

Caredig Sustainability Strategy

2022-2030



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Foreword

Marcia Sinfield, Chief Executive, Caredig

I am delighted to present Caredig's Sustainability Strategy, which outlines how the organisation will reduce its carbon footprint and address the challenge of climate change over the next 5-10 years.

Sustainability has moved from being a separate strategic objective to being why we are here. We recognise that as a Registered Social Landlord, we sustain people in affordable homes, sustain communities and help them to thrive and are guardians of intergenerational homes, ensuring they are resilient to the impacts of climate change. We are about to embark on a refresh of our strategic vision, and sustainability will be a common thread as we set out why we are here. On this basis, our Vision is:

Vision: To provide high-standard, energy-efficient, affordable housing, significantly reducing our carbon emissions, achieving EPC C mid-point, by 2030.

We know that acting now will not only illustrate our commitment but also make sure the organisation can adapt to a climate-changed future, as well as avoid any climate-related risks that could impact the way we operate, the quality of service we provide, or the livelihoods of our tenants. In addition to reducing our carbon footprint, we envisage that implementing the actions identified will also

- Help alleviate fuel poverty,
- Help improve homes to need to use less energy,
- Help transition homes to clean energy,
- relieve the strain on health and social care services, particularly in winter,
- Create new industries and potential for skills development and jobs in the areas that we operate.

We support the vision of the Future Generations Commissioner that Wales' vision for decarbonising residential buildings will "help people live in ways that are good for them now and for future generations"¹.

We see this strategy as a live document and will continue to review and monitor our progress against the actions we have set out to deliver. We hope that with a strategy in place to address the impacts of climate change, we not only deliver organisational benefits, but can also contribute towards achieving Wales' commitment to providing a better quality of life for current and future generations.

I would like to thank the Board, staff and tenants, all of whom have contributed to the development of this strategy. We recognise that we play a fundamental role in sustaining

¹ [42949 Second All Wales Low Carbon Delivery Plan \(2021-2025\) \(gov.wales\)](https://gov.wales/42949/second-all-wales-low-carbon-delivery-plan-2021-2025)

people, communities and the planet. The challenges ahead are significant, but we will continue to work with our partners to deliver this strategy through our actions and commitments.



Marcia Sinfield

Marcia Sinfield

Notable Achievements Since 2019:

- **March 2019** - 2019-2024 Business Plan published with a clear objective to reduce our carbon footprint and increase environmental sustainability
- **January 2020** - Caredig joins the Carbon Literacy Cartrefi Cymru consortium (CLCC), and rolls out training to a pilot group of staff with an aim to extend the programme in the future.
- **February 2020** - The findings from Chris Joffe's "Better Homes Better Wales" report were presented to Board members.
- **October 2020** - The Development and Asset Committee agreed on a way to drive this agenda forward, agreeing to seek collaboration with external partners and mandating this as part of the Committee meeting
- **October 2020** - Joined the Sero optimised retrofit consortium
- **December 2020** - The Board adopts the Sustainability Principles that identify priority areas to address as part of the organisation's sustainability strategy
- **January 2021** - Caredig receives funding as part of the Optimised Retrofit Programme (ORP) to retrofit existing homes and to help grow local supply chains
- **March 2021** - Caredig completes installation of solar panels with battery storage in 60 homes and receives second award for Welsh Government Optimised Retrofit Programme (ORP 2.1 & 2.2).
- **September 2021** - 9 New homes in Treboeth, Swansea, developed to EPC A standard in partnership with Castell Group Ltd.
- **October 2021** - New homes in Treboeth, Swansea, developed to EPC A standard in partnership with Castell Group Ltd².
- **March 2022** - Caredig completes installation of solar panels with battery storage in 30 homes and installs 20 External Wall Insulation systems and receives third award for Welsh Government Optimised Retrofit Programme (ORP 3.1).
- **October 2023 WHQS revised edition released** - Caredig reviews its strategy and plans how to deliver SAP75 by 2030 through the continued application of ORP grant funding.
- **March 2023** - Caredig completes installation of solar panels with battery storage in 160 Homes and receives fourth award for Welsh Government Optimised Retrofit Programme (ORP 3.2).
- **October 2023** - 27 New homes in Llansamlet, Swansea, developed to EPC A standard in partnership with Castell Group Ltd.
- **March 2024** - Caredig completes installation of solar panels with battery storage in 158 homes and External Wall Insulation in 12 homes and receives fifth award for Welsh Government Optimised Retrofit Programme (ORP 3.3).
- **March 2025** - Caredig completes installation of External Wall Insulation with solar panels in 17 homes, Solar panels only in 90 homes and Air Source Heat pumps in 12 homes and receives sixth award for Welsh Government Optimised Retrofit Programme (ORP3.4).
- **May 2025** - 11 New homes in Penllegaer, Swansea, developed to EPC A standard in partnership with Persimmon Homes.
- **May 2025** - 1 New home in Penllegaer, Swansea, developed to EPC A standard in partnership with Barratt Homes.

² [Caredig Association turns to solar to tackle carbon footprint and fuel poverty \(fha-wales.com\)](https://fha-wales.com)

- **2025/26** - Caredig programmes insulation of PV in 148 homes and applies for additional grant to install PV in a further 39 homes.

Executive Summary

This strategy sets out Caredig's sustainability strategy until 2030, detailing our methodology for linking work to our vision, Caredig objectives, and other linked strategies. This strategy will be reviewed on a 3-year cycle to sense check its relevance and progress, along with its ability to be deliverable.

It will remain flexible to be able to react to legislative changes, tenant and community needs, capacity, and funding opportunities.

The strategy has been developed to create the Caredig standard with reference to the Welsh Government's policies, priorities, and standards. Today, tenants face real affordability challenges, and our plans in line with WHQS 2 will focus our efforts to support tenants in their homes by delivering sustainable decarbonisation improvements that make homes cheaper to run and by creating healthier environments to live in. On this basis, our Vision is:

Vision: To provide high-standard, energy-efficient, affordable housing, significantly reducing our carbon emissions, achieving EPC C mid-point, by 2030.

