

# Sustainability strategy

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2020-25



**settle.**

## Purpose

settle exists to help people who are struggling to find a place to live. We help our customers to stay in their homes comfortably so that they can live the life they choose.

Creating sustainable homes and neighbourhoods is fundamental to that purpose. We will play our part in the national programme to decarbonise our economy, support residents in fuel poverty and invest in the green spaces within our neighbourhoods.

### What do we need to consider?

In order to achieve our purpose, we have identified the following key areas of focus in this sustainability strategy that will ensure we can meet our strategic ambition.

- 📍 Tackling fuel poverty amongst our residents.
- 📍 Investing in our existing homes and neighbourhoods with a specific focus on community-based approaches to sustainability.
- 📍 Creating sustainable new homes.
- 📍 Supporting the local economy and developing sustainable supply chains.
- 📍 Ensuring that our sustainability credentials act as an attractor for existing and future colleagues.
- 📍 Attractiveness for investors.

### Tackling fuel poverty

- 📍 The latest fuel poverty statistics for England released in April 2020 highlighted that 10.3% of households in England were classified as being in fuel poverty. This increases to 15.3% for households within social housing. We don't currently know the number of settle residents who are in fuel poverty but a key success criteria of the strategy would be to see a reduction in the number of residents in fuel poverty. The first step to demonstrating this is to understand our baseline position.
- 📍 Tackling fuel poverty will require residents to understand how they can heat their home efficiently and to also be provided with information around the potential fuel efficiency that improvements will bring. We will need to establish ways in which we engage with residents to share this information with them.

## Investing in our existing homes

- 📍 Even if we continue to develop 300 homes a year, our existing properties will continue to represent more than 50% of our stock in 2050. This demonstrates the importance of ensuring that there are appropriate levels of investment into our existing stock if we are to meet Government targets of net nil carbon by 2050.
- 📍 During 2020, we have improved the quality of baseline data. We know that our current carbon emissions total just under 20,000 tonnes which is broadly in line with similar-sized organisations. Approximately 90% of our emissions relate to our existing homes; underpinning the important role investing in our homes has in the implementation of this strategy.
- 📍 We know that approximately a third of our properties are at EPC rating of 'C' or above with the majority at Band D and E. We will be able to have a full understanding of our property base during 2021/22. This data will also support the production of investment plans to meet our targets.
- 📍 Investment in our existing homes isn't simply around the property itself but includes everything that makes up a home. Investing in the immediate environment, whether that be recycling facilities, green spaces or infrastructure to encourage cleaner forms of travel is also important to our customers.
- 📍 settle has a track record of using energy efficient technologies in our stock (e.g. underfloor heating, heat pumps and solar panels). Through the knowledge we have of our stock, we will continue to explore new technologies that will help customers to live in their home comfortably. However, it is important that as we invest in making our homes sustainable, we also ensure they remain easy to live in. We won't invest in technologies that are too complex for customers to use effectively.

## Creating sustainable new homes

- 📍 As a baseline, our new homes achieve EPC Band B as standard, meaning all our new homes are thermally efficient by design.
- 📍 Moving towards zero carbon means moving beyond energy in use, to making conscious choices around embodied carbon. Maintaining and growing customer satisfaction while onboarding these choices will be a test of our selection of emerging technologies.
- 📍 Our operating model values neighbourhoods and this has shaped the geography in which we have ambitions to grow.

## Supporting the local economy

- 📍 It's an exciting time for the local economy – Hertfordshire and Bedfordshire are planning for growth at a scale not seen in the last 20 years, supported by essential infrastructure across the Oxford to Cambridge arc. While this may bring opportunities of scale, we are keen to work with small and medium enterprises to support employment and investment as local town centres and business parks reimagine themselves in the post-pandemic economy.
- 📍 We know that key local authority partners recognise the economic and moral imperative of creating infrastructures that support a zero-carbon environment. Indeed, all local authorities in Hertfordshire and Bedfordshire where we have a stock presence have issued a 'climate emergency' that commits them to develop a clear funded programme to improve sustainability across the county. We will work with both the County and District Councils in ensuring that we maximise opportunities of working collaboratively.
- 📍 We rely on approximately 100 third parties to provide goods and services on our behalf. Therefore, it will be important to build contracts that ensure that we understand the carbon provenance of the impact these suppliers, and their supply chains, have in terms of carbon emissions and other sustainability measures. We don't yet have a granular level of detail across these contracts and this is an important piece of work to progress.

## Sustainability as an attractor

- 📍 settle is a value driven organisation. People are attracted to work for us for many reasons, but we know that our commitment to social purpose is a big attractor; our latest Great to Place to Work colleague survey saw a 97% engagement score for social purpose. Engagement is a key foundation of our approach to retention and becoming a sustainable organisation will become a big part of our social purpose.
- 📍 Recent studies have shown that people are increasingly looking to work for organisations with values that are important to them. As environmental sustainability is becoming an increasingly important issue for people, it makes sense that embedding this into the way we work will act as an attractor to potential new colleagues in the future.
- 📍 The People Strategy already contains a key theme around attraction, and we shall ensure that our message around becoming an environmentally sustainable organisation embeds into that piece of work.

