



Report to:	Climate, Energy and Environment Committee
Date:	26 November 2024
Subject:	Retrofitting Social Housing
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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 an update on social housing retrofit programme activity.

2. Recommendations

- 2.1 That the Climate Committee notes progress in the delivery of the SHDF programme and the intention by the CA to submit a bid for WH:SHF Wave 3.
- 2.2 That the Climate Committee notes the delay in delivery of the WYHP solar scheme but that the outputs remain the same.

3. Information

- 3.1 Social Housing accounts for 19% of homes (approximately 180,000) spread throughout West Yorkshire. The homes are owned and managed by over 17 charities and social housing registered providers; many of these providers are members of the West Yorkshire Housing Partnership and are now members of the SHDF Consortium, led by the Combined Authority.
- 3.2 One of the few current national retrofit strategies is the Social Housing Decarbonisation Fund (SHDF). The programme is focussed on achieving EPC C in social homes through insulation and low carbon heating; it is delivered through a combination of Government

grants and match funding from the social housing providers. Wave 1 was launched in England with a target of 20,000 homes; it closed in February 2024 having completed 15,800 homes, a variance of -21%. These figures reflect the wide-ranging challenges in delivering retrofit improvements and were equally experienced by the WYCA consortium; delivering 916 homes to EPC C versus an original target of 1316. At the end of Wave 1 the West Yorkshire consortium was 4th in terms of properties completed: Nottingham and Durham each delivered 1386 properties, Liverpool 1224 and Greater Manchester 819 properties to EPC C. However, significant learnings were gained by the consortium partners, and these have been shared and used to improve delivery in further SHDF Waves.

- 3.3 Through gainshare funding the Combined Authority has supported and enhanced the delivery of programmes to implement retrofit measures across social homes in West Yorkshire.
- 3.4 Details provided below set out the current and planned activity to deliver retrofit measures to social homes across West Yorkshire. Work has been largely dependent on the scope and scale of available government funding, with gainshare funding via the Booster scheme.
- 3.5 Completed to date and those planned to come through the Warm Homes bid (please see 3.22), will deliver retrofit measures to 12,822 social homes. In addition, Government has confirmed that all social homes should aim to be EPC C by 2030 which is ahead of the Mayors pledge for all social homes to be insulated by 2030 and is more than just one retrofit measure.
- 3.6 Whilst considerable progress, understanding and knowledge development of domestic retrofit has been achieved through the activity undertaken to date, the scale of pace and available funding routes will not realise this target if we continue with the same approach. Analysis of the census data indicates that approximately 73,000 social homes remain at below an EPC C rating.
- 3.7 Alongside funding constraints other barriers continue to challenge the delivery of retrofit measures to social homes which, alongside increased funding capacity, need to have focused attention and a solutions-based approach.
- 3.8 Resource availability within registered providers presents challenges alongside ensuring business as usual activity is maintained alongside the increased need for dedicated and visible resident engagement officers to ensure retrofit information, programme for works, issues and risks are to be carefully and appropriately communicated to all residents.

- 3.9 Robust, reliant and up to date housing stock data varies considerably across the registered housing providers in West Yorkshire. Assumptions of current state of homes and appropriate retrofit requirements and need, continue to cause delay when on site works start and the actual position is worse and proposed interventions are inappropriate or ineffective.
- 3.10 Government funding, whilst WH:SHF has offered some limited flexibility, it continues to be constrained in scope of works permitted, programme delivery expectations and reporting and monitoring requirements. Without true programme and funding flexibility current and future government funding provide constraints to delivery.
- 3.11 Supply chain and skills continue to be reactive resulting in cost peaks and slow to grow. Skills Action Plans and working with manufacturers and installers to invest in skills and retraining are being developed yet a national policy and stronger commitment and need for retrofit would provide confidence and comfort for supply chain management and balance to avoid the cost peaks and limited resources currently being faced.
- 3.12 In collaboration with the West Yorkshire Housing Partnership, a Social Housing Investment Plan will be developed, providing a 10-year plan for retrofitting social homes, delivering energy efficiency measures and developing a programme to insulate every social home by 2038 further supporting and increasing interventions that will be delivered by WH:SHF. This decarbonisation pipeline work, due for completion April 2025, will give us a confirmed idea of how many social homes are below EPC C and identify the pathways forward for focused intervention.

Social Housing Decarbonisation Fund Booster

- 3.13 Delivery of the Social Housing Decarbonisation Fund Booster programme completed in May 2024, with the programme successfully retrofitting 1,743 homes across all five districts, installing a total of 3,004 Energy Efficiency Measures to enhance the sustainability and energy performance of the housing stock.
- 3.14 The SHDF Booster Programme was initiated to address the limitations of Wave 1 by focusing on homes that were previously difficult to upgrade due to funding constraints. Its flexible framework enabled the programme team to adapt to challenges such as resource shortages and technical issues through strategic change requests and fund reallocations. As a result, the programme achieved nearly all of its original target, falling short by only 43 homes, significantly contributing to the region's advancement towards sustainable housing solutions
- 3.15 The Combined Authority was allocated funding of £5,195,949.00, of which only £4,369,069.42 has been spent to date. The underspend will be reinvested into an Area-

Based Retrofit Scheme which will ensure that the programme benefits will continue to be delivered.