Financial challenges will restrict the pace and flow of the improvement work. Caredig will look and lobby for continued and additional funding from the Welsh Government and other external agencies wherever possible to deliver more sooner.

Caredig will work within the Welsh Government Rent Standard to charge rents and service charges on these homes, which are both affordable and generate sufficient income to provide homes where people feel safe and secure. We will work with the sector to lobby the Welsh Government to provide a clearer link between affordable rent and affordable warmth.

Nationally, sector-wide demand for decarbonisation services is increasing at the same time, which means that specialist consultants, services, and labour are in short supply. This is driving up costs and slowing down the pace. Caredig have reflected this in carefully considered and prioritised programmes of delivery in this area to meet WHQS 2's requirement to meet SAP75 by 2030.

Over the medium and longer term, housing demand is likely to change, and Caredig will plan to reflect this in its development of new homes and the repurposing of existing assets. There is a clear demand for more affordable homes, and Caredig develops new homes to EPC A, reducing the energy needed to run a home, benefiting the tenants and the wider community through carbon reduction.

The financial climate plays an important role for both tenants and Caredig, with post-pandemic inflation having a lasting effect on the cost of delivering all work due to the price of labour and materials. This has been further impacted by the current and ongoing cost-of-living crisis, which impacts both tenants and the operation of Caredig’s services.

This Asset Management Strategy is founded on: Caredig’s overarching vision, **‘Together we proudly create great places to live and work’**. Through working together and consulting with tenants and residents about the sustainability of their homes and the programmes of work that we deliver, we aim to reduce our carbon footprint and the cost of running a home.

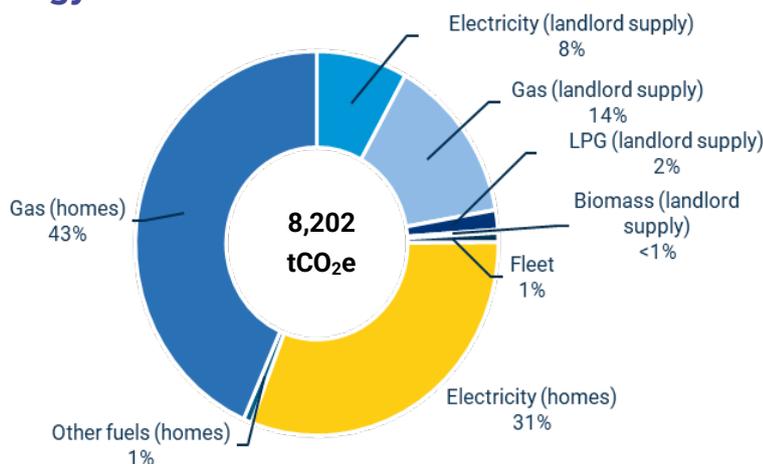
The Sustainability Challenge

The Climate Emergency presents a multi-faceted problem for Caredig and our tenants. Whilst what is needed is a rapid transition towards a net-zero economy in Wales, there is a need for fairness and to ensure that the most vulnerable are not left behind. The funding required to decarbonise our homes is considerable. However, amongst our Board, Staff, Partners and Tenants, there is a growing understanding of the need to change and a will, and momentum to reduce our carbon footprint and work sustainably. WHQS 2 was established in October 2023 and requires our homes to meet SAP75 by 2030 and for us to have aspirations to go beyond and reach EPCA in due course. Achieving EPCA is practically unachievable for most of our homes due to cost and practical physical constraints with currently available technologies and building methods.

The single biggest challenge for Caredig’s carbon footprint is that most of the carbon produced is from energy consumed within and around the home, with gas being the largest contributor.

However, it is not simply a matter of switching from gas to electricity to reduce carbon output, as the wider picture needs to consider reducing the overall usage of energy as well as transitioning to clean energy. Our decarbonisation plans to get our homes to SAP75 by 2030, in line with the Welsh Government’s targets, will improve the energy efficiency of homes, driving down energy use and therefore reducing our carbon footprint. Without a move away from fossil fuels, the balance of energy use measured in 2019 has not changed much; however, the decarbonisation of homes measured in conjunction with the target energy pathway has improved the energy efficiency of tenants’ homes, supporting lower energy usage and therefore reducing the carbon footprint of Caredig’s portfolio of homes.

Balance of energy use and tonnes of CO₂e emissions at 2019:



As decarbonisation of existing homes progresses and as we build more new homes rated at EPCA, the balance of EPC & SAP will change, and the overall carbon footprint of these homes will change and potentially grow as the stock numbers rise; this needs to be factored into any future carbon reduction targets.

We as a country have also reached a tipping point where renewable energy production has exceeded energy produced by fossil fuels, contributing to net zero for all energy used.

EPC & SAP movement between 2019 & 2025 (2025 figures excluding leased homes):

EPC	SAP	No's 2019	% 2019	No`s 2025	% 2025
A	92-100	9	0.30	347	12.51
B	81-91	343	12.00	377	13.60
C+	75-80			1057	38.12
C-	69-74	2070	72.50	852	30.72
D	55-68	397	13.90	137	4.94
E	39-54	31	1.10	3	0.11
F	21-38	6	0.20	0	0.00
G	1-20			0	0.00
	Total:	2856		2773	

Sustainability Strategy At a Glance

Vision: To provide high-standard, energy-efficient, affordable housing, significantly reducing our carbon emissions, achieving EPC C mid-point, by 2030.

