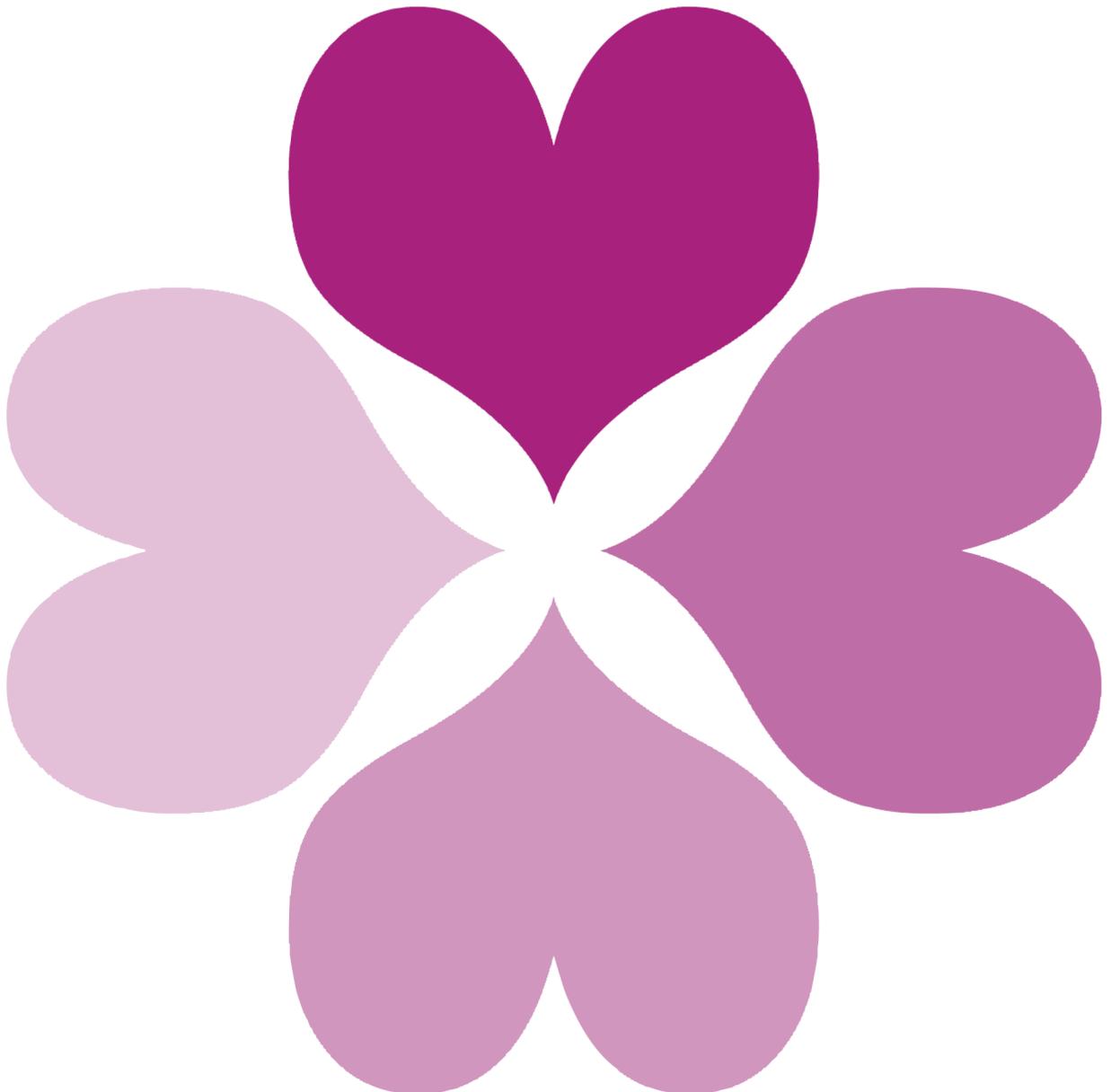


Midland Heart Environmental Strategy 2014 - 2020

'acting today for a sustainable tomorrow'

