

A Guide to Developing a **Sustainability Strategy** and Action Plan



A Guide to Developing a Sustainability Strategy and Action Plan

Written by Clare Wilson, Barry Smith and Peter Dunn, Sustainable Homes Ltd
August 2007

Supported by the Housing Corporation's Innovation & Good Practice programme.

Acknowledgements

Sustainable Homes Ltd would like to thank:

- All the housing associations that responded to the sustainability strategy survey, 2006.
- The housing associations that kindly provided strategies for review:

De Havilland Housing Partnership
Drum Housing Association
East Dorset Housing Association
Home Group
Hyde Housing Group
Metropolitan Housing Partnership
Nottingham Community Housing Association
Octavia Housing and Care
Plus Housing Group
Town & Country Housing Association
West Mercia Housing Group

Hastoe Housing Association set up Sustainable Homes in 1996, becoming Sustainable Homes Ltd in 2007. The team provides training and consultancy services to anyone involved in the housing sector on improving their sustainability and environmental performance.

Please note that information and opinions have been gathered together in this document to give general guidance on the development of strategies. They are believed to be correct but Hastoe the Housing Corporation, and the other organisations participating in the project cannot accept any liability arising from them. Housing associations and others will need to obtain their own professional advice when implementing schemes or contemplating new arrangements.

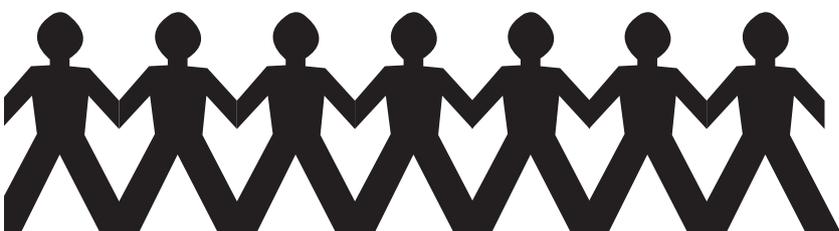
Photos/illustrations courtesy of:

Futureprint Limited
The Housing Corporation
West Mercia Housing Group

Printed on 100% recycled paper

Contents

	Page no:
Foreword	4
Executive summary	5
Summary of sustainability strategy survey 2006	6
• Definition of 'strategy'	6
A guide to developing a sustainability strategy and action plan	7
• Sustainability strategies - the context	7
• The definition of sustainable development	7
Sustainable development in social housing	8
• The UK Government	8
• The Housing Corporation	8
• What does sustainable development mean to a housing association?	9
Good practice in strategy development	10
• Social sustainability	11
• Environmental sustainability	11
• Economic sustainability	12
• Organisational sustainability	13
Checklist for strategy development	16
Conclusion	17
Appendix	18



Foreword

Sustainability has been and remains a key watchword of our times. The agenda is moving quickly and social landlords have been at the forefront of leading and responding to the social, economic, environmental and organisational imperatives.

We often have differing views of what is or isn't included in the sustainability agenda. My view is that this is both acceptable and understandable. It is the direction of travel that is important; that and the outcomes for our communities and ultimately the quality of our environments, economic success and our national well-being.

In 2006 the Housing Corporation commissioned Sustainable Homes Ltd to conduct a survey with developing housing associations to ascertain their approach to sustainability, and particularly to establish how many had a sustainability strategy in place, what the strategy covered and to flag up any issues or barriers for strategy development. This was further to the encouragement that associations should develop such strategies in the Corporation's *Sustainable Development Strategy* in 2003.¹

This guide takes a step back from the coalface and looks at what has been happening in a number of organisations who have committed to the sustainability agenda. It explores the results from the survey and sets out a suggested way forward and prompts for associations to develop their strategies, highlighting good practice from a selection of existing strategies submitted by associations along with their survey responses.

The opportunities and challenges that sustainability presents are not going to diminish, and it is critical that all social landlords are prepared for how it impacts on their organisations and activities through the development of comprehensive sustainability strategies. We hope this guide goes some way to assisting you in making these a reality.



**Steve Douglas, Acting Chief Executive
Housing Corporation**



“This guide takes a step back from the coalface and looks at what has been happening in a number of organisations who have committed to the sustainability agenda.”

¹ Sustainable Development Strategy: Housing Corporation, 2003

Executive summary

This document forms a reflective review of how some social landlords have committed to and implemented their sustainability agenda, and acts as a guide to developing and implementing a sustainability strategy for your organisation, highlighting existing good practice and responding to issues identified by the sector in the survey as barriers to strategy development.

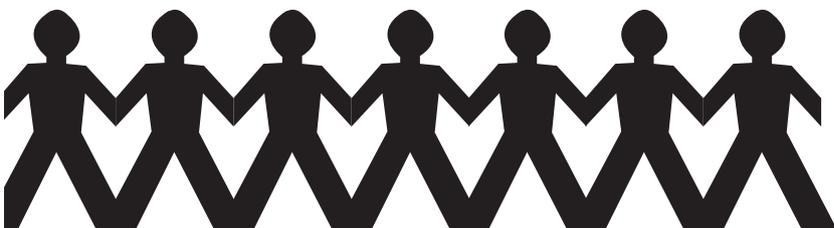
The main basis of the document is the survey undertaken with developing associations on the adoption of sustainability strategies in 2006, and analysis of the results. This is followed by highlighting good practice, functional priorities and action planning, from a review of strategy documents provided with responses to the survey. The guide draws out the individuality of many strategy responses within the widely accepted dynamic of integrated social, economic and environmental activities. It also identifies the:

- success of social landlords in responding to neighbourhood and community needs;
- success in adopting new environmental standards in new build programmes;
- emerging priority for sustainable asset management; and
- growing organisational response to the environmental agenda.

In suggesting a way forward for strategy development, the guide explores the most widely accepted and applied definition of sustainable development, and opens the question as to whether the Bruntland Commission definition remains valid as we increase our understanding of the scientific and social needs ahead of us. It then looks at the national and local influences on strategy formation via policy planning systems and legislative and regulatory drivers.

The guide also provides a follow up to the Sustainable Homes 2001 publication, *Developing an Environmental Policy and Action Plan*². This guide revisits the process set out by the earlier guide and expands on it to look at wider sustainability issues. However the process and recommendations put forward by the 2001 guide still remain valid, and as such it can be used as a companion to this publication. Copies of the earlier guide are available from sustainablehomes@hastoe.com.