Operations	Governance	Financial and Strategic Planning	Engagement & Collaboration	Monitoring & Reporting
<p>Sustainability Working Group targeting behavioural change at our offices.</p> <p>Consider the costs and feasibility of shifting to a hybrid van fleet for vehicles purchased after 2030. Pilot use of 2 Hybrid/or electric vans and evaluate outcomes and necessary adaptations</p>	<p>Improve Board visibility and oversight of progress against principles set out in the Sustainability Strategy.</p> <p>Integrate sustainability principles into strategic decision-making.</p> <p>Reflect sustainability principles in the Development and</p>	<p>We align capital investment programmes with the retrofit plan on an annual basis in line with our ORP grant-funded decarbonisation plan.</p> <p>Consider life cycle emissions as an additional metric during project appraisal alongside typical financial</p>	<p>Engage with tenants relating to the strategy for sustainability and climate change, specifically around improving the energy efficiency of their homes.</p> <p>Consider ways to raise tenant awareness of climate-related issues and how they can</p>	<p>Report publicly against key ESG metrics.</p> <p>Report internally on KPIs to increase the Board’s awareness and accountability for sustainability.</p> <p>Measure targets to demonstrate our commitment to decarbonisation.</p>

<p>to ways of working prior to purchasing an all-electric fleet.</p> <p>Offer basic training and/or incentives for more economical ways of driving.</p> <p>Analyse data to improve the efficiency of work planning and reduce the length of journey time and fuel used, measuring miles per repair.</p> <p>Design and release a survey to better understand how agile working continues to change and impact office and home working.</p>	<p>Asset Management Strategies.</p> <p>Engage with tenants and external stakeholders where appropriate and possible to support sustainability principles in the work we do in homes.</p> <p>Ensure that our Sustainability Vision is complementary to the corporate vision.</p>	<p>metrics such as investment costs and payback periods.</p> <p>Appreciate the length of financial and strategic planning cycles and consider how the sustainability strategy will be integrated into existing planning cycles, along with WHQS23 targets.</p> <p>Consider climate-related risks as part of the risk mapping and assessment process.</p>	<p>adapt to/affect potential impacts.</p> <p>Measure emissions from procurement to better understand the impact of procured goods and services and explore ways of engaging suppliers and contractors to reduce emissions from this source.</p> <p>Address the current maintenance and low-carbon technology skills gap by building local partnerships.</p> <p>Gain funders' support for decarbonisation through continued carve-out.</p> <p>Collaborate with other RSLs and work towards a standardised, more efficient offering.</p>	<p>Ensure that the carbon footprint accurately reflects all the organisation's emission sources.</p>
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			Encourage cross-collaboration internally on sustainability issues.	
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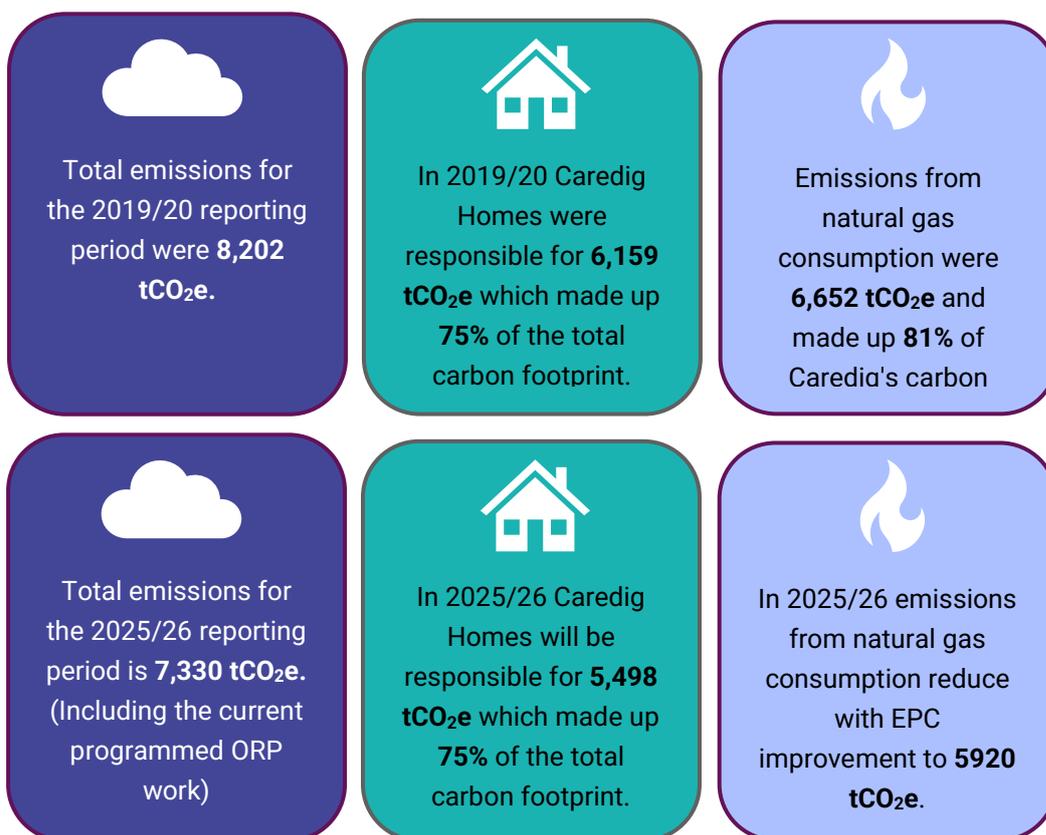
The Sustainability Challenge

Caredig's Carbon Footprint 2019/26

Caredig's carbon footprint **was 8,202 tCO₂e (2019-20)**. 75% of our emissions are from our existing homes, and 81% of emissions are from burning natural gas. As we near the end of 2025/26, this will be **7,330 tCO₂e 2025/26, demonstrating a shift of c11% which has largely been due to continued decarbonisation of our tenants' homes and communal spaces**. A key challenge will be deciding how to move away from natural gas for heating Caredig's homes. Improved infrastructure and lower costs of electricity, combined with lower energy use per home, as well as tenant engagement, will be very important for this to be successful.

We engaged the Carbon Trust to measure our Carbon footprint for the financial year 2019/20. The top emitting activities were:

- Emissions from energy used in Homes (75%)
- Emissions from energy used in corporate facilities and communal areas (22%)
- Emissions from the vehicle fleet (1%)



Business as usual emissions

We have estimated what would happen to our carbon footprint should we continue acting as we are, and considered our new build programme and the electricity grid decarbonising in line with projections. This would see us decrease our emissions by approximately 14% by 2025, and 27% by 2030. The 2025/26 figure following the current ORP programme is 7,330 at c11%, a little bit short of the target set in 2019.