'Summary'

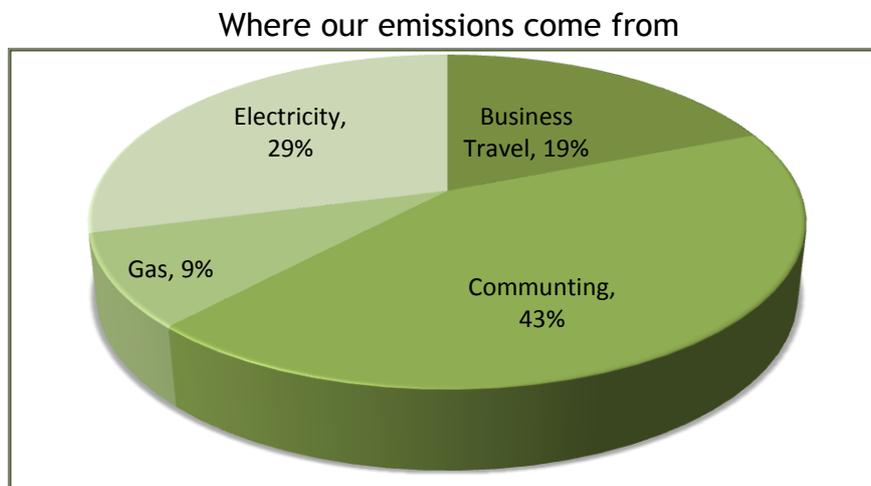
This is a shortened summary of Midland Heart's Environmental Strategy, for further details on the full strategy or on Midland Heart's Environmental objectives please speak to a member of the environment and sustainability team.



1. Executive Summary

Working with our staff, customers, contractors and partners, Midland Heart has the opportunity to make a real difference to the sustainability and energy efficiency agenda, and make best use of the environment and sustainability market to support the work we do in our communities and within our business.

Midland Heart wants to reduce the impact it makes on the environment and through our environmental strategy we can lower our utility bills by using our resources more wisely that enables us to save gas, electricity and water, reduce our impact on pollution and landfill, through better recycling facilities, thus making better use of Midland Hearts money. In the last 12 months Midland Heart produced 9% more Carbon Dioxide than the previous year, the following graph shows where our Carbon emissions come from.



Being environmentally sustainable also means helping our customers reduce the energy they use, making sure the areas they live in have green spaces and biodiversity of plants and wildlife, where possible.

Managing rising fuel bills is a key priority for our customers and we need to make sure the environmental strategy gives this the right emphasis. We will focus on a behaviour change program that raises the profile of energy efficiency through education, promotion, advice & information and developing cost effective and practicable building standards. We will naturally pursue and develop alternative funding sources.

The strategy will begin by looking at the context in which has brought about change and what drives energy efficiency and sustainability agendas. We will consider the international and local Government scene and then look at how this impacts our communities and the work we provide to our customers.

We will highlight how the Environmental Strategy will help support our business objectives and aspirations, how the strategy links in with other strategies throughout Midland Heart and provide some detail on the outcomes it aims to achieve. The strategy will then look at how we will deliver on our aspirations, summarising our actions via four objective goals:



1. Making a real difference
2. Creating greater financial stability and planning
3. Supporting our customers and staff, and
4. Midland Heart as an innovator and market leader in the energy space.

2. Our Strategy in context

The International Context

There is international concern and debate about how to reduce the level of carbon dioxide (CO_2) emissions that are believed to be causing global climate change and affect the future of our planet. This, coupled with the recognition of the shortage of oil and gas resources in some regions, has led to an international agreement - the Kyoto Protocol - with industrialised nations agreeing to limit or reduce greenhouse gas emissions. Within Europe, there are targets with overall emissions set to be cut by 20%, a 20% improvement in energy efficiency and an increase in the share of renewable energy to 20%, known as the "20:20:20" directive.