² Developing an Environmental Action Policy and Action Plan: A Guide for Housing Associations, Sustainable Homes, 2001



Summary of sustainability strategy survey 2006 results and findings

In the Housing Corporation's Sustainable Development Strategy of 2003, one of the projected outcomes under issue 5.3 of the strategy ('The Housing Corporation will integrate sustainable development into its regulatory framework'), was that *'sustainable development strategies and action plans will be adopted over time by housing associations, particularly those with more than 250 homes'*. Three years on, Sustainable Homes Ltd was commissioned by the Corporation to research to what extent housing associations had realised this outcome, by assessing the adoption and implementation of sustainability strategies and action plans within the sector. The survey was targeted at those housing associations that made funding bids to the Housing Corporation in the 2006-2008 National Affordable Housing Programme. 71 associations were identified as making development grants to the Corporation. Sustainable Homes Ltd administered the survey via email to 60 of the 71 targeted associations.³ A 30% response rate was obtained from the sample size representing a total of 3% of the total number of associations in England.

The main purpose of the survey was to:

- take a current snapshot of the development of sustainability strategies and action plans, including their implementation and coverage;
- ascertain where challenges/barriers exist to their development, and the help that can be provided;
- gather examples of strategies from the sector; and
- reinforce the importance the Housing Corporation places on sustainable practices, highlighting higher environmental standards and performance, and their influence on social and corporate responsibility.

Definition of 'strategy'

During the course of the survey and within this document we are using 'strategy' to describe the instrument with which a considered approach to sustainable development is taken by an organisation. This also echoes the terminology used by the Housing Corporation in their 2003 document - *Sustainable Development Strategy*. For this document a strategy can also mean a sustainability/sustainable development policy or framework - which, whilst having different nuances and definitions, are often used by organisations to mean the same thing.

- A 'strategy' is defined as a long term approach, based on a shared vision, to achieve defined outcomes.
- A 'policy' provides guidance, a framework, or set of principles that determine decisions, actions, and other matters.

- A 'plan' is defined as a detailed document that sets out the intended method of progressing from the current situation to achievement of one or more desired outcomes (objectives or goals). The sequence of steps must be measurable.

The main outcomes of the survey are:

- 83% of responding organisations had implemented a sustainability strategy at the time of the survey. The majority of associations implemented their sustainability strategy and action plan post 2003, which suggests a strong response to the Housing Corporation's 2003 Sustainable Development Strategy directive for RSL's to adopt such policies over time.
- Housing associations focus strongly on environmental sustainability as the driver of their sustainability policy. Social aspects also feature highly. The commonalities of social and environmental sustainability between RSL's is possibly a reflection of their strong grounding in aspects of community development, and the more recent drive and importance to improve the environmental performance of social housing respectively.
- Respondents consider their sustainability strategy to be an important management tool in the context of their organisation, however not the highest priority when potentially compared to core business activities.
- As expected, well established strategies in RSL's were generally considered to be more effective. It was found that strategies were generally most effective in changing the behaviours within the organisation, with less impact on external stakeholders, such as residents and supply chains. However, as strategies mature and take effect, influence on external stakeholders, such as supply chain, should result.
- An effective strategy requires input and 'buy-in' from all levels of management and across all departments. When the policy is implemented, dedicated staff or a 'champion' is essential to promote the policy and monitor its performance, and keep the strategy active and relevant, otherwise it's implied that it will have little to no impact.
- In terms of assistance and resources required, a more centralised information database is needed to simplify the sourcing of sustainable development information. Furthermore, greater information and assistance is needed on how to translate environmental performance and improvements into CO₂ emissions and CO₂ savings.

³ Sustainable Homes could only obtain contacts for 60 out of the 71 associations.

A guide to developing a sustainability strategy and action plan

Sustainability strategies - the context

The analysis of the survey provides a snapshot of current strategy development within the social housing sector, and some of the issues and barriers to strategy development. In this section of the guide we will use good practice from a range of current strategy examples to illustrate a recommended way forward for strategy development.

Before attempting to develop a strategy it is important to have an understanding of sustainable development and its importance and impacts on the social housing sector.

The definition of sustainable development

'Sustainable development' is a very powerful term and the majority of public and private bodies and institutions understand the theory and its underpinning principles. However, there are many variations on what is included and indeed excluded in a sustainable development strategy framework. This is often the result of the initial drivers for developing a strategy or corporate stance in the first place. Typically these might include regulation bias, corporate values and aspirations, 'market' positioning and the general reflection of sector trends.

As can often be found from similar guidance, this tends to highlight that there is no 'one size fits all' approach to addressing sustainable development. Nor is there a prescribed format or template. Accordingly, housing associations have developed their own sustainable development strategies to attempt to tackle and implement the principles of sustainability as it applies to their activities. However, there are key elements of sustainable development and key business areas of an association that need to be addressed to successfully integrate and implement sustainable development principles. Figure 1 illustrates the three main facets to sustainability - social (or community), the environment and the economy. These facets are in no way mutually exclusive. The integration of and balance between these areas will result in sustainability. The fourth facet (the organisation) must embrace all these areas if it is to secure sustainability within its staff, operations, and stakeholders.

The Brundtland Commission⁴, perhaps the most commonly used example, defines sustainable development as "...development that meets the needs of the present without compromising the ability of future generations to meet their own needs"⁵.

How relevant this remains in light of the demands for behaviour change from reviews such as Stern⁶ and the fourth IGPC Report on Climate Change⁷ is open to question. There is an emerging tension in the mitigation and adaptation agenda surrounding climate change. This suggests an increasing level of central intervention through legislation and regulation, support for market and product changes and the influence this will have on behaviours. Clearly this will begin to eat into the 'consumption culture' and, increasingly require higher levels of environmental responsibility on the part of individuals, communities and organisations alongside national and international initiatives.

In the context of social housing, the shifts can be illustrated by the leads from the Government, via strategy and planning systems, academic research, good and best practice examples and the Housing Corporation, in terms of its regulatory frameworks and practical application guidance from the National Housing Federation.

