CP18

Environmental Sustainability Strategy 2025–2028

People, Places, Partnerships: Building on Strengths

11 December 2025

Annually - Board of Management

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1. Introduction and operating context

As a specialist housing association rooted in Lincolnshire communities, our purpose is to provide safe, high-quality, well-designed homes that support the independence, comfort and wellbeing of older and vulnerable people. Environmental sustainability is inseparable from this mission. Warm homes, manageable energy bills, good air quality and resilient buildings directly support resident health, safety and quality of life.

This Environmental Sustainability Strategy refreshes and replaces our 2021–2025 plan. While we have strengthened our understanding of our stock, improved data quality and maintained strong EPC ratings, we have not materially progressed the environmental actions set out in the previous strategy, particularly around EPC improvement, carbon measurement or long-term decarbonisation planning.

There are several reasons for this, affecting the national sector and our own local context.

National and global factors

- Limited access to proven, affordable decarbonisation technologies suitable for smaller landlords.
- Inflationary pressures across construction, materials and energy markets.
- Ongoing regulatory change (Awaab's Law, DHS2, energy efficiency requirements).
- Supply chain disruption and resource constraints across the sector.
- Evolving national and global regulatory expectations.

Local factors

In addition to the national pressures, our capacity was significantly affected by:

- The resource demands of delivering Diamond Place, at a time of exceptionally high build costs and inflation.
- The need to mitigate financial pressures associated with any further cost increases across the development period.
- The temporary cost burden of covering all communal energy and operational expenses at Diamond Place during a period of low occupancy, which further limited organisational bandwidth and financial headroom for environmental initiatives.

These pressures required us to prioritise immediate operational and development demands over the more strategic environmental actions set out in the previous plan.

Achievement: Heat Network Efficiency Scheme (HNES) Funding

Despite this, we achieved an important milestone in 2025. We secured Government revenue funding through the Heat Network Efficiency Scheme (HNES) to assess efficiency improvements to the communal heat network at Brick Kiln Place, supporting 48 residents. Subject to survey outcomes, we will be able to apply for further government capital funding for any identified improvements.

This is our first successful external funding award for environmental improvements and strengthens our ability to enhance safety, efficiency and resident comfort at a critical extra care scheme. It provides a valuable platform for learning and potential improvements across our other communal heating systems.

Our new strategy therefore sets out a measured, practical and affordability-first approach. We will not pioneer untested or high-cost technologies. Instead, we will take responsible steps that deliver immediate benefits for residents, prepare the organisation for emerging expectations and build the internal capacity required to make informed investment decisions at the right time. We want to embed environmental sustainability into everyday decisions.

This approach aligns directly with our Strategic Plan 2025–2028 and our values of kindness, safety, excellence, openness and curiosity. It is anchored in our commitment to place People, Places and Partnerships at the heart of every decision we make.

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2. National, regulatory and sector context

Environmental expectations for social landlords continue to develop. Our approach considers the following factors:

Government targets

- EPC Band C by 2030 for social housing.
- Net Zero by 2050.
- Strengthened requirements on damp, mould, ventilation and thermal comfort under Awaab's Law.

Decent Homes Standard 2 (expected 2025/26)

A reformed DHS will introduce clearer requirements around:

- Minimum energy efficiency (aligned with EPC C).
- Ventilation, moisture control and damp/mould prevention.
- Thermal comfort and overheating risk.
- Climate resilience, such as drainage and external environments.

These requirements align closely with our Damp and Mould Policy and our older resident population.

Heat Network Regulations (2025 onwards)

Particularly relevant to our three extra care schemes with communal gas systems, requiring:

- Transparent metering and billing.
- Improved energy performance.
- Clear decarbonisation pathways.

Our HNES funding positions us well for these requirements.

Future Homes Standard (2025) – New Build Regulation

The Future Homes Standard 2025 will require all new homes built from 2025 onwards to produce 75–80% fewer carbon emissions compared to homes built under the 2013 Building Regulations. Key changes include:

- Highly efficient building fabric.
- Low-carbon heating systems instead of gas boilers.
- Improved airtightness and ventilation.
- Emphasis on overheating risk reduction (Part O).
- Improved energy efficiency performance measured through SAP 11.

While we develop relatively few homes, and this strategy focuses primarily on our existing stock, the standard provides a benchmark for quality and safety in any future development or refurbishment decisions. We will ensure all new homes we commission comply with Building Regulations 2025 and reflect best practice in ventilation, air quality, insulation and heating.