## How will we achieve this?

### Creating sustainable new homes

Our short-term action plan (years 1 and 2 of this strategy) will transition our pipeline to comply with the Future Homes Standard. We will develop an agreed approach that:

- 📍 Prioritises the performance of the building's fabric first – thereby ensuring adaptability as improved technology is developed.
- 📍 Lowers energy in use and moves away from fossil fuels; instead optimising easy to use, on site energy generation, so reducing cost in use for customers.

During this period, we will work with our construction partners to undertake a carbon baselining assessment on embodied carbon and carbon used in construction. This will enable us to bring forward recommendations on developing zero carbon homes. We recognise that the supply chain of renewable and low carbon technologies will be developing as we grow. Our priority will be holding true to our purpose: making decisions led by customer comfort in use.

Alongside low carbon homes, core connectivity will be hard wired into our neighbourhoods. We will:

- 📍 Design our open spaces to deliver bio-diversity net gain and places that make us proud of the principles behind our garden city heritage.
- 📍 Ensure key infrastructure is developed alongside our homes, including electrical vehicle charging and digital communications technology.
- 📍 Build in accessible places.

### **Investing in our existing homes**

- 📍 Develop a multi-year investment plan to ensure that our properties meet EPC Band C by 2025. Our ambition is that by 2030, 1/4 of our properties are at EPC Band B or higher but crucially that there has been a significant reduction in their carbon emission. We will firm up on the scale of that target reduction during 2021/22.
- 📍 Invest in technologies that provide insight and data on the sustainable performance of our homes to support a more proactive approach to sustainable asset management. We will take a test and learn approach, using pilots to see what works for our homes and residents.
- 📍 All of our residents will have access to a comprehensive recycling facility within their neighbourhood.
- 📍 Through our Neighbourhood Model, we will work with our customers to invest in our green spaces and ecology to improve the experiences of living in a 'settle neighbourhood'.
- 📍 Invest in infrastructure that supports our residents to live a more sustainable life through, for example, improved accessibility to greener travel.

### **Supporting the local economy**

#### **We will:**

- 📍 Work with key stakeholders to ensure that our neighbourhoods benefit from the post-pandemic green economic recovery.
- 📍 Work with our local authority partners in achieving their sustainability targets.
- 📍 Actively seek to provide apprenticeships and other employment opportunities in new sustainable technologies.
- 📍 Ensure that our supply chains meet clearly defined carbon emission targets through understanding the carbon provenance of our supplies (where they were made, how they are made, and how they are transported to us).

## Tackling fuel poverty

### We will:

- 📍 Know how many residents experience fuel poverty and set clear targets to reduce that number.
- 📍 Switch our energy contracts to low cost and green energy sources.
- 📍 Provide sustainable technologies that are simple to use and that enable residents to maximise the benefits from.
- 📍 Provide training and support for residents to support their more efficient use of energy.

## Sustainability as an attractor

### We will:

- 📍 Embed our sustainability work programme into the settle playbook which is the key tool for how we attract people into the organisation to describe settle's key differentiators.
- 📍 Be inclusive; seeking to involve colleagues from across the organisation.
- 📍 Create stories and make small scale changes that demonstrate settle as a sustainable organisation.
- 📍 Extend settle's flexible benefits offering to incentivise sustainable outcomes such as car sharing and other sustainable forms of transportation.
- 📍 Gain our first SHIFT accreditation and aim for Gold accreditation by 2025.
- 📍 Report our performance against The Good Economy's ESG standard on an annual basis.

## How will we measure success?

We will measure the success of the sustainability strategy if by 2024 we have achieved our overall corporate strategy. The following measures will be indicative of this success.

- 📍 Reduce the number of residents in fuel poverty with a clear target in place during 2021/22.
- 📍 New homes are built to Future Homes Standard from 2024.
- 📍 There will be a significant reduction in carbon emissions from our homes with a clear target for 2024/25 in place during 2021/22.
- 📍 All of our existing properties will be EPC rated C by 2025.
- 📍 Our ambition will be to move towards 1/3 of our existing properties being EPC Band B by 2030.
- 📍 All residents will have access to a recycling facility by 2025.
- 📍 Reduce our overall carbon emissions by 2025 with a clear target in place during 2021/22.
- 📍 We will make our Head Office carbon neutral by 2025.
- 📍 Our vehicle fleet will be 20% electric by 2025.
- 📍 By 2025, 25% of all giving back days will provide a positive sustainability outcome.
- 📍 By 2025, we will have a SHIFT Gold accreditation.

As we gain more data, our success measures may grow and/or adapt, particularly following our wider SHIFT review. This will enable us to set wider targets around green spaces, water efficiency and waste. Delivery of our strategy will be monitored through annual work programmes; the first one will be a 13-month work programme from 1st March 2021 through to 1st April 2022.

## Value for money

This offering is dependent on the financial capability of the organisation, all associated costs and investment needs to remain within the financial constraints of the business. Large scale investments into our existing stock will require effective procurement strategies to ensure we get value for money outcomes. This may require working with other organisations to develop framework contracts that create economies of scale.

Where we try new technologies, we will be agile but also ensure that we understand what our intended outcomes are. We will monitor how we deliver against these outcomes to ensure that we are realising our intended benefits.