Figure 1 - organisational framework

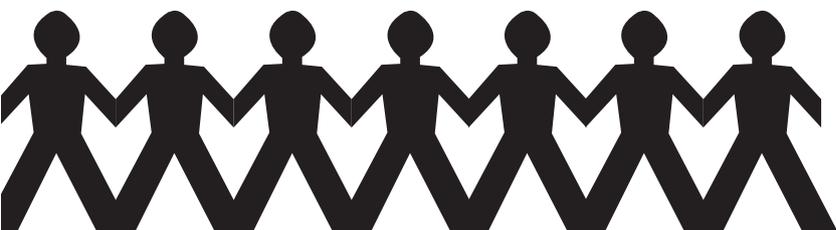


⁴ Formally the World Commission on Environment and Development (WCED)

⁵ Our Common Future: World Commission on Environment and Development 1987

⁶ Stern Review; The Economics of Climate Change 2006

⁷ Climate Change 2007: The Physical Science Basis, Intergovernmental Panel on Climate Change, February 2007



Sustainable development in social housing

The UK Government

In its strategy, *Securing the Future*⁸, the UK Government⁹ has defined sustainable development as five key principles and four key priorities, as shown Table 1:

Table 1 - UK government sustainable development - principles and priorities.

Principles	Priorities
<ul style="list-style-type: none"> • Living within environmental limits • Ensuring a strong, healthy and just society • Achieving a sustainable economy • Using sound science responsibly • Promote good governance 	<ul style="list-style-type: none"> • Sustainable production and consumption • Climate change and energy • Natural resource protection and enhancement • Sustainable communities.
Behavioural change cuts across all areas	

The UK Government Sustainable Development Strategy, 'Securing the Future' March 2005.

All the above principles and priorities apply in the context of social housing. For example, the global community have been exceeding environmental limits of CO₂ emissions. Housing is a significant contributor to CO₂ emissions and therefore the social housing sector (among other groups) needs to ensure that their housing stock and the communities that they manage and influence live within these limits. This can be achieved through sustainable consumption of building materials and domestic energy, natural resource protection through the social housing sector's approach to new development and refurbishment, and community involvement and education in creating sustainable communities.

In terms of specific outcomes, there has been a significant rise in the environmental standards of new build social housing via the implementation of EcoHomes standards. An EcoHomes 'excellent' or 'very good' standard house can, amongst other things, reduce the water and energy use in a home, increase the use of sustainable materials and ensure ecology of the site is improved. EcoHomes will be replaced by the Code for Sustainable Homes¹⁰ as the mandatory standard for Housing Corporation funded new builds from April 2008. The Code goes further than EcoHomes, setting challenging minimum standards in energy and water efficiency.

The Housing Corporation

The Housing Corporation has been the key funding and regulatory body for housing associations across the UK and uses a range of encouragement, regulation and investment criteria to influence the activities of housing associations. It has been a major influence in the way it has promoted improved design and higher environmental performance via its alignment of the Approved Development Programme and the National Programme for Affordable Housing with EcoHomes Standards since 2000. These standards have now been reinforced with the adoption of the Code for Sustainable Homes.

In 2003 the Corporation published its *Sustainable Development Strategy and Action Plan* with the broad aim that "...sustainable development in the housing association sector will significantly contribute to the development of sustainable communities across the country". The Corporation states that housing contributes to sustainable development in the following ways:

- high quality and well managed housing is a cornerstone of sustainable communities;
- location, planning, layout and design make an important contribution to sustainable development;
- quality and condition of housing has a major impact on health and well-being;
- combating social exclusion, alleviating child poverty, supporting people, decent homes, employment generation, alleviation of fuel poverty and health and education improvement; and
- selection of development sites, choice of building materials, residents' use of energy and water, public transport availability all have major environmental implications.

⁸ Securing the Future: Delivering a sustainable development strategy, Defra, CLG, March 2005

⁹ UK Government, Scottish Executive, Welsh Assembly Government and the Northern Ireland Administration

¹⁰ Code for Sustainable Homes: A step change in sustainable home building practice, CLG, December 2007

A key objective for the Corporation in their 2003 strategy was to ensure that all housing associations, particularly those with more than 250 units, address sustainable development issues in their policies, strategies and actions.

In summary, sustainable development and sustainable communities are not mutually exclusive. In the context of social housing, development can only be sustainable if people want to live, and can thrive, in that environment. Accordingly, sustainable development clearly encapsulates sustainable communities. Therefore, the term 'development' in sustainable development does not just apply to the new and the future, but also to the homes, schemes and communities that already exist. The introduction of EcoHomes XB in July 2006 (the environmental toolkit for existing homes) has provided another tool through which housing associations can reduce their environmental impact.

Accordingly, there are well defined principles for sustainable development promoted by the UK Government and the social housing regulation and investment authority. So how are these principles interpreted and implemented by housing associations?

What does sustainable development mean to a housing association?

In the context of a housing association, the principles, priorities, aims and objectives of sustainable development promoted by the UK Government need to be integrated into what it means to be a social housing provider, and apply these principles in practice.

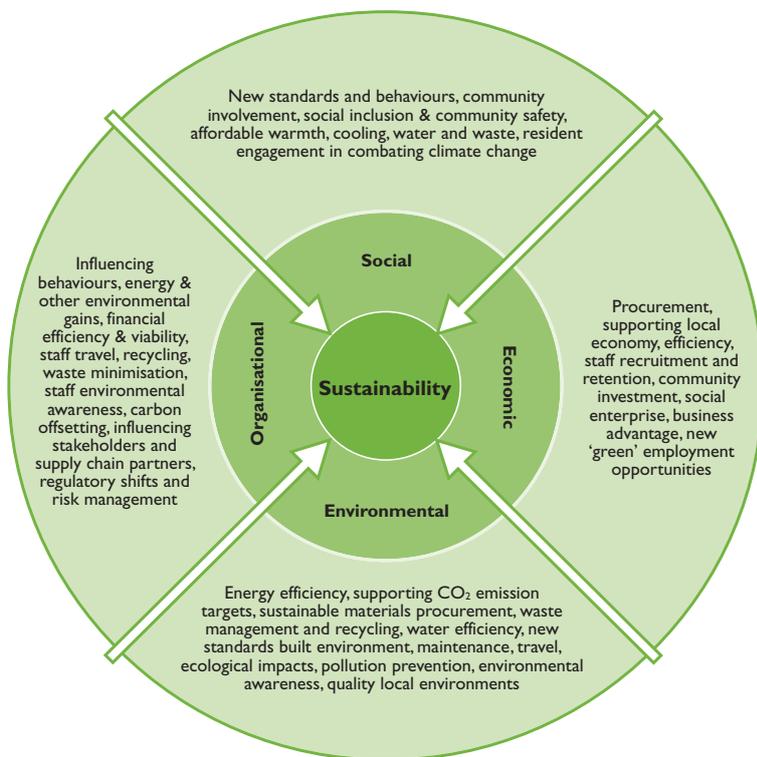
For housing associations to consider sustainable development, a clear understanding of their purpose as a social housing provider, their organisational goals and aspirations and external stakeholders, expectations are required. Principles of sustainable development should be integrated into the corporate objectives of the organisation. For example:

Places for People consider that their key role is to deliver the responsible and profitable provision of sustainable communities through sustainable housing, good neighbourhoods, customer focus, providing opportunities for people and independent living.¹¹

One of **Drum Housing Association's** values stated in its mission statement is that it "...needs to be socially aware as a landlord understanding its role in the wider community and minimising the environmental impact of its decisions and actions", as well as act ethically, and meet the needs of tenants and other customers.¹²

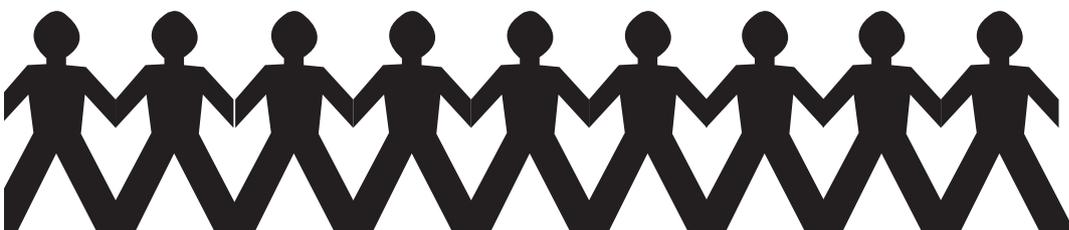
The key business areas for a housing association are, broadly speaking: (i) building of new homes (development); (ii) the maintenance of existing homes (maintenance); and (iii) supporting and enhancing communities. Furthermore, to ensure that these key business areas are successfully delivered into the future, associations need to ensure their organisations are managed sustainably. Therefore, to embrace and successfully adopt and implement sustainable development principles, issues of social, environmental, economic and organisational sustainability must be identified and tackled across all business areas - see Figure 2.

Figure 2 - influencing factors in each facet of sustainability



¹¹ Places for People, Annual Review 2006

¹² Drum Housing; Annual Report 2006, 10th anniversary - our album of significant achievements



Good practice in strategy development

A main influencing factor of the findings contained in this Guide is the number of strategies submitted by developing associations for review in addition to their responses to the sustainability strategy survey. Sixteen strategies were received and reviewed, (see the Appendix for details, some associations requested confidentiality and therefore do not appear as case study examples).

Based on the submitted documents, the responses to the survey and the strategy examples, it appears that housing associations have a good understanding of the principles of sustainable development. There is a clear acknowledgement that social, economic and environmental facets are essential to sustainable development; however associations tend to focus strongly on environmental requirements.

In part this may be explained by the selected sample (the survey focused on associations with Development Partner Status), and the momentum that has gathered in respect of new-build with the introduction of environmental standards (such as EcoHomes¹³ and the Code for Sustainable Homes). These standards are largely driven by their inclusion in the funding criteria for securing social housing grant. In addition, the current review of the planning system has seen the release of a number of sustainable development focused Policy Planning Statements and Guidance.

This is also borne out from anecdotal evidence gathered by Sustainable Homes Ltd during its work on promoting take-up of EcoHomes XB¹⁴ during 2006/7, which suggests that there remains much less focus on the environmental impacts of existing stock and asset management strategies. Again, this is probably the result of regulatory influences and published standards. For example, the emphasis on the Decent Homes Standard, its relatively low criteria for environmental performance in existing buildings and the funding implications appear to have hindered progress in taking a longer term and broader view.

The other point to make here is that the environmental toolkits and standards for new-build are achievable without necessarily influencing wider corporate strategies; something that the EcoHomes XB toolkit is beginning to address by drawing out organisational and policy review as well as process and standards change.

One of the findings of the strategy survey was that social

and economic sustainability objectives do not feature as strongly in these documents, although some do take the approach of sustainable communities as portrayed in the Egan Review.¹⁵

For a number of associations there is not a clear approach to organisational sustainability. It is probable that this is because such issues are addressed by other departmental strategies within the organisation, rather than that associations are not explicitly considering the need for sustainable business to ensure long-term prosperity of the organisation, whilst delivering sustainable outcomes for their housing stock and communities. Once more, this is probably more a reflection of the lead from regulatory and new-build investment priorities.

It may also be that some associations have difficulty integrating the principles of sustainable development across the organisation and business activities. Based on the content and structure of the reviewed documents, the approach to sustainability or environmental strategy remains a stand alone issue, rather than integrated to the core of all business areas.

Associations depicted varying methods of implementation, performance measurement and review of their aims, objectives, policy or strategy. Many associations used action plans such as the Metropolitan Housing Partnership in their Environmental Sustainability Strategy, whereas others have defined their objectives and detailed the tools and methods used to measure and achieve these goals (Hyde Housing Group uses tools and standards such as 'Indicators of Sustainable Communities' and the EcoHomes assessment).

A number of associations have shown innovative approaches to achieving sustainability in practice. Metropolitan Housing Partnership has indicated that improving information technology (e.g. more video-conferencing to reduce staff travel) is important to achieve sustainability. West Mercia Housing Group strives to be an 'Employer of First Choice' in their aim to achieve organisational sustainability.