National Housing Federation (NHF) – Best practice guidance

The NHF's climate guidance emphasises:

- Data first, not tech first – understand stock and archetypes before committing to solutions.
- Fabric-first, "no-regrets" measures – insulation, ventilation, controls and LEDs before heat pumps or solar.
- Whole-home thinking – avoid piecemeal works; align with lifecycle renewals.
- Resident-centred approaches – communicate clearly and link improvements to health and affordability.
- Partnership and funding – shared learning and joint procurement.

Safety, Quality and the NHF Code of Governance (2020)

Regulatory and governance expectations relating to environmental sustainability.

Regulator of Social Housing – Safety and Quality Standard

The RSH's Safety and Quality Standard sets clear expectations for providers regarding the condition, safety and quality of homes. The Standard expects providers to anticipate and manage emerging risks — including those linked to climate change — through planned maintenance and investment programmes. While it does not prescribe environmental sustainability measures directly, it does require that homes:

- Are safe, well maintained and of a decent standard, including being free from category 1 hazards such as damp, mould and excess cold or heat.
- Meet the Decent Homes Standard, including thermal comfort and adequate insulation.
- Are supported by accurate, up-to-date stock condition data used to plan investment.
- Are managed using a risk-based approach to health, safety and building condition and this includes emerging risks, posed by changing weather patterns and environmental conditions.

How this strategy supports compliance with the Safety and Quality Standard

This Environmental Sustainability Strategy strengthens our compliance by:

- Improving EPC data and energy performance.
- Addressing damp, mould and ventilation through a fabric-first approach.
- Preparing for DHS2 requirements on moisture control and thermal comfort.
- Planning for overheating and climate adaptation risks.
- Setting clear expectations for heating system optimisation at voids.
- Strengthening data integration and investment planning.
- Enhancing grounds maintenance to reduce environmental hazards (for example, drainage and uneven surfaces).

For a landlord of fewer than 500 homes, with good stock condition information and a low-risk profile, these actions represent a proportionate and robust interpretation of the Standard's requirements.

RSH – Neighbourhood and Community Standard

This Standard requires landlords to:

- Co-operate with partners to promote social, environmental and economic wellbeing in the areas where they work.
- Keep neighbourhoods and communal areas clean and safe.

Waste accessibility, grounds maintenance, and green space enhancements in this strategy directly support these expectations.

NHF Code of Governance 2020 –expectations

The NHF Code of Governance 2020 requires boards to have policies on financial, environmental and social sustainability, and to consider environmental impact when setting strategic and financial plans.

Chartered Institute of Housing (CIH) – key policy messages

CIH guidance stresses:

- Retrofit must prioritise worst first, cost effectiveness, vulnerability and sustainability.
- Climate resilience and overheating must be considered alongside energy efficiency.
- Smaller landlords need clear expectations and long-term funding routes.
- Retrofit must avoid unintended consequences, particularly moisture and ventilation issues.

These principles underpin our approach.

Sector insight

Across the country, smaller associations increasingly adopt:

- A fabric-first approach.
- Avoidance of premature heat pump rollout.
- Consortia-based procurement for retrofit and EPC work.
- A focus on preparedness and evidence-based decision-making, not early net-zero commitments.

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3. Where we are now: our current position

We begin from a position of relative strength:

- Most of our homes already meet EPC Band C or above. Only 14 homes remain below EPC C, and all are at Band D. These homes will be prioritised for fabric-first interventions through planned maintenance cycles. We recognise a risk, captured in our risk register entry, that changes to SAP methodology could downgrade some EPC ratings over time. There are currently four properties at Olsen Court Phase 1 without an EPC, and the Band D homes include the five bungalows at Kathleen Court; the remainder are apartments affected by adjacent internal mobility scooter storage areas.
- Our stock is predominantly electrically heated, with only a small number of schemes relying on gas. This includes:
  - Three extra care schemes with gas-fired communal heat networks and gas appliances within communal kitchens - Brick Kiln Place, Olsen Court and Worth Court. These communal systems represent the most significant areas of gas usage within our stock. Improving their efficiency and planning for long-term decarbonisation will be a priority, supported by the learning from our HNES-funded project at Brick Kiln Place.
  - We also have three smaller schemes with individual gas boilers, which will be considered within our gas reduction and replacement pathway in line with lifecycle replacement cycles:
    - Navigation Court – 8 rented, 4 leaseholder homes.
    - Almond House – 16 rented homes.
    - Olsen Court Phase 2 – 9 rented homes.
- Recent stock condition surveys confirm strong resident satisfaction with quality and safety.
- Our improved digital systems and new asset management framework enhance our readiness, noting an asset management review in 2025/26.

