



Report to:	Climate, Energy and Environment Committee
Date:	26 November 2024
Subject:	Home Energy West Yorkshire
Director:	Liz Hunter, Director Policing, Environment & Place
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Is this a key decision?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
Is the decision eligible for call-in by Scrutiny?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
Does the report contain confidential or exempt information or appendices?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
If the report does contain exempt information, what is the reason for exemption: <i>(indicate in the adjacent box the relevant paragraph of Schedule 12A, Local Government Act 1972, Part 1 – see Access to Information Rules)</i>	

1. Purpose of this Report

- 1.1 To provide Committee members with an update on the progress of the Home Energy West Yorkshire programme.
- 1.2 To seek members' views on proposed future Home Energy West Yorkshire schemes.

2. Recommendations

- 2.1 That the Committee notes the progress made so far on delivery of schemes.
- 2.2 That the Committee shares their views on ambitions to develop new schemes and endorse next steps required to do so.

3. Information

- 3.1 Housing is responsible for 3.4 million tonnes (around 30%) of carbon dioxide each year in West Yorkshire, the majority of which comes from using fossil fuels to heat homes¹.
- 3.2 Home Energy West Yorkshire is the Combined Authority's regional programme to scale-up domestic retrofit. It is a complex long-term programme that encompasses all the

¹ West Yorkshire Climate and Environment Plan [west-yorkshire-climate-and-environment-plan.pdf](#)

Combined Authority's activity on domestic retrofit, with a vision that 'Everyone in West Yorkshire can live in a warm, comfortable and low carbon home'.

- 3.3 Home Energy West Yorkshire has three overarching objectives:
- Build consensus within West Yorkshire on priorities for retrofit and energy efficiency of homes.
 - Deliver retrofit projects in West Yorkshire that build momentum, strengthen supply chains, and create new delivery models.
 - Establish the Home Energy West Yorkshire as a trusted entity for all residents to access advice and information on retrofit and energy efficiency of homes in West Yorkshire.
- 3.4 Schemes delivered as part of Home Energy West Yorkshire in alignment with the above objectives are intended to act as a package of support for residents in West Yorkshire to retrofit their home or install renewable energy solutions. The programme also has a number of pilot schemes which will deliver important learning to shape future schemes and ensure that they contribute to the Home Energy West Yorkshire vision. Work to date has been about starting solutions for the whole market as a way to stimulate the supply chain, help build confidence to encourage the take-up of relevant skills training and as a recognition that there is a significant challenge to reach net zero and so progress is needed across all tenures to meet the target. The role of the Combined Authority will change over time as the barriers identified throughout this report are overcome.
- 3.5 One of our key measures is the One Stop Shop that Committee have helped to shape through previous meetings. The business case for the advice service was agreed at the Combined Authority in September and the procurement for the various elements is underway. Item 7 also sets out the significant work to support retrofit of social homes. The refreshed Climate and Environment Plan, currently in draft form and discussed at item 10 of this report pack, will reaffirm the importance of the Home Energy West Yorkshire programme and contribute to informing the future direction of the Programme.
- 3.6 The following section gives a more detailed update on a number of schemes underway. In reflection of the progress and data being collated for some of these projects, members' views are then sought on the development of a broader package of funding, range of projects and approach.

Area Based Schemes

- 3.7 The Combined Authority and District Partners are working in partnership to develop Area Based Schemes (ABS) that will deliver domestic retrofits at pace and scale, with each ABS piloting retrofit measures across an area/street to test the level of interventions that can be made to properties, understand the impact these measures will have on residents' living conditions and their energy/fuel bills, in addition to how to achieve efficiencies in delivery.

- 3.8 This approach recognises that there is no single ‘one size fits all’ model for scaling up retrofit as different tenures and subgroups within each tenure require a range of support and finance offers. Adopting an area-based approach will create a demand for retrofit that will encourage investments from the able-to-pay market and Private Rented Sector (PRS), which is essential if the region is to scale up.