¹³ EcoHomes: The environmental rating for homes, Building Research Establishment, April 2006

¹⁴ EcoHomes XB: The Environmental Rating for Existing Housing, Building Research Establishment, April 2006

¹⁵ Egan Review: Skills for Sustainable Communities, ODPM, April 2004

There is no 'one-size-fits-all' approach to incorporating the principles of sustainable development, as found by review of current association methods. Based on the documents received and reviewed, it is considered that the following housing associations portray good practice. Each example is only an excerpt and does not represent the association's complete approach to sustainability.

The following sections will examine the key elements of sustainable development principles in the context of social housing. The review of housing association policies and strategies highlighted a series of good practice examples of tackling these key elements in the sector.

Social sustainability

Social sustainability embraces the principles of sustainable communities. To achieve these, housing associations need to explicitly tackle issues such as, but not limited to, social exclusion, poverty, anti-social behaviour, crime, and community involvement. These issues cut across:

- (i) new development - such as scheme location, proximity to amenities, public transport;
- (ii) existing homes - through tackling fuel poverty and affordable warmth; and
- (iii) supporting and enhancing communities - including the development of youth facilities, open spaces and provision of mixed tenure.

The following examples are particular ways associations are tackling social sustainability issues through core business activities (housing services) and by engaging with communities.

West Mercia Housing Group - a strategy to support sustainable communities

Key aim: Delivering sustainable housing services. Neighbourhoods require a range of community facilities, including shops, schools, good transport links, etc. and access to employment opportunities. Residents expect to live in an environment where crime is minimised, and issues of anti-social behaviour (ASB) are dealt with quickly and effectively. Ensure the Group is a 'Landlord of First Choice'.

Objectives:

Homes - e.g. ensure a range of affordable accommodation is offered to residents that appropriately reflect the local community.

Communities and Environments - e.g. ensure that work takes place with Local Authority partners to devise ways of dealing with the inter-related problems of unemployment, crime, poor health, housing, education and degraded surroundings.

Energy and Resources - e.g. ensure beneficial arrangements for residents are negotiated with public utility companies and energy saving schemes.

Hyde Housing Group: In Design - policy on sustainable development

Hyde Housing has 11 key policy statements when considering social sustainability. In their sustainable development policy, Hyde addresses a range of issues including social exclusion, community development, crime, local economy and housing management.

Key aim: Developing community involvement

Policy statement: We will encourage the public to get involved in our development and play an active role in the decision-making process.

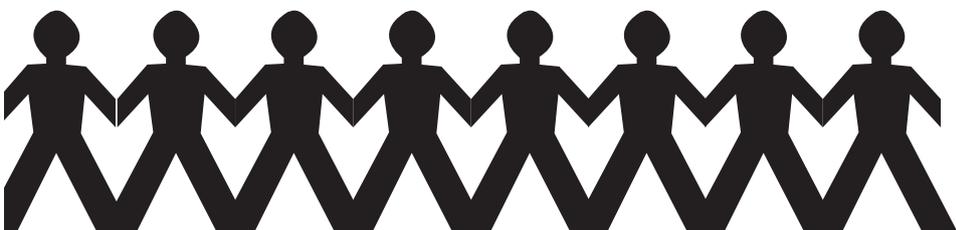
Indicators:

- Supporting resident involvement by providing training.
- Set up a project design panel involving representatives from the local community.
- Introduced self-help and self build strategies.

Environmental sustainability

The majority of housing associations are well versed in the requirements of environmental sustainability especially from a new build development perspective, possibly due to the mandatory requirements of the EcoHomes standard, and now the Code for Sustainable Homes. However, new build developments only account for part of an association's activities, stock and the communities in which it operates. Environmental sustainability therefore cuts across areas such as, but not limited to, maintenance and housing services, education and awareness, and resident involvement.

The following are examples of a more holistic approach to environmental sustainability.



Metropolitan Housing Partnership (MHP) Environmental Sustainability Strategy

Key aim: Enable customers to live in a more sustainable manner

Objective: Encourage and facilitate customer participation in community environmental initiatives

Task: Engage with the Community Investment Unit (CIU) to explore ways of introducing environmental awareness, education, and action in the community.

Hyde Housing Group: In Design - policy on sustainable development

Policy statement: We will consider options for offsetting carbon by working out the carbon emissions produced by the homes being developed and then planting enough to absorb all those emissions.

Indicators: We have considered carbon-offset arrangements with an accredited sustainable forest management organisation.

East Dorset Housing Association - Sustainability Strategy

Key feature: Ensure it owns a stock of well-maintained homes with a high sustainability score, with an efficient on-going cyclical maintenance programme

Measure: All new homes produced to EcoHomes (or equivalent) standard set by the Housing Corporation as a minimum. All stock to achieve a minimum EcoHomes XB rating set by reference to benchmarking amongst peers.

Route: Apply current minimum Housing Corporation EcoHomes rating (or equivalent) to all newly provided homes, grant funded or not, from 2008 target of 5% of development programme exceeding this standard, and 10% from 2009 onwards. Seek to maximise percentage of recycled/recyclable material content in new build with a year on year improvement. Adopt and implement EcoHomes XB across existing stock, with targets against benchmark.

Economic sustainability

Ensuring a sustainable economy is highlighted in the UK Government's principles and priorities and in the Egan Review as essential to sustainable development/communities. In a social housing context, a housing association's implicit aim is to maximise the social welfare of its customers whilst maintaining a viable business to continue into the future. However, the role of the sector has changed significantly. In addition to the main landlord functions, associations have increased their contribution to and on many occasions led other public

service developments (typically care and support, regeneration, neighbourhood renewal, community safety and social enterprise). These have been driven by social, revenue, and capital, regulatory and business priorities. The model has been enormously successful and is increasingly being reflected in the growth of the 'third sector' as the traditional models of public service provision are withdrawn.

Within the more traditional landlord role many good examples exist of the sector's corporate social responsibility.

The following is a good example of ensuring community and organisation economic sustainability.

East Dorset Housing Association - Sustainability Strategy

East Dorset has a series of key sustainability features for implementing their sustainability strategy. To achieve economic sustainability, East Dorset plan to tackle the following:

Key feature 2: Cost of housing remains at an affordable level for residents

Measure: All general needs rented properties to be set within Housing Corporation target rent setting policy levels. For all other products, regularly monitor resident income statistics and lower quartile local income statistics, and compare with average cost of housing provided - aim for residents paying no more than one third of their gross income on housing costs.