However:

- We have not progressed beyond maintaining our EPC position since 2021.
- There is currently no organisational carbon baseline.
- DHS2 environmental preparedness is emerging work.
- No formal climate adaptation assessment has yet taken place.

This strategy responds to these gaps with a realistic and proportionate plan.

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4. Our environmental vision

To provide and maintain safe, high-quality, energy-efficient homes that support the comfort, independence and wellbeing of residents — through practical, affordable and evidence-based environmental actions aligned with our social purpose and values.

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5. Strategic aims 2025–2028

Over the next three years we will:

- Maintain and prepare for EPC C across all homes by 2030 through fabric-first improvements and better data insight.
- Develop a clear and costed pathway for phasing out gas, aligned with lifecycle replacement cycles and learning from our HNES surveys at Brick Kiln Place, particularly relating to long-term replacement planning for communal heat networks.
- Strengthen organisational data and insight including EPC, carbon, stock performance and energy use.
- Improve resident comfort and health through no-regrets measures that reduce heat loss, improve ventilation and prevent damp/mould.
- Prepare for Decent Homes Standard 2 and climate change impacts by assessing overheating, drainage, grounds resilience and ventilation.
- Embed sustainable procurement and environmental value-for-money across major contracts and investment decisions.
- Promote resident engagement, accessibility and inclusion, ensuring environmental actions respond directly to resident feedback.
- Develop our approach to Sustainability Reporting Standards (SRS) and ESG reporting so we can benchmark performance, support future funding requirements, and prepare for greater external scrutiny—even if full ESG reporting is not delivered during the life of this strategy.
- Strengthen and enhance our green spaces and biodiversity, supporting resident wellbeing and climate resilience.

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6. Delivery themes and key actions (2025–2028)

A. Data, insight and readiness

We will strengthen our data and analytical foundation so decisions are evidence-based and proportionate.

- Complete an EPC audit across all homes during 2026/27.
- Integrate EPC and energy data into the Strategic Plan Dashboard during 2026/27.
- Establish carbon and energy baselines during 2027/28.
- Feed insights into the 2026 Asset Management Review and 30-year business plan.

B. Fabric-first, no-regrets improvements

We will focus on proven, cost-effective measures that improve comfort, reduce bills and support DHS2 compliance, including:

- Insulation improvements.
- Ventilation and draught-proofing.
- LED-only lighting in communal spaces.
- Heating control optimisation.
- Window/door sealing.
- Breathable, low-VOC finishes and materials aligned with our Damp & Mould Policy.

Where planned energy efficiency improvements require specialist assessment – such as insultation performance, ventilation balance, heating efficiency or moisture risk – we will seek external energy consultancy advice to ensure that any proposed measures are safe, sustainable and appropriate for our stock. This does not restrict our ability to carry out environmental upgrades, but ensures we take a proportionate, evidence-led approach where internal expertise requires additional support.

We will also ensure that, when properties become void, heating systems are configured to their most efficient and effective settings and are accompanied by clear, accessible guidance for incoming residents, supporting long-term energy efficiency and comfort from day one. This approach also supports compliance with emerging DHS2 expectations regarding thermal comfort and moisture management.

C. Gas reduction and replacement pathway

We will take a measured, lifecycle-based approach to reducing our reliance on gas.

- Commission a technical options appraisal for communal gas schemes, depending on the outcomes of Brick Kiln Place surveys.
- Explore hybrid systems, ambient heat networks, high-efficiency replacements and heat pumps when viable.
- Adopt lifecycle-driven replacement, avoiding premature investment.
- Apply learning from the HNES-funded works at Brick Kiln Place.

Our reliance on gas is concentrated within our three extra care schemes with gas-fired communal heat networks (Olsen Court Phase 1, Brick Kiln Place and Worth Court) and three smaller schemes with individual gas boilers (Navigation Court, Almond House and Olsen Court Phase 2). These systems will be assessed through our 2026/27 technical options appraisal, prioritising resident comfort, affordability, safety and long-term viability.