Calderdale and Leeds Area Based Scheme

- 3.9 The Combined Authority have entered into a Grant Funding Agreement with Calderdale Council, and a separate Agreement with Leeds City Council, to delivery an area-based scheme in each district.
- 3.10 Resident engagement has commenced on the **Calderdale Area Based Scheme** which will focus on the installation of a hybrid wall insulation (HWI) to up to 30 ‘hard to treat’ pre-1919 stone built properties that are prevalent in the district.
- 3.11 At the time of writing, 15 residents and owner occupiers living in the identified street, have signed up for works to be delivered on their properties and agreed to have their contact details to be shared with an Architect, procured by Calderdale Council, to deliver this retrofit scheme.
- 3.12 The Architect will work with a Retrofit Coordinator procured by the Combined Authority and arrange for whole house surveys to be completed across each property and create a programme of works which will see insulation and energy efficiency measures installed to privately owned/rented properties.
- 3.13 Delivery of installation measures for this scheme is forecasted to start in December 2024.
- 3.14 30 expressions of interest has been received from homeowners and residents living in privately rented properties, who will be supported in the **Leeds Area Based Scheme** which will deliver a whole house “fabric first” approach to back-to-back Victorian terraces in Leeds. Measures such as external wall insulation, roof insulation, underfloor insulation will be installed onto each property signed up to this scheme.
- 3.15 Tenants living in properties owned by Housing Leeds have been notified that there are planned works taking place.
- 3.16 A desk-top feasibility study has been commissioned which confirmed that the proposed area, in Armley, is suitable for a Ground Source Heat Pump to be installed. Technical surveys have been commissioned to test the viability of the ground with current forecasts noting that installation of the External Wall Insulation will begin from January 2025.
- 3.17 A business case to secure funding for Part 2 which will result in some of the properties that have had the external wall insulation installed in Part 1, connected to the Ground Source Heat Pump, is forecasted to be submitted in January 2025.

Remaining Area Based Schemes

- 3.18 The programme team are aiming to submit a business case to secure funding to deliver an Area Based Scheme in **Bradford** in December 2024, which will see the installation of an innovative internal wall insulation system that will reduce the need for residents, and property contents from being decanted from the property whilst this insulation measure is being installed and allow installation to be placed on walls that are not uniform in length.
- 3.19 This Area Based Scheme will see the installation of a range of different heating and control measures and provide learning on how to effectively programme and manage different suppliers involved in different stages of retrofit delivery. This ABS will also help develop an understanding of how scaling up complex retrofit delivery programmes can be managed across a wider area.
- 3.20 In addition to this, these measures will increase the thermal comfort of a residents property, providing residents will have greater control of the ambient temperature of their properties, who will be to potentially reduce their energy bills by remotely checking the temperature of each of the rooms in their homes and switching their heating on, or off.
- 3.21 There are positive on-going conversations taking place with **Wakefield** and **Kirklees** when scoping their Area Based Schemes, with provisional delivery dates are being considered and how funding from the Combined Authority can be used to help them meet the needs of their region.

Local Energy Advice Demonstrator (LEAD) Scheme

- 3.22 West Yorkshire Combined Authority is working with Groundwork Yorkshire to provide advice on improving the energy efficiency of homes in West Yorkshire and what steps residents can take to reduce their energy bills.
- 3.23 Different approaches have been tested to deliver in-person energy advice, with a focus on harder-to-reach and digitally excluded residents, in particular older people facing deprivation or who are financially comfortable and, people with low/no proficiency of English.
- 3.24 This scheme has been in delivery since January 2024 and aiming to provide free retrofit assessment reports to 400 residents and provide in-person advice to 1300 individuals in total by March 2025.
- 3.25 Key learnings/insights from the advice approach to date:
- Community Engagement: Engaging communities through existing groups and activities is paramount. This approach ensures alignment with community interests and increases the likelihood of meaningful participation.

- Empowerment of Local Leaders: Training and empowering local community leaders is essential. This initiative equips them with the knowledge and skills necessary to effectively communicate information about retrofit within their communities, thereby enhancing local understanding and acceptance.
- Role of Locally Based Advisors: Leveraging locally based advisors who possess the requisite knowledge and communication skills is pivotal. These advisors play a crucial role in bridging gaps, fostering engagement, and yielding positive outcomes through effective community interactions.
- People-Centric Retrofit Assessments: Retrofit assessments should prioritise the human aspect, going beyond mere property evaluation. Providing assessment reports in clear, accessible language is vital for ensuring that households can comprehend the information and make informed decisions regarding investments of time and resources.