Route: Retain rent setting policy for general needs affordable rent in line with Housing Corporation target rent policy. For all other products, monitor and review statistics on an annual basis. Develop affordability policy for all new products considered, together with lettings/sale procedure to check leases and/or tenancies are sustainable against prospective resident's income.

Key Feature 8 - The Group is managed prudently to maintain and enhance financial strength and stability.

Measure: The organisation maintains a 'green light' from the Housing Corporation in relation to the Annual Viability Review (or equivalent). Financial Business Plans are reviewed annually for each Group member to ensure stability is maintained in the long term (35 years). Budgets prepared in accordance with the long term Business Plan.

Route: Continue to annually review each Group Member's Financial Business Plan to ensure all expenditure plans to achieve the corporate objectives are included and that the economic assumptions used are realistic.

Organisational sustainability

It is important that a housing association leads by example and ensures that its own physical environment and staff behaviours reflect the principles of sustainability that it projects to its tenants, partners and stakeholders. In addition, an association also needs to operate as a business that secures its own future in the social housing sector by way of long-term financial viability and retention of staff. Organisational sustainability in some ways encapsulates social (employee management/human resources), environmental (office management, energy efficiency, environmental awareness training, travel policies) and economic (partnering initiatives) sustainability.

The following example from West Mercia is an innovative approach to organisational sustainability including human resources as a business area which can influence sustainability. Metropolitan Housing Partnership (MHP) is the common approach to organisational sustainability (MHP also have human resource objectives in their sustainability action plan)

West Mercia Housing Group: valuing resources and people - a strategy to support sustainable communities

Corporate aim: One of the key corporate aims of the Group is to be an 'Employer of First Choice'. The Group values its employees and aims to create a working environment that sustains and retains a committed and healthy workforce.

Objective examples:

- Office buildings are provided with good standards of kitchen, toilet and storage facilities and have suitable provision for staff to take breaks away from their desks.
- Workforce and working arrangements - remote working is accommodated, in appropriate cases, for the mutual benefit of the employee and the Group.
- Travel for staff - incentives are offered to staff who are able to share transport or travel to work and/or between offices or to meetings, by public transport.

Metropolitan Housing Partnership (MHP) - Environmental Sustainability Strategy

Key aim: Introduce sustainable principles to the manner in which we use MHP's office spaces

Objectives: Reduce energy consumption of office electrical appliances

Tasks & target:

- Encourage staff to save energy at their workstations.
- All new white goods (such as refrigerators and microwaves) to be A-rated as standard purchasing policy.

Integration and coverage

It is extremely important that there is full integration of sustainable development principles throughout the organisation and across all business areas.

Strategies across all business areas must support and promote the organisation's overarching commitments, goals and objectives of sustainability.

Example 1:

Hyde Housing Group: In Design - policy on sustainable development

Hyde Housing has studied and considered what they believe constitutes a 'sustainable community'. Hyde's policy focuses on the key factors they believe create a sustainable community. Activities and issues such as:

- land use and location;
- buildings - design, materials used, health and well being, procurement, asset management;
- society - social exclusion, community involvement, mixed tenure, crime, local economy;
- travel - reduction, alternatives;
- waste and pollution;
- landscape - ecology and biodiversity, access to open space;
- energy - low-energy design, carbon offset;
- water use; and
- residents - Home Information Packs

Hyde Housing considers all aspects of environment, society and economy as well as influencing their supply chain (procurement) and residents.

Example 2:

Metropolitan Housing Partnership (MHP) Environmental Sustainability Strategy

MHP have developed a strategy where the key aims work to integrate sustainable development principles into all areas of their organisation, such as:

- human resource;
- customers;
- partners & stakeholders;
- offices & premises management;
- information technology;
- procurement;
- development;
- asset management & maintenance; and
- strategy management.

In each area of the organisation, MHP have identified keys aims and a series of objectives to achieve; all contained in an action plan with tasks to implement and milestones to attain.

Recommendations on developing a sustainability strategy

Figures 3 and 4 are diagrammatical representations of how an organisation can approach the development of sustainability strategies and action plans:

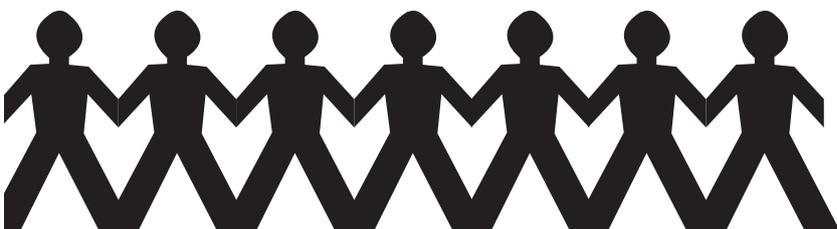


Figure 3 - developing a sustainability strategy

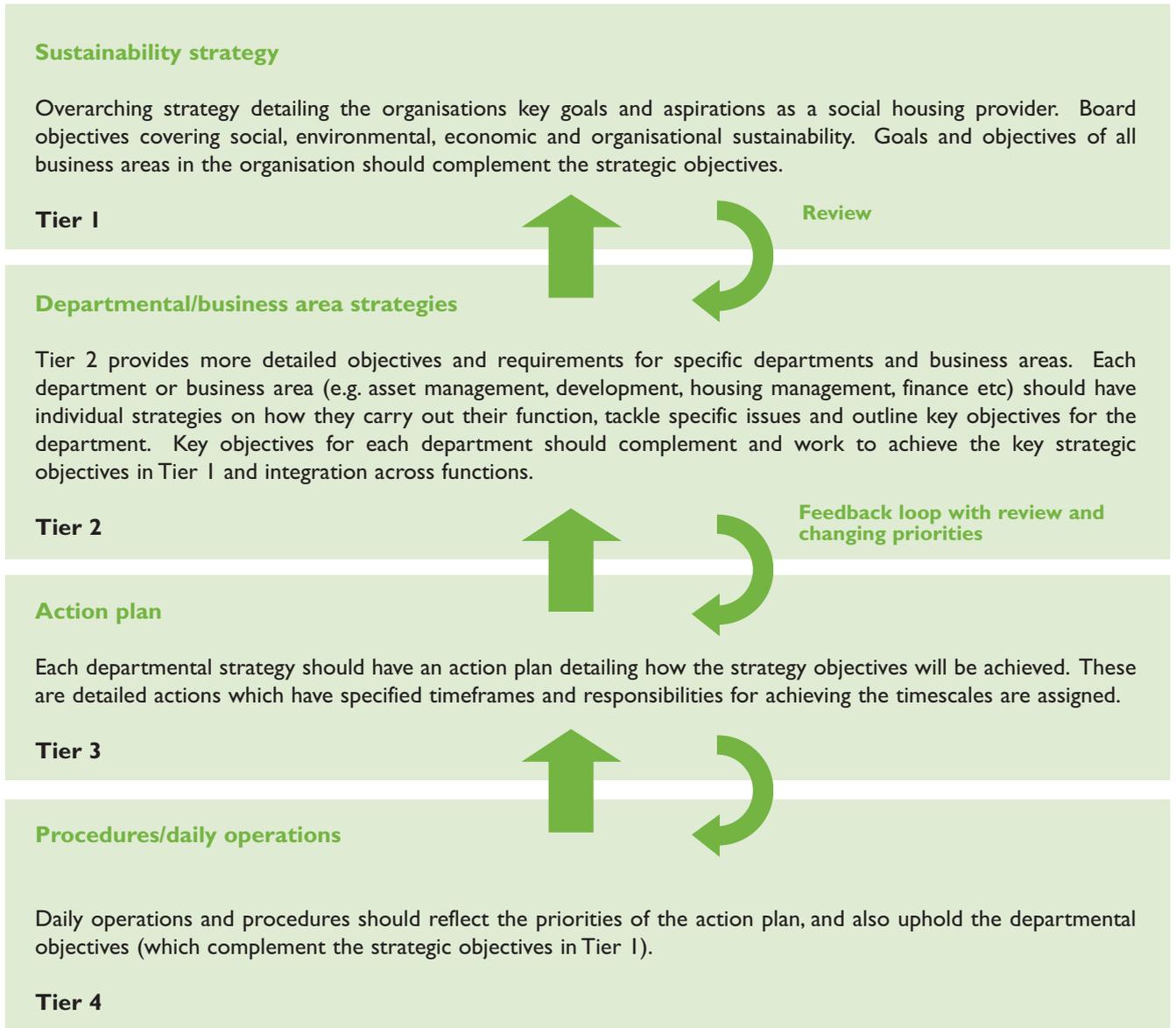
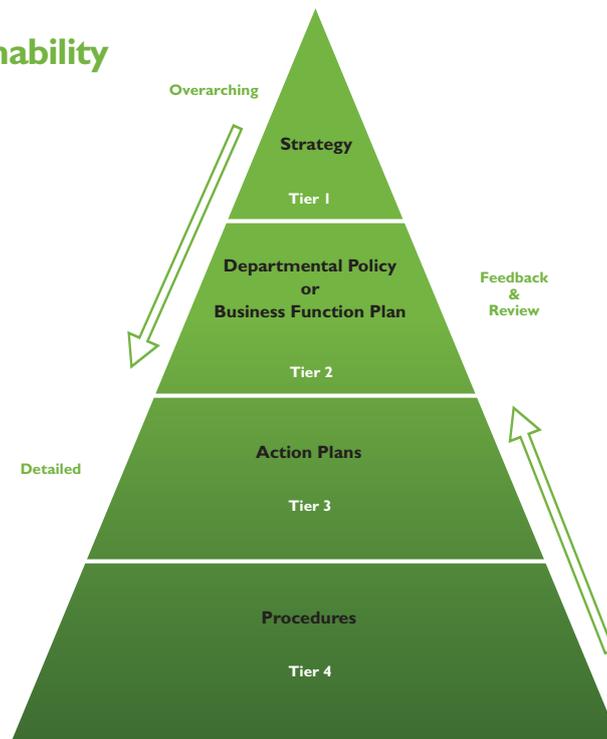


Figure 4 - the Sustainability Strategy Hierarchy



To successfully implement the principles of sustainable development and the specific aims and objectives outlined by a housing association, it is invaluable to have robust modes of action, and methods to monitor and measure success. Therefore it is important to formulate the following key elements in any sustainability policy/strategy to ensure sustainable development is progressed and achieved.

Governance

To ensure that sustainable development strategies are regularly reviewed, objectives are implemented, actions are measured and monitored, and performance is evaluated, clear governance is required where members of staff, action groups, and/or steering committees are allocated responsibility and actions to ensure sustainable development is successfully achieved. For example, Metropolitan Housing Partnership works to “*engender a common understanding of environmental sustainability, together with its social and economic dimensions.*” This is the responsibility of the Chief Executive; Environmental Sustainability Team (EST); Business Directors and Environmental Sustainability Strategy group (ESSG).

Action plan

An action plan should set out the specific action necessary to achieve policy objectives. Timeframes should be allocated to tasks and staff and/or internal/external groups should be allocated responsibility for completion. For example:

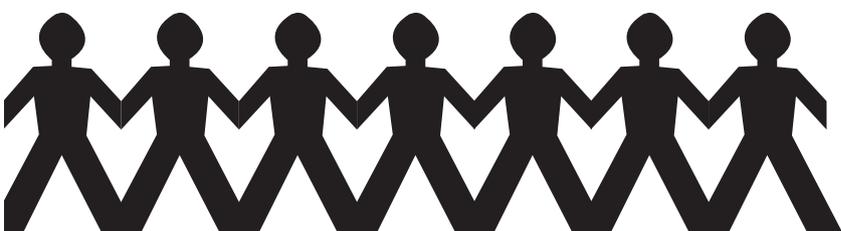
Metropolitan Housing Partnership (MHP) has built their action plan from each Key Strategic Aim set out in their Environmental Sustainability Strategy. Derived from the Key Aim, a series of objectives have been defined which have associated tasks and measurable targets. In addition, MHP have a timescale for completion and a specified person or group responsible for its delivery. The action plan also indicates whether any MHP partners are involved in achieving the specified objectives. See figure 5.