Having a good understanding of the international context enables us to predict the direction of change in the energy efficiency market and have an awareness of where energy efficiency measures may be targeted in the future. This strategy supports strong partnerships that will enable Midland Heart to be at the forefront of energy efficiency and sustainability, utilising the knowledge and skills we have internally to work alongside other energy and sustainability experts.

The National Context

To support international action, the UK Government has committed to reduce greenhouse gas emissions by 80% by 2050 (based on 1990 baseline figures) and delivered through the Climate Change Act 2008.

Heating and powering our homes produces more than a quarter of Britain's carbon emissions. The UK Government has acted by passing, developing new policy, laws and targets to improve energy efficiency and helping to reduce levels of CO_2 emissions from our homes, making improvements through schemes such as;

- CESP (Community Energy Saving Programme)
- CERT (Community Emissions Reduction Target)
- ECO (Energy Company Obligation)
- RHI (Renewable Heat Incentive)
- Green Deal

In response to the constantly changing energy efficiency market and the varied funding streams being introduced or changed, our Environmental Strategy needs to be flexible to understand when best to access the right funding and opt into the right schemes, ensuring that the optimum outcomes are achieved at the right time.

Impact on our communities

Energy prices have continued to rise and are a core cost for every household and every business, and will always be an important element in how people manage their lives.

These pressures bring about stark choices in how to prioritize competing demands on the household income - whether to heat the home, pay rent or mortgage or have something to eat. It is considered that cold homes create or exacerbate health conditions leading to poor health and wellbeing and excess winter deaths are a major contributor to health inequalities especially for children and older people. The graph below shows the number of households in fuel poverty across the prominent areas where Midland Heart provide services, showing that 1 in 5 households are considered to be in fuel poverty.

Anything that we as a responsible landlord can do to support our customers and to help them manage their finances should be a priority for us. Midland Heart has made commitments through our corporate objectives, such as the 'Getting Greener Together' strategy, to make sustainability and energy use a fundamental part of the organisation's overall drive for improvement. By working in partnership with our customers we can help them reduce their home energy consumption, which will in turn reduce their energy bills and cut down on carbon emissions that threaten the environment, 'a win, win situation for all'.

Supporting our business

The Environmental Strategy will merge with, link and support various existing strategies within Midland Heart, supporting the delivery of our key corporate objectives.

The Strategies that will be directly impacted;

[1.Midland Heart Office Environmental Policy](#)

[2.Getting Greener Together Strategy](#)

[3.Asset Management Strategy 2014-2020](#)

Changing the efficiency of Our Homes

The energy efficiency of homes is measured by SAP (Standard Assessment Procedure) rating. A home can be rated on a scale of 0 - 100, a new build property usually has a high SAP rating of around 80. In contrast we determine a SAP score lower than 40 to be considered to be poor and unacceptable.

SAP takes into account a range of factors that contribute to energy efficiency in homes:

- the thermal efficiency of the building fabric
- the efficiency and control of heating systems
- the fuel use for heating and hot water

An example of measures that can make a difference to a properties SAP rating with *estimated SAP improvement points and savings per measure

Improvement	Rating can be improved by	Estimated Savings
Condensing Boiler	*47 SAP points	£225+ per year
Cavity Insulation	*13 SAP points	£100-£125 per year
Roof Insulation	*10 SAP points	£100-£125 per year
Cylinder Stat & Insulation	*8 SAP points	£100-£125 per year
Double Glazing	*4 SAP points	£10-£15 per year
Low Energy Lighting	*2 SAP points	£10-£15 per year

Existing Homes

Due to a combination of continued investment in our homes through central heating, double glazing and other upgrade programmes, only 3.6% (648 homes) of all Midland Heart properties (with known SAP scores) have a SAP rating lower than 40. Overall the average SAP rating across our stock is 63. However, we recognise there are still some properties with poor levels of energy efficiency and improvements could be made to these homes.