	2019	2021	2025	2030
Emissions (tCO ₂ e)	8,201	7,649	7,039	6,006
% reduction forecasted in 2019	-	7%	14%	27%
% reduction forecasted in 2025	-	-	11%	25%

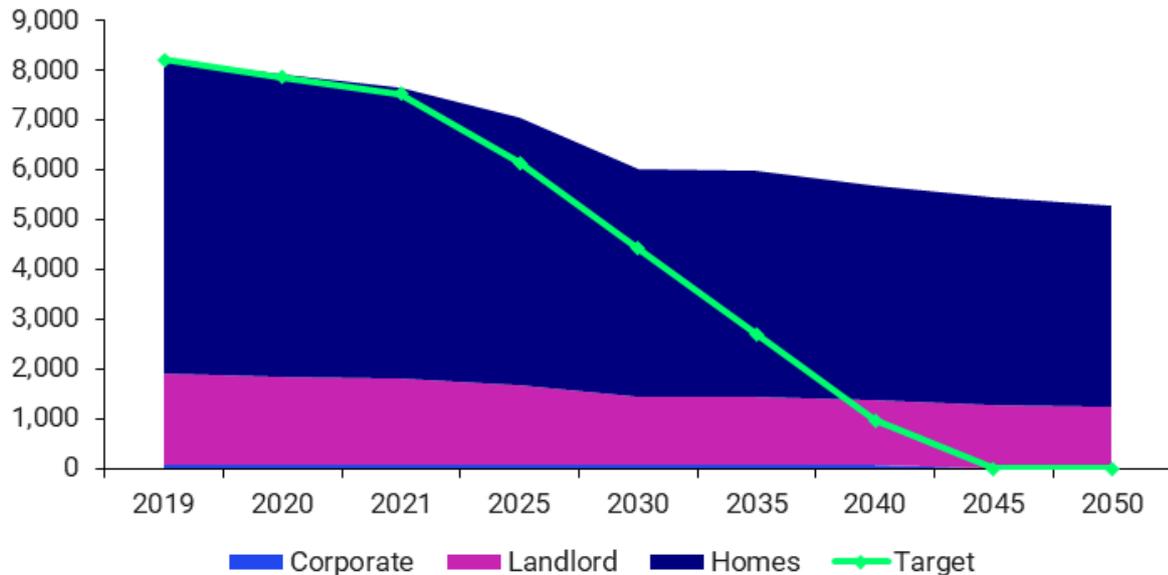
Figure 1

Business as usual reductions.

Our Target

We have set our target in line with the Paris protocol, which is to reduce our emissions from corporate activities and homes by 25% (2,067 tCO₂e) by 2025 and by 46% (3,789 tCO₂e) by 2030 compared to a 2019 baseline. This is roughly equivalent to taking 1,800 cars off the road for 1 year or halving annual energy consumption across 2,600 homes. Grant funding is essential for us to achieve these figures, as business as usual will not achieve these targets. Other risk areas may influence work prioritisation, including fire safety and capital programme backlogs.

Business as usual emissions compared to 1.5°C target



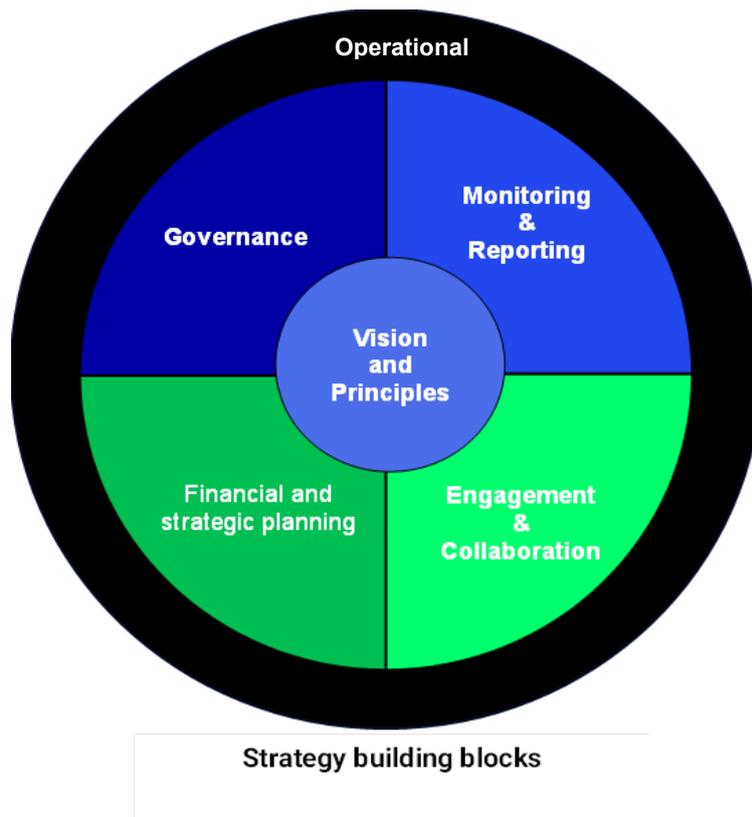
A Business-as-usual approach to decarbonisation is not enough to limit global warming to 1.5°C. To achieve this, Caredig will need to reduce its emissions from its corporate activities and homes by 25% (2,067 tCO₂e) in 2025 and by 46% (3,789 tCO₂e) in 2030 compared to a 2019 baseline. This is roughly equivalent to taking 1,800 cars off the road for 1 year.

As our homes account for 75% of Caredig's carbon emissions, we need to take further steps to reduce these emissions. All new homes that we build will meet EPC A and will not use fossil fuels. For refurbished homes, we will aim for EPC A but will not discount EPC B schemes. We have begun to retrofit homes rated below SAP75 EPC C mid-point, funded by the Welsh Government's Optimised Retrofit programme and our own funds. Mindful of continuing and deepening fuel poverty, we are only carrying out works which will have a beneficial or zero impact on tenants' utility bills. We intend that this will be a key pillar of future work. We estimate that it will cost circa £40M to decarbonise our homes, so the extent to which we can continue with this work is dependent on continued funding. We are developing an Asset Management strategy which will have a retrofit plan for our homes whilst taking a staged approach.