D. Climate adaptation and resident comfort

We will prepare our homes and communal areas for changing climate risks.

We will commission a climate risk review (2027/28) and develop a Climate Readiness Plan (2027/28) covering:

- Overheating mitigation (shading, blinds, reflective films).
- Ventilation improvements.
- Flood mitigation and permeable surfaces.
- Low-maintenance, climate-resilient planting.
- Peat-free compost as standard.
- Rainwater collection (where feasible).

Accessible overheating guidance will be produced, tailored for older and vulnerable residents.

E. Green space enhancements and biodiversity

Green spaces play a vital role in residents' wellbeing, community identity and climate resilience. Resident feedback has shown a clear interest in:

- Encouraging wildlife.
- Creating calmer, more sensory-rich outdoor spaces.
- Providing gentle gardening opportunities.
- Supporting pollinators.
- Increasing accessible outdoor seating and shaded spaces.

Over the life of this strategy, we will:

- Explore opportunities for hedgehog boxes, bird boxes, insect habitats and other low-maintenance wildlife supports.
- Explore options for additional shaded seating and accessible outdoor pathways where resident feedback identifies a need.
- Consider re-introducing wildflower planting only where it is practical and welcomed by residents, recognising previous mixed success.
- Use peat-free compost for planting and grounds maintenance.
- Explore expanding the use of rainwater collection for resident gardening and community planting.
- Support residents' ideas for enhancing green spaces, ensuring improvements are co-designed and reflect local preferences.
- Consider biodiversity and planting as part of climate adaptation work (2027/28), particularly around shade, heat, and flood resilience.

These actions will be developed proportionately and collaboratively, ensuring residents' views shape each scheme's approach.

F. Resident engagement and inclusive environmental support

Resident feedback has highlighted the importance of understanding heating and ventilation systems, particularly for older people who may find modern controls difficult to use. In response, we will introduce targeted support to help residents use their heating efficiently, safely and affordably.

We will:

1. Integrate environmental topics into scheme engagement plans

Co-designed with residents and tailored to older people's needs, preferences and lived experience.

2. Provide energy coaching and home comfort support

Light-touch guidance on heating controls, safe ventilation, humidity, fuel costs and staying warm or cool during extreme weather.

3. Ensure heating systems are optimised at each void

When a home becomes empty, we will ensure the heating system is set up to operate at its most efficient and appropriate settings. This will include:

- Resetting heating controls and thermostats to optimal positions.
- Checking or setting energy-efficiency modes and timings.
- Ensuring ventilation systems are operating correctly.
- Confirming all manuals and guidance are left in the property.

This action supports our aims around EPC performance, damp prevention, energy efficiency and resident comfort.

4. Provide clear, accessible heating and ventilation guidance for new residents

We will develop simple, high-contrast, step-by-step instructions tailored for older and vulnerable residents covering:

- How to use the heating system efficiently.
- How to balance warmth and ventilation.
- How to reduce condensation safely.
- Where to get support if they are unsure.

This guidance will be given at property handover, left in the home and available via our resident engagement channels.

5. Scheme "Comfort Champions" to support new and existing residents

Our voluntary Comfort Champions—developed through our resident engagement framework—will help neighbours understand:

- Heating and ventilation controls.
- Energy saving tips.
- Recycling clarity.

- Early identification of damp and mould issues.
- General home comfort techniques.

This approach supports community resilience, improves confidence and reduces avoidable service calls.

6. Humidity/temperature sensors (where appropriate)

Providing low-cost sensors to help residents recognise healthy humidity and temperature ranges, supporting Awaab's Law, damp prevention and energy efficiency.

7. Improve accessibility of communal recycling through partnership with local authorities

Residents have raised concerns about the accessibility of communal waste facilities, including:

- Heavy or difficult bin lids.
- Confusing or inconsistent colour systems.
- Challenges related to frailty, mobility or memory.
- Distance or physical access to bins.

We will work with a wider group of local authority partners—not only waste collection teams but also strategic enablers responsible for equality, accessibility, public health and age-friendly design. These partners may be better placed to influence policy and practice across waste services.

We will advocate for improvements such as:

- Lighter lids.
- High-contrast, dementia-friendly symbols.
- Consistent colour coding.
- Improved access routes.
- Resident involvement in signage design.

