at a major development.

In 2022/23 Choice started to consider how these targets can be achieved. We developed relationships with stakeholders that we believe would be supportive of these ambitions such as Ulster Wildlife, local councils and local politicians. It is our aspiration to deliver target 6a in 2024/25 through adoption of well established biodiversity week activities. We had considered becoming advocates to this sooner, however, we believed that it would be best to have a demonstration site that we could implement such practices on in order to illustrate how these can be adopted by Choice colleagues and tenants.

For now we have engaged with Ulster Wildlife to assist us with the implementation of good biodiversity practices at five upcoming developments. Furthermore, we have selected a parcel of unused land within a well-established community to develop a community biodiversity garden. Ulster Wildlife have consulted on the plans developed by our grounds maintenance contractor and we hope to see physical activity on this site in 2023/24.



Strategic Priority #4 Great Delivery

Net-Zero Impact:
Reduce Scope
1, 2 & 3 emissions
and enhance Carbon
capture opportunities



Ambition 7: Reduce fuel poverty through tenant guidance on energy consumption and promote sustainable behaviours.

Target 7a: Take action to reduce fuel poverty and increase sustainable behaviours amongst our tenants.

Energy Saving Week

Per Choice's longstanding tradition of engaging with tenants on managing their energy bills, we held a further Energy Saving Week in 2022/23. We use this week to highlight to Choice tenants how to reduce their energy bills either through behavioural changes and switching their suppliers. Each year we evaluate our materials to make them as accessible and accurate as possible. This is especially true of this year where energy prices have increased by so much. In addition to Energy Saving Week our Sustainability team has made themselves as available to tenants as possible, with the largest amount of tenant visits and consultations completed in recent years.

The most important part of this engagement is helping tenants understand how energy bills are managed and how to ensure that they are getting the best available deal. For our part, Choice have continued to monitor prices and advise tenants on the best available rates. Likewise, where we purchase energy on behalf of tenants, we have ensured to avail of all the government support available and monitored our commercial contract rates against the best available domestic rates. Amidst this challenging year Choice we were able to procure energy at highly competitive rates which resulted in our energy spend totalling £302,000 less than the best performing prices in the market. In our analysis, Choice's electricity costs were roughly matched with the best market rates, but our natural gas contracts were very competitive compared to the domestic market.



Strategic Priority #4 Great Delivery

Net-Zero Impact:
Reduce Scope
1, 2 & 3 emissions
and enhance Carbon
capture opportunities



Ambition 8: Ensure that Choice have the capability to deliver a works programme towards net-zero with a particular focus on retrofitting existing homes to a high quality.

Target 8: Assess the technologies and skill sets required to deliver net-zero for Choice and ensure Choice have the right expertise to manage and deliver a just transition to net-zero.

This ambition is a continuous thread throughout our more advanced projects such as new-build design and retrofit. In 2022/23 Choice completed a significant amount of market engagement with contractors and suppliers with respect to the availability of skills and the accessibility of emerging technologies. In order to understand how such practices will impact Choice and our tenants, we have initiated pilot projects in relevant areas across our organisation.

In addition, we have developed relationships with partners within our sector across GB and ROI to learn from their experiences. Through such partnerships we have attended several live projects and spoken with specialists that have experience of making these practices a success in social housing. In order to competently deliver such projects we have also upskilled several colleagues in specialisms such as Passivhaus, Home Quality Mark, EPC assessment and PAS2035.



TENANT ENERGY GUIDE



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May**