Sustainability Strategy

Development of Strategy Framework

After measuring our Carbon Footprint, we were equipped with a better understanding of the challenge at hand and our own carbon emissions, we organised two engagement workshops with stakeholders to develop a sustainability vision for the future and discussed what factors would make a future strategy successful. Discussions at the workshops and the development of our strategy was centred around the 4 key building blocks which were: Governance, Financial and strategic planning, Engagement & Collaboration, Monitoring and reporting. Operational actions were also identified at the workshops, and they have been included in an action plan.



Once a blueprint for a strategy had been defined, we discussed specific measures to reduce emissions in the short- and medium-term. This strategy report takes this feedback and outlines a plan that describes how sustainability will be governed, how progress will be reported, how we will effectively engage with our partners to drive action and finally, what we can do now as an organisation to reduce impacts from our direct operations and homes.

Carbon impact factors, where available for different actions, will append this strategy. This will be an ongoing resource for managers to use when developing business cases for specific projects. The benefit of this approach is that the defined business case details will result in carbon and cost estimates that are sufficiently accurate to be tracked against the carbon target.

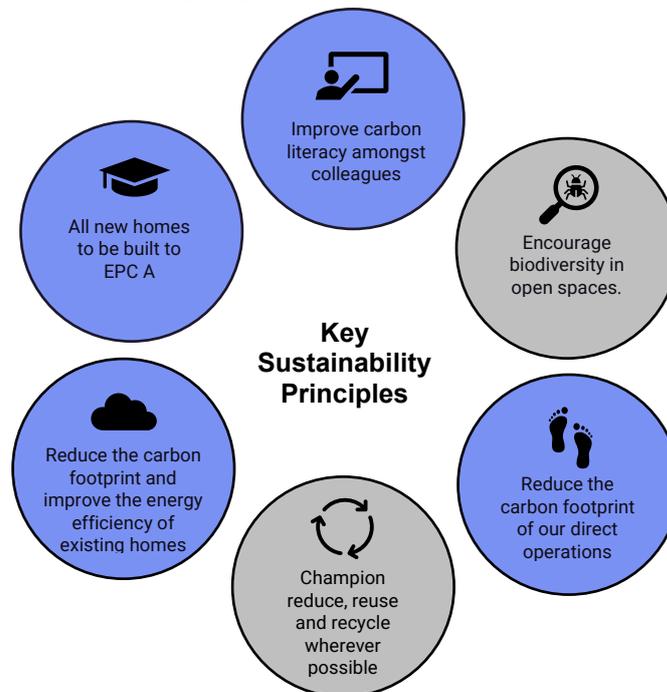
The Action Plan and the shared recommendations for measures that can be taken to establish a strategic framework for sustainability at Caredig.

Our Vision

To provide high-standard, energy-efficient, affordable housing, significantly reducing our carbon emissions, achieving EPC C mid-point, by 2030.

As part of our corporate plan, we committed to a 4-step plan to achieve “zero carbon”³, as well as key principles to help us effectively implement sustainability across the business and work towards our vision.

Our vision for Caredig is dependent on identifying and responding to the potential impacts of climate change. For example, to make a “positive difference to the lives of tenants, staff and communities” means to provide services and developments that are climate-proof, that uphold decent living standards for all, and protect vulnerable communities from economic or financial impacts of climate change. The vision also recognises the importance of creating a circular economy, supporting local supply chains and creating a regenerative economy that self-sustains, whilst minimising extraction from the environment. We identified 6 key principles to support our sustainability objectives. This strategy focuses on decarbonisation and, as such, addresses the key principles highlighted below.



There is a focus on both action and education. We utilise these principles when making decisions about our business and the impact of making decisions on the environment. We recognise that we cannot achieve our ambition on our own, and it will require collaboration with partners, staff and tenants.

³ Caredig's Annual Report 2019/20. [Annual-Report-and-Financial-Statements-19_20.pdf \(caredig.co.uk\)](#)

This strategy links with our Asset Management, Development and Procurement Strategies.

We asked stakeholders what they felt Caredig's future looked like through the lens of environmental sustainability, and the results are shared below. The workshop provided a good start for understanding how stakeholders viewed the organisation's future through the lens of environmental sustainability, and the priorities that would make the organisation successful:

- Collaboration with partners and tenants
- Developing a decarbonisation plan and taking a staged approach to decarbonisation
- Having realistic ambition
- Safeguarding the well-being of future generations

We recognise that it is important for our strategy to support the commitments and targets being set at the council and regional level, and we will consider this as we work towards our own vision and complementary targets.

Governance

We recognise that having a clear governance structure for managing sustainability and climate-related issues that spans all levels of the organisation is key to ensuring that climate-related risks and opportunities are considered when strategic and financial decisions are being made.

Board-level responsibility for overseeing the implementation of the Sustainability strategy will be held by the Development and Asset Management Committee. The Committee reports to the Board on a regular basis.

The Head of Assets and Compliance will have management-level responsibility for delivering on the sustainability strategy. They will lead a Steering Group which will be a cross-organisational group of colleagues responsible for implementing the actions identified as part of the strategy, and responsible for day-to-day delivery. Tenant involvement is also crucial to the success of the strategy, and tenants will be consulted on how they would like to be involved and how best to integrate them into the proposed governance structure. Our Governance Action Plan is in Appendix 1

Financial and Strategic Planning

We need to ensure that we are taking a forward-looking approach to assessing the strategic implications of climate-risk and sustainability and are able to respond to opportunities. In 2017, the Task Force on Climate-related Financial Disclosures (TCFD) released guidance to encourage the integration of climate-related risk into strategic and financial decision-making, and to provide a consistent approach for disclosure in

Annual Reports⁴. The Action Plan outlines recommendations that are related to forward-looking planning, and how climate-related risks and opportunities can be integrated into planning processes to ensure they reflect preparedness and resilience to succeed in a climate-changed future.