Solar Residential Collective Buying Scheme

- 3.26 The Solar Residential Collective Buying Scheme is delivering against objective two of Home Energy West Yorkshire, seeking to establish an innovative delivery model to install solar panels and battery storage in our region, and creating a trusted supply chain.
- 3.27 In May 2024, the Combined Authority entered into a contract with a private sector delivery partner iChoosr Ltd. to deliver a collective buying initiative promoting solar photovoltaic (PV) panels, battery storage, and electric vehicle (EV) charge points, branded as the Solar Together West Yorkshire.
- 3.28 The Combined Authority funded the direct marketing campaign, reaching 161,345 households across West Yorkshire. The scheme was launched on 5th July 2024, with the registrations closing on 13th September 2024 following an extension. The scheme received a total of 4,184 registrations and is projected to deliver circa 418 installations by March 2025, adding up to 1.65MW of additional solar capacity for the region. Here are the initial objectives for the scheme:
- Enabled installations – 811 (from approximately 1158 acceptances)
 - Up to 3.2 MW of solar installed
 - Up to 19,050 tonnes of CO₂e saved in total (up to 762 tonnes of CO₂e saved per annum)
 - £5 million of private sector match-funding
- 3.29 Following the closure of the registration window, at the time of writing this report, 28% of participating households accepted their initial offer; 1,123 of these being for solar PVs. 1,014 participants added battery storage, achieving a 90% battery add-on rate across the scheme. Sixty-four participants accepted offers for retrofit battery storage, with a 33%

acceptance rate. At the decision stage, 269 participants (24%) opted to add an EV charger to their installation.

- 3.30 According to insights from iChoosr in the October performance review, our scheme acceptance rate is slightly above their baseline, which is a positive indicator for higher installation rates and strong regional engagement. Acceptance of retrofit battery storage has also been higher than average which is promising given that this is the first scheme of its kind in the region. iChoosr noted that installation rates in Northern England are generally lower than in other regions, which may affect overall outcomes.
- 3.31 Installations commenced in September 2024. To date, over 500 on-site surveys have been completed, and 51 installations have already taken place. A total of 1,104 customers have been transferred to the scheme installer, Solar Bureau, for the ongoing survey and installation process. Approximately half of the surveys have been completed, which is a high number at this stage comparative to other iChoosr schemes and suggests that many of these could proceed to installation. Seasonal slowdowns may impact installation rates in December, but we expect an increase from January through to March.
- 3.32 This initiative continues to support households in reducing carbon emissions and building resilience to electricity price fluctuations. The scheme cost is £57,562.41, funded by the Combined Authority's Net Zero Regional Accelerator programme.
- 3.33 The data collected from the scheme will help inform the development of future Climate Emergency Portfolio initiatives.

Low Interest Loan

- 3.34 A business case to establish a £1.5 million low-interest domestic retrofit loan was approved at Combined Authority on 7 December 2023. The loan will test the appetite among residents for a low interest finance product that is specifically for the purpose of retrofitting homes with energy efficiency and renewable energy measures.
- 3.35 The loan launched in mid-July 2024. Owner-occupiers and small private landlords (with fewer than four properties) in West Yorkshire will be able to apply for £5,000-£25,000 to retrofit their home at a fixed interest rate of 3.26%. Loans are to be repaid over a standard ten-year period, but there will be no penalty for early repayment. Eligible measures include:
- Insulation.
 - Solar PV systems.
 - Battery storage where combined with a new solar PV system.
 - Solar thermal systems.
 - Ground source heat pumps.

- Air source heat pumps.
- Double and triple glazed windows where combined with insulation measures.
- Ventilation where combined with insulation measures.
- Remediation work required to facilitate the install of eligible measures (for example redecorating post internal wall insulation).