Measuring performance

Performance measurement is important to evaluate the success of actions and tasks completed in the effort to implement aim and objectives. There are various tool and processes to measure performance of an organisations actions and policies. Key Performance Indicators (KPI's), Toolkit of Indicators of Sustainable Communities, Housing Quality Indicator (HQI) assessment, and EcoHomes new build assessment, are tools used by Hyde Housing Group to help measure performance against its sustainability policy (Hyde Housing, In Design). The EcoHomes XB maintenance standard and the environmental matrix for housing are also other tools available within the sector.

Figure 5 - action plan

Aim ⇨ Objective ⇨ Task ⇨ Target ⇨ Timescale ⇨ Responsibility ⇨ Partners



Review

Aims and objectives, strategies, policies and action plans must be reviewed regularly to:

- (i) ensure aims and objectives remain relevant with respect to the organisation's strategic direction, and government and stakeholder expectations; and
- (ii) ensure that the organisation's aims and objectives for sustainable development are regularly considered and are at the forefront of decision making within the organisation.

Reporting

Transparency is an efficient driver to ensure aims and objectives are achieved or progressed in a timely manner. Reporting on performance and milestones in the public domain is an extra incentive to ensure action plans are met on schedule and performance is enhanced, but also an excellent opportunity to promote achievements and sustainable activities. Furthermore, associations should be aware of their potential obligations under the Environmental Information Regulations 2005. A number of associations are reporting publicly on the environmental reporting website, EcoReports (www.ecoreports.co.uk).

Auditing

Auditing an organisation's strategies, modes of reporting and measuring performance on a periodical basis is important to ensure that an organisation's self monitored success in achieving objectives and milestones is in fact measured accurately and correctly.

Traditionally, the responsibility for audit has tended to be focussed on specific professional disciplines; typically financial audit, health and safety, and risk management.

One of the points that have emerged from the review is the increasing need to consider environmental audit or more holistic sustainability performance auditing as part of, or independent of, existing audit.

Carbon management is growing in prominence and business value. Environmental impacts in the choice and procurement of materials is another area where skills and performance monitoring will be required in the not too distant future. Quality of life audits already feature among the regulatory frameworks for local authorities, and in some organisations such as the Hyde example above. It will not be a huge shift for local environments, climate change strategies and neighbourhood sustainability to be given higher value in future regulatory, business risk and auditing regimes.

Checklist for strategy development

The following key points form a checklist for a successful strategy and action plan:

Ensure board and senior management commitment

Commitment from senior management and board members is critical, especially in providing support to staff and the commitment of resources.

Keep the process simple

Developing a strategy and action plan need not be daunting. By following a simple approach, complex issues can be tackled more easily.

Encourage a multidisciplinary team to guide proceedings

The decisions, policies and actions that influence an organisation's sustainability performance cut across every department - it is the responsibility of all staff.

Agree a 'green champion' to co-ordinate the process and encourage action

It is often the commitment, enthusiasm and encouragement of an individual that will drive a strategy and associated action plan forward, but they need support from senior management.

Form partnerships and maximise external support

Don't work in isolation - build partnerships with like-minded organisations to maximise resources, commitment and ultimately action.

Keep members of the working party, staff and residents informed of progress

Greater improvements can be realised by keeping people informed of achievements and by encouraging suggestions for action.

Identify targets to achieve quickly

The first year of an action plan should include targets that can be achieved quickly to boost confidence as early improvements are made.

Don't look for a quick fix

Accept it will initially take time to develop the strategy and action plan. It is a process to start now and develop over time, with short, medium and long-term goals.

Do what works for your organisation

Whilst exemplars provide good pointers, what works for one association may not work for another. By concentrating on individual circumstances, a realistic policy and responsive action plan can be developed.

Conclusion

There is a global, governmental and public expectation that all organisations should embrace the principles of sustainable development in the way they conduct their business. There is a growing library of information and best practice examples too. Regional bodies are increasing their commitments (such as the Nottingham Declarations¹⁶, regional development and investment strategies) and sustainable development is at the core of all housing association activities. But there remains a clear need for an integrated strategy approach to successfully implement and achieve the principles of sustainable development.

There is no 'one-size-fits-all' approach as found by review of current association methods. Most reviewed associations have a common understanding of the principles of sustainable development, but implementation is approached in many different ways. Integration across all business areas such as development, asset management, and housing/community services, and tackling each aspect of sustainability (social, environmental, economic, organisational) appears incomplete, and translating broad commitments to action appears less well balanced.

The four key areas of sustainable development in a social housing context are social, environmental, economic and organisational sustainability. In describing these key areas, good practice examples were highlighted from various association policies and strategies. These examples appeared to address the key element of sustainability and/or appeared to be innovative.

In addition to identifying key aims and objectives for sustainable development, a housing association must be able to implement and achieve these aims and objectives successfully. There are key requirements such as governance, action plans, performance measurement, review, reporting and auditing, for an association to tackle to work towards sustainable development.

¹⁶ The Nottingham Declaration on Climate Change, 2000



Schedule of submitted policy examples

De Havilland Housing Partnership, Sustainable Communities Strategy

Drum Housing Association, Sustainability Strategy 2007-2011

East Dorset Housing Association, Sustainability Strategy, December 2006

Home Group, The SMILE Project Policy and Action Plan, Warden's approach to improving our environmental performance

Hyde Housing Group, In Design - Sustainable Development Policy

Metropolitan Housing Partnership, Environmental Sustainability Strategy 2005-2010

Nottingham Community Housing Association, Environmental Policy

Nottingham Community Housing Association, Energy Policy

Nottingham Community Housing Association, Affordable Warmth Strategy

Octavia Housing and Care, Development Sustainability Strategy, November 2005

Octavia Housing and Care, Environmental Strategy and Action Plan, May 2005

Plus Housing Group, Sustainability Policy

Town and Country Housing Association, Environmental Strategy and Action Plan

West Mercia Housing Group, Valuing resources and people - a strategy to support sustainable communities



Sustainable Homes Ltd

Marina House, 17 Marina Place, Hampton Wick

Kingston-upon-Thames, Surrey KT1 4BH

Tel: 020 8973 0429 Fax: 020 8943 2163

Email: sustainablehomes@hastoe.com

www.sustainablehomes.co.uk

www.greenstreet.org.uk

Supported by