We recognise the need to assess and recognise climate-related risks as part of our risk management process. Failure to do so would leave us open to the negative financial impacts associated with extreme weather-related events and unprepared for changes to policy and regulation as the UK transitions to a net-zero economy. We are moving towards Environmental, Social, and Governance (ESG) reporting and lenders requiring ESG targets. Funding the retrofit of our homes will be extremely challenging.

We need to identify and assess the potential impacts of climate-related/sustainability risk and how to manage them. Our Financial and Strategic Action Plan is in Appendix 2

Monitoring and Reporting

We recognise the need to have a monitoring and reporting process in place to ensure that we track and monitor progress. We will put in place:

- **Methodology** - Ensuring there is a clear methodology agreed for emissions calculation for each source, and that any estimation methods chosen accurately represent the characteristics of the source category.
- **Data** - Identifying data owners and ensuring that quality data is available for included emissions sources.
- **Processes** - Identifying a team responsible for the collection and review of data used for the inventory, integrating this into existing organisational processes.
- **Documentation** - Developing a comprehensive blueprint for reporting the inventory each year aligned to best practice, which will ensure credibility and consistency in future reporting years.

Our carbon footprint is a starting point from which emissions can now be monitored, or progress against a defined target of KPI can be tracked. To ensure that we can monitor and report on our progress and that the information is as accurate and informative as possible, we have developed an action plan, which is in Appendix 3.

Engagement and Collaboration

We recognise the need to engage with staff across the organisation to ensure that we drive action forward and develop internal capability and knowledge of sustainability issues.

We are well-placed as an organisation to collaborate with key stakeholders. We are already working with Welsh Government Community Housing Cymru, 4TheRegion,

⁴Implementing the TCFD recommendations. [2021-TCFD-Implementing_Guidance.pdf \(bbhub.io\)](https://www.bbhub.io/resources/publications/media/low-carbon-asset-management/2021-TCFD-Implementing-Guidance.pdf)

other Housing Associations, Contractors and members of the Sero consortium. We will develop an engagement strategy for sustainability and climate change. Our Engagement and Collaboration Action Plan is in Appendix 4

Operations

Existing Homes

Our homes account for 75% of our emissions, and therefore, decarbonising them is key to us achieving our target. Tenants are key. No programme can be effective without the support of tenants, we will ensure that Tenants understand why we are carrying out the works and that they understand how to maximise the benefits. To decarbonise existing homes effectively, we will employ a “whole-building” and “whole-system” approach wherever possible⁵. This starts with building up a robust evidence base for successful, whole-house approaches to retrofit. To do this, we will undertake whole-home surveys. We will then undertake optimised retrofit, i.e. undertaking the right measures at the right time. We want to reduce fuel poverty, and our aim is that Tenants will not have to pay any more for their fuel than before we commenced retrofitting.

So far, 28 homes have had solar PV panels with battery storage installed. Appendix 5 outlines our action plan for existing homes and the need to develop a Retrofit Plan alongside an Asset Management Strategy.

New Build Homes

All newly constructed homes will be built to EPC A and will comply with the Welsh Government's ambition to build beautiful homes in beautiful places. For refurbished homes, we will aim for EPC A but will not discount schemes which achieve EPC B. They will be powered with non-fossil fuels and, wherever possible, adopt a fabric-first approach. We will continue to carry out lessons learnt from new build and implement any findings in future developments. Appendix 6 outlines our plans for new build homes.

Direct Operations and Offices

We have developed a Sustainability Working Group to identify ways of working to reduce energy consumption throughout our premises. Our new offices will be designed to minimise our carbon footprint. Hybrid working allows our staff and partners to work from their homes or offices nearby. We will complete a financial, practical and environmental assessment on shifting our fleet from diesel to hybrid or electric fuel. Our Procurement Framework will evolve to place greater emphasis on

⁵ [Heat and buildings strategy \(publishing.service.gov.uk\)](https://publishing.service.gov.uk)

circular and foundational economic principles, community benefit and sustainability. Appendix 7 outlines our plans for our Operations and Office sites

Appendices

Appendix 1 Governance Action Plan

Ref	Action	Description	Immediate next step(s)
G1	Improve Board visibility and oversight of progress against principles set out in the sustainability strategy.	Consider how updates related to organisational sustainability can be made more transparent for the Board. For example, mandating regular reporting or airtime for representatives to present at Board meetings.	Progress against KPI's will be reported to the Board through the Development and Asset Management Committee.
G2	Integrate sustainability principles into strategic decision-making.	The importance of integrating sustainability objectives into strategic decision-making has been recognised at the Board level following discussions.	When redesigning the cover sheet for Board papers, it is suggested that the impact on the environment be featured. This will ensure that impacts have been considered.
G3	Review the Development Strategy and ensure that the new Asset Management Strategy reflects the principles in the sustainability strategy.		<p>The Asset Management Strategy is in the process of being developed and was adopted in 2022/23.</p> <p>Currently being reviewed - October 2025.</p>
G4	Consider the role of tenants and external stakeholders in the Steering Group	It is important that tenants and key external stakeholders are consulted during the decision-making process. Involving stakeholders also makes them more likely to be successful and beneficial for all.	Use the mechanisms in our Tenant Involvement Strategy to continue to engage with Tenants to support carbon literacy.
	Develop a Sustainability Vision complementary to the new corporate vision.	It is important that Tenants, staff and stakeholders are clear about what we want to achieve	Ensure that this is incorporated into the consultation and development of the new vision.