While recycling services are outside our direct control, we will act as an advocate and connector to ensure older and vulnerable residents can use communal recycling safely and equitably.

8. Electric Vehicle (EV) Charging in Communal Car Parks

Resident feedback at several schemes has highlighted increasing interest in electric vehicle (EV) charging facilities. A small number of residents currently own EVs, and demand is expected to rise gradually over the years ahead.

As our schemes range from 6–48 homes and many residents do not drive, the installation of EV charging infrastructure requires careful consideration to ensure fairness, affordability and accessibility.

During 2026/27 we will therefore explore, in consultation with residents and relevant partners:

- The viability and affordability of providing EV charging within communal car parks.
- The potential use of grant funding, including OZEV support.
- Appropriate cost-recovery models.
- How to ensure disabled and mobility parking priorities are not compromised.
- The wider equality considerations for residents who do not drive or who are not EV users.

Budget provision has been made for exploratory work at up to three schemes in 2025/26. No installation will proceed without a clear, resident-informed, practical and financially sustainable solution and delivery may therefore fall in 2025/26 or 2026/27.

G. Resources, waste and sustainable procurement

We will use our procurement and resource decisions to support environmental sustainability in a proportionate way.

Our Procurement Policy commits us to purchasing environmentally friendly materials and supporting suppliers with positive environmental practices. Building on this, we will:

- Reduce avoidable waste and eliminate unnecessary single-use plastics.
- Use recycled content materials, FSC-certified timber and low-VOC paints where appropriate.
- Prioritise breathable, damp-resilient materials in high-risk homes.
- Default to digital-first communication and use recycled-content paper when printing is required.
- Reuse office equipment where possible.

All environmental procurement decisions will align with value for money and proportionality.

H. Teams, agile working and reducing travel

We will reduce our organisational carbon footprint in ways that support staff wellbeing and service quality.

We will:

- Support agile and home working, reducing unnecessary travel.
- Encourage virtual meetings where appropriate, while balancing resident and colleague contact and safeguarding requirements.

- Prioritise local contractors and suppliers where possible to reduce travel-related emissions.
- Encourage car sharing for site visits where operationally safe.

We will also maintain our commitment to sourcing 100% renewable electricity for our communal energy contracts. Renewable energy will remain a default requirement in future procurement.

Residents have asked about opportunities for solar panels and on-site renewable energy generation. While this is not financially or technically viable within the next three years, we will:

- Keep under review opportunities for solar PV and on-site renewable energy generation.
- Monitor technological and market developments.
- Assess feasibility when undertaking major works.
- Include solar PV as part of future strategic options reviews.
- Consider potential funding or partnership opportunities.

No investment is planned during this strategy period, but we will maintain a watching brief.

I. Partnerships and sector collaboration

We will:

- Participate in sector networks to share learning and remain aligned with best practice for small associations.
- Work with councils, health partners and other agencies to reduce barriers for older and vulnerable residents and unlock future funding opportunities.

J. Governance and assurance

1. Environmental risk within the Board Assurance Framework (BAF)

We will review environmental and climate-related risks at least annually, covering:

- EPC and DHS2 compliance.
- Climate adaptation and extreme weather-related risks.
- Resident comfort, damp and ventilation.

2. Building safety alignment

Environmental improvements will only be implemented where they support — and never compromise — resident safety.

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7. How we measure success

Success will be monitored through:

- EPC trajectory and stock performance.
- Annual delivery of no-regrets measures.
- Climate Readiness Plan in place during 2027/2028.
- Improved comfort, ventilation and damp outcomes.
- Accessibility improvements to recycling and waste services.
- Sustainable procurement criteria embedded in tenders.
- Resident satisfaction relating to comfort, safety and communication.
- Annual BAF review and Board oversight.
- Progress against Sustainability Reporting Standard (SRS) indicators, where proportionate.

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8. Future outlook

We will maintain a watching brief on regulatory changes, sector guidance, funding opportunities, climate science and emerging technologies. This ensures we remain prepared to adopt proven, cost-effective solutions as they become viable, without taking premature or disproportionate risks.

Our approach will remain resident-first, financially responsible and grounded in evidence.

This Environmental Sustainability Strategy enables us to prepare for the future while remaining true to our social purpose, our values, and our commitment to providing homes that older and vulnerable people are proud to call home.