3.36 The loan is supported by a marketing campaign across West Yorkshire, which includes bus sides, railway station posters, and a regional radio advert. The campaign has been developed by an external agency who have also developed the new programme identity.

3.37 Audience testing suggested that the main motivator for engaging with the retrofit loan product is the desire to save money in the long-term, and so this has been highlighted throughout the campaign.

3.38 The £1.5m loan pot has the ability to deliver between 60-300 loans at a value of £5,000-25,000 each. The business case modelled an average cost of retrofit at £16,000, with 93 loans able to be delivered at this value. At the time of writing, there have been a total of 63 applications, with 46 in progress, 2 which have drawn down funds and 15 which have been declined. Where loans have been declined, this is primarily due to applicants cancelling their appointments or being unable to proceed at this time. Applications are being made for a range of measures and are spread throughout West Yorkshire. The average loan request so far is c.£10,500, which is lower than the estimated £16,000 which formed the basis of the business case. This suggests that the Combined Authority will provide more than the 93 loans it first intended to.

3.39 Lendology, our delivery partner, have modelled a forecast of demand for the Low Interest Loan based on current interest levels, which suggests that to March 2026, the loan will receive 381 enquiries and service 136 loans at an average of £11,000.

4. Future Projects and Next Steps

4.1 Monitoring and reporting data from the live loan and RCBS schemes has provided helpful indicators as to homeowner response and action if tools and options are available for them to make informed decisions on undertaking domestic retrofit measures.

4.2 The data and success of these schemes have also reinforced the expected outcomes where financial incentives are available.

4.3 HEWY is keen to maintain the momentum and awareness of these products, particularly the loan, and have proposed an enhanced product below which we are seeking to be considered as a priority for further development.

- 4.4 This sits alongside broader conversations and tentative exploration of a range of fiscal incentives for domestic retrofit whereby the Combined Authority stimulates the financial position and the private sector compliment and continue, offering commercial packages to support interventions.
- 4.5 The ideal position is where residents see retrofit measures in the same way as they do a home or lifestyle improvement in terms of funding a new kitchen or car.
- 4.6 The details below are initial proposals for discussion, the HEWY team are working on wider principals and product options (some of which are noted at 4.15) which will be evaluated and presented to the committee at future meetings.

Low Interest Loan

- 4.7 The loan has so far seen a good level of demand and a high rate of successful applications signalling a clear need for and interest in affordable retrofit financing.
- 4.8 The original business case for the Low Interest Loan identified a revolving loan pot for two years as the preferred way forward, meaning that as repayments are received from loan repayments further loans can be made. Through its assurance process, the Combined Authority chose to operate a non-revolving loan pot initially as a pilot project, to test the appetite for such a product in West Yorkshire.
- 4.9 Currently, the £1.5m loan pot is projected to provide between 60-300 loans of between £5,000-25,000 each. The application window closes in March 2026, or once the £1.5m has been fully lent – whichever occurs earlier.
- 4.10 Modelling completed on turning the initial £1.5m loan pot into a revolving fund and extending the loan application window to March 2036 indicated that this would enable the lending of loans to the value of £3,525,000. With individual loan values between £5,000-£25,000, this would provide 141-705 loans.
- 4.11 To provide consistency and longevity of affordable retrofit financing for West Yorkshire's residents, officers have identified opportunities to enhance the scheme:
- **Create a revolving loan fund:** this would involve establishing a self-sustaining loan fund where repayments from past loans contribute to funding future loans. By reusing returned capital, a continuous funding loop can be created which would allow more residents to access funding over time, and increases the value for money return on the Combined Authority's investment in the scheme.
 - **Extend the loan application window from two years to up to ten years:** extending the application period offers flexibility to residents who may not yet be ready to undertake retrofit. The one stop shop, launching in 2025, is expected to accelerate demand for retrofit by providing holistic support to residents and landlords, a factor which hadn't been considered in previous modelling for the loan project. Ensuring that

the loan is available to support residents in accessing upfront capital to fund retrofit will enable a higher rate of retrofit delivery in the region.