Appendix 2 Financial and Strategic Planning Action Plan

Ref	Action	Description	Immediate next step(s)
FSP1	Align capital investment programmes with the Retrofit Plan once it has been developed, specifically the planned investment programme and asset management strategy.	As retrofit is likely to require a significant investment in the future, the costs of retrofitting homes and other buildings need to be reviewed in the context of existing planned maintenance and investment programmes. Identifying the shortfall will be a key part of seeking funds (public, private, other revenue streams), or exploring alternative business models.	Ensure that the retrofit plan is developed and that funding continues to be secured through a review of lifespan, the planned investment programme and ORP grant funding.
FSP2	Consider life cycle emissions as an additional metric during project appraisal alongside typical financial metrics such as investment costs and payback periods.	For other projects, emissions metrics should be considered during appraisal alongside more traditional metrics such as investment and payback.	Measure and record life cycle carbon or environmental metrics when developing new homes and as part of future procurement processes.
FSP3	Appreciate the length of financial and strategic planning cycles and consider how the sustainability strategy will be integrated into existing planning cycles.	<p>A significant element of our sustainability strategy will be the development of a Retrofit Plan that outlines how we will decarbonise homes in the next 5-10 years. Financial planning cycles are 30 years, but key areas of planning where this plan needs to be considered are in annual budgets and the medium-term, 5-year financial plan.</p> <p>It's also important to consider how the decarbonisation plan will interact and feed into the organisation's corporate</p>	<p>Integrate the Retrofit Plan and Sustainability Strategy into annual and 5-year financial plans.</p> <p>Continue reviewing the sustainability strategy and retrofit plan with other key strategic and financial planning processes.</p>

		plan, which is prepared every 5 years.
FSP4	Consider climate-related risks as part of the risk mapping and assessment process.	Ensure that the Risk Management Framework identifies Climate Risks.

Appendix 3: Monitoring and Reporting Action Plan

Ref	Feedback from stakeholders	Action	Current actions and next steps
MR1	Report publicly against key ESG metrics.	Using a consistent, recognised reporting framework could unlock future investment opportunities and position the organisation as a leader in the area. It also illustrates the organisation’s commitment to sustainability to external partners.	<p>Publish our carbon footprint in our Annual Report and increase visibility of our work.</p> <p>Agree on the KPI’s that the Association will report against using the Sustainability Reporting for Social Housing framework (ESG Social Housing - Building a sector standard approach to ESG reporting.)</p>
MR2	Agree on KPIs to increase the Board’s accountability for sustainability.	Integrate an agreed set of sustainability metrics alongside financial metrics into the annual report and accounts. These could be KPIs that monitor emissions, track carbon saving projects, or the success of supplier engagement.	<p>The Leadership team and Sustainability Working Group check metrics that are used to report on progress informed by the ESG Reporting for Social Housing Framework.</p> <p>The progress against agreed KPIs was presented to the Development and Asset Management Committee for review.</p>
MR3	Seek Board approval for overarching science-based targets to demonstrate commitment to decarbonisation.	Engage stakeholders in deciding what targets to aim for whilst understanding the	Build on existing engagement with Board Members and Staff, checking and extending target-setting and reviewing outcomes.

		resources required to meet the target.	Peer review activity from other housing associations and advice from regional bodies such as Community Housing Cymru.
MR4	Ensure that the carbon footprint accurately reflects all the organisation's emission sources.	Consider extending the carbon footprint to consider other relevant Scope 3 emissions sources, such as purchased goods and services, business travel, commuting, etc.	Identify further emissions to be captured when measuring our carbon footprint and make an informed decision as to whether further work needs to be done to capture these.

Appendix 4: Engagement and Collaboration Action Plan

Ref	Feedback	Action	Current actions and next steps
EC1	Develop a tenant engagement strategy for sustainability and climate change.	<p>Develop a tenant engagement framework that addresses the challenge of meeting the needs of different tenants and considers ways of empowering tenants to play an active role in the design of low-carbon solutions for their homes.</p> <p>The Executive Director is part of the CEIC cohort working on the decarbonisation of social housing and working with other organisations on engaging with Tenants on decarbonisation and retrofit.</p>	<p>Implement the outputs of the CEIC cohort and evaluate.</p> <p>Consider the most effective ways of engaging based on outcome/situation.</p>
EC2	Consider ways to raise tenant awareness of climate-related issues and their potential impacts	Set up communication tools that are meaningful to tenants and that help raise awareness of the	The CLCC consortium is developing training courses for Tenants, and these will be rolled out to interested Tenants. Provide carbon literacy training for staff.

organisation's sustainability objectives.

The CEIC cohort is planning to work together to raise climate-related issues, e.g. social media, newsletters, etc. – need to implement this.

Develop a carbon barometer/dashboard that shows a live view of carbon savings from activities on a regular basis.

EC3

Measure emissions from procurement to better understand the impact of procured goods and services, and engage suppliers and contractors to reduce emissions from this source.

Start by estimating emissions from procurement using contractual spend, which will highlight its contribution to the organisation's footprint and key hotspots to investigate further. With this information, a targeted engagement strategy should be developed to manage emissions from procurement.

Estimate the emissions that arise from procured goods and services. Investigate the mechanisms that can be used to collaborate with partners to reduce emissions in line with the organisation's objectives.

EC4

Address the current maintenance and low-carbon technology skills gap by building local partnerships.

Identify the skills gaps both internally and with partners and work together to provide access to training needs. This could be providing financial support for training required to install new technologies or helping to identify the appropriate courses.

Identify where there are apprenticeships available for low-carbon skills development amongst existing or new staff. Take advantage of funding opportunities for establishing new apprenticeships and programmes.

EC5

Gain funders' support for decarbonisation.

Engage directly with funders to maximise the amount of money that we can spend on decarbonisation measures, which could be done in partnership with other RSLs.

Initial discussions have taken place, and consent has been gained for optimised retrofit grant funding to be excluded from covenant calculations.

EC6	Collaborate with other RSLs and work towards a standardised, more efficient offering.	Working collaboratively ensures that learnings are shared and improves the overall service offered. it could bring cost and time benefits	Use the procurement framework that has been developed as part of the Sero consortium for optimised retrofit works for new work, and ensure that experiences are shared.
EC7	Encourage cross-collaboration internally on sustainability issues.	Create a Sustainability Working Group that are responsible for reporting information from across Caredig	A cross-organisational group of staff helps steer the implementation of this strategy and implement initiatives.