New Homes & the Code for Sustainable Homes (the Code)

This is the national standard for the sustainable design and construction of new homes. The Code aims to reduce our carbon emissions by creating homes that are more sustainable. The Code measures the sustainability of a new home against nine categories of sustainable design, rating the 'whole home' as a complete package. It covers energy/CO₂, water, materials, surface water runoff (flooding and flood prevention), waste, pollution, health and well-being, management and ecology. For all Homes and Community Agency's grant funded homes, it is mandatory that they achieve a minimum of Code level 3, which generally equates to a SAP rating in the upper eighties.

Midland Heart recognises that well designed homes are sustainable, practical and affordable and they help create places where people want to live, work and enjoy life. Sustainable homes help to reduce the impact on the planets resources, reducing waste and carbon emissions. Midland Heart is committed to improving design and sustainability in both building new homes and retro fitting existing ones.

Midland Hearts current housing stock?

With the anticipated slow down on us building new homes over the next two years, we believe we can make the biggest impact on increasing energy efficiency (SAP) ratings by concentrating on existing homes. However, we believe we can influence developers building new homes to meet the highest energy efficient standards and set a good example to the whole community and standards to which we can all aspire, 'we all have different agendas but the same goal'

Alongside the Environmental Strategy Action Plan will be a SAP action plan that will inform on where we are, where we want to be and how we will get there. It will highlight on all the different measures that can be made and how they will impact our SAP score and enable us to reach the targets set within the Asset Management Strategy.

A Successful Environmental Strategy - what should the outcomes be?

To help Midland Heart achieve its objectives in energy efficiency and sustainability, we are seeking four broad outcomes from our environmental strategy;

- 1) *Making a real difference*, to our people, our customer and our buildings;
- 2) *Creating greater financial stability and planning for our organisation*. We understand the importance of 'knowing our stock', through better stock condition intelligence and then using this information to make considered decisions and the best use of our limited resources;



- 3) *Supporting our customers and staff*, responding positively to the challenge of transforming services, helping to tackle fuel poverty and enhance the health and general wellbeing of our communities;
- 4) *Midland Heart as an innovator and market leader in the energy space*, we recognise that the Environmental Strategy should be forward thinking and ambitious to help us realise our goals and aspirations and be at the forefront of innovation.

We discuss each of the above in more detail within the full Environment and Sustainability Strategy.



3. Delivery of our Environmental Strategy

The Delivery of our Environmental Strategy will via actions over the short, medium and longer term, delivered between now and 2020. Whilst we have categorised actions within the time frames of short (0-18 months), Medium (18 months - 3 years) and long (3 - 6 years), they are not set in stone and maybe either be deferred or brought forward depending on internal or external factors or following regular performance review periods. The reviews will involve our customers and a Board representative through the Your Home Service Improvement Groups (SIG).

4. Conclusion

An environmental strategy should develop a direction of travel, be grounded in practical actions and smart in the way it attracts funding, reduces our outgoings, allows us to realise our investment targets in a more timely manner and drives behaviour change and promotes innovation and added value.

We believe that the framework articulated in this paper and the approach being adopted by Midland Heart has the best chance of succeeding. It does not overly analyse or seek to be too technical. It makes one very clear and simple commitment - to improve our attitudes towards the environment and sustainability and to ensure that every Midland Heart building has the opportunity to be included, in terms of energy efficiency and / or renewable measures.

Through our Environmental Strategy, we want to improve how we deliver and procure our services. We want to make a real difference to the organisation, our staff, customers, contractors and partners. We have set out a clear timeframe and will see some early progress through our pilot initiatives in 2014 and into 2015.

This strategy will generate sufficient momentum across the organisation and its customers and contractors to inspire innovation, commitment, action and success.