- **Increase funding:** With Government expected to reintroduce targets for improved energy efficiency of rented homes and increase spending on their warm homes plan to a total of £6.6bn (£3.8bn already announced), demand for retrofit across tenures is expected to rise. Increasing the project budget would address the projected growth in demand and enable more households to benefit from the availability of upfront capital to retrofit. Increasing the investment in the project also reinforces the Combined Authority's commitment delivering retrofit at scale.
- **A combination of the above** would create a robust scheme would provide sustained access to upfront capital for retrofit, avoiding the cycle of short-term and inconsistent funding which has been a barrier to government funding. Applying all enhancements would allow the scheme to serve a higher volume of applicants without exhausting funds as demand increases. A combination of the measures is also likely to increase value for money, increasing efficiency and impact.

4.12 Members' views on the above enhancements are sought on beginning work on a project change request to include modelling exploring the benefits, costs and value for money offered by the enhancements. It is important to note that modelling would be completed on each option to understand the preferred way forward in terms of increased investment or timescales.

Retrofit Barrier Support Fund

4.13 Residents across all tenures faces barriers to the retrofitting of their home. These include, but are not limited to, a lack of trusted information, not knowing how to access quality contractors, and feeling unsafe with contractors in their home, through to financial barriers associated with the cost of measures. Through the One Stop Shop business case and approval, the Combined Authority signalled its ambition to provide further financial support.

4.14 In addition, the Combined Authority commissioned the Green Finance Institute to undertake an assessment of the role the Combined Authority could take in retrofit finance and how suited the Combined Authority is to each option. At the time of writing, this report is not yet complete.

4.15 The Combined Authority is therefore beginning thinking around how residents can overcome these barriers, and the form that support should take. A long-listing exercise is yet to be undertaken, but will include:

- Further financial products, either delivered by the Combined Authority or via commercial partners, such as:
 - Equity loans



- Further demand-aggregated finance schemes, e.g. running further rounds of the solar collective buying scheme.
- Funding for specific measures e.g. whole house plans, heat pumps, solar etc.
- Funding for delivery of retrofit for specific groups of people, looking at who would benefit most and why.
- Funding for hard-to-treat homes, including heritage buildings.
- Support to overcome miscellaneous barriers for vulnerable residents. For example, funding might provide:
 - A housing officer to sit with a resident whilst work is ongoing in their home, helping them to overcome safety fears around having tradespeople in the home.
 - Disability access adaptations, which can make retrofit more complex.
 - Temporary relocation costs for vulnerable residents who may need to leave their homes during disruptive retrofit work, especially if it's extensive.
 - Additional staff or overtime to complete retrofits more quickly for vulnerable residents to reduce time experiencing disruption.
 - Additional community liaison and outreach activity.

4.16 Members' views on the focus of upcoming scoping work are welcomed. Officers plan to begin work to undertake options scoping and stakeholder engagement in 2025, to fully understand the options available and ascertain how public sector funding might be best utilised, as well as the role and availability of other funding sources. Again, it is important to note that modelling would need to take place in order to fully understand a preferred way forward.

5. Risks and Mitigations

5.1 It is projected that demand for retrofit will grow at an accelerated rate over the coming years. At present, uptake of retrofit is somewhat unpredictable and is relatively low. In developing and implementing new projects, we will seek to not only respond to demand but also to stimulate demand. There is therefore a risk that projects do not receive the level of uptake required to meet net zero, generate good value for money from the Combined Authority's investments, and meet projected outputs. Nonetheless, a lack of action is unlikely to stimulate demand. However, to mitigate the risk, a constant sharing of learnings is involved; as each project develops any early learnings can be applied to future projects fine-tuning them as they progress. For example, early learnings on tenant engagement with SHDF can be used to develop resident engagement with the One Stop

Shop, and learnings around the delivery of the Area-Based schemes will be shared with the One Stop Shop and delivery partners.