Appendix 5 Operational Action Plan - Existing Homes

Ref	Action	Description	Current actions and next steps
H1	Ensure 100% of building condition and energy efficiency data.	Use stock condition surveys to collect more information around the condition of assets (e.g. Floor area, EPC ratings).	Stock condition surveys occur every 5 years, and whole home surveys will be completed as part of the Optimised Retrofit Programme (ORP).
H2	Collect actual energy performance data on all our homes.	Collect actual performance data and use this to identify the performance gap that might exist between the EPC or SAP rating and actual performance. Monitoring the real-world performance of homes and the performance of home retrofits will help us understand if assumptions about home emissions are accurate and better inform retrofit strategies. This is also a way of protecting tenants from potential fuel bill rises from the electrification of heat, i.e. inefficiently operating systems can be identified early and rectified.	IES systems are being installed in homes which have received Optimised Retrofit funding. These collect information on how the home is performing in real-time.

H3

Take the condition and actual performance data for homes, and the learnings from the Optimised Retrofit Programme, to identify key opportunities for decarbonising archetypes in the stock, which will form the basis of a retrofit plan.

We received a second award of funding through the Welsh Government's Optimised Retrofit Programme (ORP). Part of the programme is to develop pathfinder homes, which will help design specific pathways to reduce emissions to as close to zero as possible for different property types and establish these routes for a future retrofit plan that reduces energy demand and decarbonises homes across the entire stock.

The Retrofit Plan needs to include a strategy for electrifying heat in homes, as well as specify a minimum thermal performance target for each archetype. It will also be important to consider the role of storage heating in flats. Storage heat (in the form of modern storage heaters or centralised storage boilers) is likely to be a key technology for decarbonising heat in flats. When paired well with time-of-use tariffs, tenants can benefit from lower fuel bills⁶.

We identify properties where major planned investment is due to take place and where energy performance is particularly low, and consider consolidating investment into a whole-house retrofit.

We review major planned maintenance works such as boiler replacements, roofing, repairs to walls, glazing replacements, etc., from a carbon perspective and investigate the feasibility of replacing them with low-carbon alternatives.

We will use the findings from this programme, as well as data from the stock condition surveys, to develop a retrofit plan across different archetypes in our stock.

H4

Ensure that the retrofit plan provides the link between the asset management strategy and building passports from the Optimised Retrofit Programme (ORP).

Combine findings from stock condition surveys and whole home surveys with the passport to zero carbon from ORP to establish a retrofit plan.

Use software to consolidate this analysis, which can then be used to integrate the retrofit plan and passports into the asset management strategy.

⁶ <https://connectedresponse.co.uk/our-services/>

H5

Empower Tenants to monitor and reduce energy consumption where possible.

Where there is no direct metering and where tenants pay a service charge for energy consumed in homes and for communal areas, this means that Tenants do not know how much energy they are consuming. Installing sub-meters to accurately measure consumption would give better visibility of what's being used and provide an incentive to reduce consumption where possible.

Continue to install sub-meters where service charges are being used to bill tenants by usage rather than apportionment.

Use Optimised Retrofit Demonstrator Projects to raise awareness of low-carbon heating systems and how they work.

Appendix 6 Operational Action Plan - New Developments

Ref	Action	Description	Current actions and next steps
ND1	Use the recently completed Treboeth project (constructed to EPC A) as a learning opportunity to apply to future new developments.	Caredig currently has a target to build 700 new homes in the next 10 years, which will need to comply with the Welsh Housing Design Standards. To achieve this, all new builds will need to be future-proofed, with electric heating systems and EV charging capacity, as well as a high building fabric efficiency.	Carry out lessons learned exercise on schemes and use them to inform future developments.
ND2	Adopt a fabric-first approach to new build	Adopting a fabric-first approach means that the homes are less dependent on how a Tenant lives and manages any technology.	Ensure that future designs for new build homes adopt a fabric-first approach. For refurbished developments, we will aim for EPC A but will not discount schemes that are EPC B.

Appendix 7 Operational Action Plan - Direct Operations and Offices

Ref	Focus area	Immediate next steps	Description
DO1	Office	Establish a sustainability working group and target behaviour change at our offices.	The Sustainability Working Group will identify ways to reduce energy consumption throughout the office.
DO2	Leased fleet - vans	Consider the costs and feasibility of shifting to a hybrid van fleet. Pilot use of 2 Hybrid Vans and evaluate outcomes prior to purchasing any further vehicles.	We will complete a financial assessment for shifting to an all-hybrid and all- electric fleet by 2030 to understand the cost differences (unlike hybrid electric vehicles, there is grant funding available to support the costs of BEVs, which could bring leasing costs down). A fully electrified fleet may be challenging because staff take vehicles home after work, so we should consider the costs and feasibility of having a hybrid fleet, so charging is more flexible, and vehicles driven have much lower emissions rates.
DO3	Leased fleet - vans	Offer basic training and/or incentives for more economical ways of driving.	Develop driver training for fleet drivers that provides more information on simple ways to save on fuel by changing driving habits. Miles per gallon could be increased by up to 15%. Approximately 40 kgCO ₂ e every 100 miles driven could be saved based on a diesel van.
DO4	Leased fleet - vans	Analyse data to improve efficiency and reduce the length of journey time and fuel used.	We have introduced scheduling software to reduce fleet travel through efficiencies to reduce miles per job and thus fuel consumption by using data collected.

DO5	Ways of working	Design and release a survey to better understand how agile working has changed employee travel emissions.	We will review the impact of the Agile Working Policy on reducing emissions from commuting.
DO6	Ways of working	<p>Relaunch the cycle to work schemes and consider introducing a scheme providing access to electric cars. Request staff to complete a survey to gauge interest</p> <p>Explore the options for salary sacrifice schemes.</p>	We currently have a cycle to work scheme, but it could be more visible. We will review our 'total benefit package' and consider introducing additional benefits such as Electric Cars to support this strategy.
DO7	Procurement	Revise the procurement framework so that specific environmental criteria and local supply chain criteria are more robust and enforceable.	The existing Procurement Framework includes several key principles, e.g., foundational economic principles, community benefits and sustainability outputs. This will be emphasised at re-procurement opportunities and built on to ensure that the benefits are maximised.
DO8	Procurement	Consider using contractual agreements to encourage suppliers to commit to upskilling their workforce and providing training to support the green economy.	The Association will develop a community benefit policy and procedure that incorporates sustainability and aims to upskill the workforce.