- 5.2 The one stop shop needs to be able to respond to accelerated demand as it simultaneously seeks to stimulate demand alongside other Home Energy West Yorkshire schemes. The Combined Authority is currently procuring a managing agent to deliver the scheme and will be seeking assurance that suppliers are able to quickly respond to accelerated demand, scaling up the service as required.
- 5.3 So far, the absence of longevity and consistency of government commitment on retrofit creates uncertainty for all actors and has had a negative impact on the public sector's ability to deliver at the pace and scale required. The lack of commitment also undermines the importance of retrofit in achieving net zero and improving the thermal comfort of West Yorkshire's residents. Use of the Combined Authority's gainshare funding can provide the consistency and long-term commitment required to accelerate delivery of retrofit in West Yorkshire. Officers are also working alongside our Strategic Climate and Environment Partners from the private sector to strengthen activity.

6. Tackling the Climate Emergency Implications

- 6.1 Climate and environment benefits will be embedded within all Home Energy West Yorkshire projects to ensure local benefits can be delivered. This will be drawn out in project development activity for each action, with all activity delivered under Home Energy West Yorkshire seeking to increase the number of retrofitted homes and reduce the carbon emissions produced by domestic properties in the region.
- 6.2 As noted at 3.1, carbon emissions from homes in West Yorkshire make up around 30% of all carbon emissions in the region, and this is largely from the use of fossil fuels to heat our homes. Home Energy West Yorkshire seeks to deliver against West Yorkshire's Climate and Environment Plan to deliver reductions in carbon emissions from domestic buildings in the region. In developing new schemes under the programme, there is an intention to build on learning from existing or previous projects to deliver and influence the delivery of retrofit at scale across West Yorkshire at an accelerated pace to meet our net zero ambitions.
- 6.3 The Area-Based schemes will contribute to progressing towards our goal of 680,000 homes to be retrofitted in the region through delivering retrofit measures to properties across each district, and reduce the energy demand, heat loss and CO₂ emissions arising from each property.
- 6.4 The Residential Collective Buying Scheme contributes directly to carbon reduction targets with a total estimated reduction of up to 14,093 tonnes of CO₂e over the system's lifetime and up to 564 tonnes per annum, based on an estimated 600 installations by March 2025. Weekly installation reports from our delivery partner iChoosr track these impacts, reporting on metrics such as total installed kW capacity, panels installed, and a

dedicated column for 'Installed CO2 Reduction Kg (25 years)'; installations to date currently report 19,214 kg of CO2 reduction.

7. Inclusive Growth Implications

- 7.1 Inclusive growth has and continues to be embedded within the projects, programmes, to ensure local benefits can be delivered. This will be drawn out in project development activity for each action, for example the potential to deliver social value through procurement activity.
- 7.2 Home Energy West Yorkshire's vision is that 'everyone in West Yorkshire can live in a warm, comfortable, low carbon home'. Residents across all tenures faces barriers to the retrofitting of their home. These include, but are not limited to, a lack of trusted information, not knowing how to access quality contractors, and feeling unsafe with contractors in their home, through to financial barriers associated with the cost of measures. Through the One Stop Shop business case and approval, the Combined Authority signalled its ambition to provide further financial support.
- 7.3 As outlined above, a number of proposals discussed seek to target specific groups or specific needs for vulnerable or disadvantaged groups or to develop further financial offers to support the 'able to pay market' without sufficiency disposable income and savings. Choosing to support more vulnerable groups is more likely to have an impact on the rate of fuel poverty in the region, compared with supporting the 'able to pay market'. Nonetheless, support is required at all levels in order to drive forward retrofit at the pace and scale required to meet our net zero ambitions.

8. Equity and Diversity Implications

- 8.1 Home Energy West Yorkshire workstreams noted here and future projects play a critical role in ensuring that *"Everyone in West Yorkshire can live in a warm, comfortable, and low-carbon home,"* helping to reduce inequalities and address disparities.
- 8.2 In considering further support projects that can be delivered, officers plan to explore barriers relevant to specific vulnerable groups with an aim to developing schemes that can help residents to overcome these barriers.

9. Financial Implications

- 9.1 There are no financial implications directly arising from this report.

10. Legal Implications

- 10.1 There are no legal implications directly arising from this report.

11. External Consultees

- 11.1 No external consultations have been undertaken in the preparation of this report.

12. Background Documents

12.1 There are no background documents referenced in this report.

13. Appendices

None.