- 3.16 The SHDF Booster Programme implemented a range of Energy Efficiency Measures including Cavity Wall insulation (including extract and refill), Internal wall insulation, Loft Insulation, Solar PV and Air Source Heat Pumps. The measures will boost thermal comfort and potentially decrease fuel bills for residents in West Yorkshire, resulting in healthier living conditions and reduced financial stress. Moreover, by enhancing energy efficiency and lowering energy consumption, these initiatives will support the region's goal of achieving net zero emissions by 2038.
- 3.17 An evaluation consultant has been procured to evaluate the final outcomes SHDF Wave 1 and Booster schemes with a review scheduled for November.

SHDF Wave 2.1

- 3.18 The Combined Authority's Consortium has successfully installed retrofit measures in 768 social housing properties, with 543 of these confirmed as EPC C through the TrustMark lodgement process. The consortium's target is to retrofit 2,162 social housing properties by the end of September 2025, all of them reaching EPC C. However, it is anticipated the final number is at risk as changes to the retrofit measures and outputs arise and are subject to approval in accordance with DESNZ's change control procedure.
- 3.19 A high number of changes have arisen in the programme. This is primarily due to the compressed delivery timeline and the variation between the modelling used by the housing providers for the bid and the results of the physical survey which determines the final measures to be installed. Each property must undergo technical surveys, retrofit assessments, and design processes, which can be time-consuming. As a result of these surveys, changes to starting EPC bands, wall types, and measure mixes necessitate a formal change request with DESNZ. DESNZ maintains a strict policy regarding any alterations to the delivery milestones, and all changes must be submitted to a monthly change board if grant funding is to be retained. This requirement hinders the consortium's ability to deliver outputs at the desired pace and this issue is shared with grant recipients throughout the country. The Combined Authority, with support from the Mayor has raised these concerns directly with the senior DESNZ team but no changes will be made to Wave 2.1 DESNZ has indicated that adjustments are being developed for Wave 3.
- 3.20 Despite these constraints the Consortium is working hard to deliver and maintains a collaborative and supportive relationship; sharing learnings and information to help each other achieve their targets.

3.21 Lessons learned workshops have been held in advance of the Wave 3 launch and key challenges to gaining pace in the rate of retrofit installations were identified:

- The PAS 2035 quality standard requires numerous home visits; despite efforts to group these visits, it is often not feasible down to technical reasons and this can delay the programme or result in tenant refusals.
- Tenant Refusals for other reasons are impacting delivery, reasons include physical or mental health concerns, resistance to change, vulnerability, language barriers, resistance to engage at all, anti-social behaviour. Resident Liaison officers work hard to overcome tenant refusals but lack the time and resource to accommodate the tenants needs. Registered Providers (RPs) are working to substitute other properties into the programme and have shared all of their learnings when engaging with residents. The Combined Authority are holding a more intensive resident engagement workshop with Resident Liaison Officers and external stakeholders from academia and charities to develop a more sophisticated resident engagement plan that includes targeted measures to resolve some the refusal reasons already mentioned and ensure that retrofit programmes are wholly inclusive.
- Physical surveys of each home are essential to have a robust programme of delivery and to avoid the high number of change requests in Wave 2.1. Strategies to complete this stage sooner and on more properties are being explored for Wave 3 but are challenging due to technical changes in the SAP scoring that provides the final EPC.
- Resource within the social housing providers is at capacity as they deliver Wave 2.1 and other asset improving projects whilst preparing the bid for Wave 3. Key constraints lie in project management, administration and data reporting.
- Proposals to seek Gainshare funding to support the consortium partners in resolving some of these constraints are being developed to better enable the delivery of Wave 3.

Warm Homes: Social Housing Fund (WH:SHF) Wave 3

3.22 Renamed following the change in Government, there is still a commitment to continue the social housing retrofit scheme; however, the original allocation of £1.25billion has not yet been confirmed. The Combined Authority has collaborated with the social housing providers over the summer in preparation for the bid with the consortium likely to grow from 9 to 13 members and an estimated programme of up to 8000 properties to retrofit over the 3-year period.

- 3.23 The deadline for the bid submission to DESNZ is 25 November 2024 and the project team has been established. The team is currently working closely with the consortium partners to review their bid proposals, ensure they are realistic and achievable and have incorporated the learnings from previous waves. DESNZ will announce the awards in early 2025.

West Yorkshire Housing Partnership (WYHP) - Solar PB and Battery Storage

- 3.24 The project will deliver against objective two of the Home Energy West Yorkshire, establishing a new innovative delivery model in our region to deliver solar panel installations and creating a trusted supply chain with the aim of delivering a self-sustaining operational model of solar supply, as well as reduced tariffs for tenants by March 2026 with a potential to scale up.
- 3.25 The business case for the project was approved by the Combined Authority in December 2023 with the installations initially projected to commence in spring-summer 2024. The scheme is delivered in partnership with four registered housing providers, including Together Housing Association, Connect Housing, Wakefield District Housing and Leeds Federated Housing Association. The start of the scheme was delayed due to the introduction of the PAS63100 guidance by the British Standards Institute in March 2024 and a delay with the procurement of the supplier framework undertaken by WYHP. The revised delivery start date for the project is now February 2025, with the completion in March 2026.
- 3.26 The scheme will enable the delivery of solar panel and battery installations on up to 1,500 social homes in West Yorkshire by March 2026. The Combined Authority is contributing £5.4 million to the total project costs, currently estimated at £15.4 million. Once implemented, the scheme will add up to 5.43MW solar capacity to the region and will enable up to 915 tonnes of carbon emission savings per year.

4. Risks and Mitigations

- 4.1 The risk of reducing outputs in Wave 2.1 has been realised and the challenges of administering Wave 2.1 and technical complexity have deterred providers from seeking alternatives. Some of these properties will be submitted for Wave 3 if eligible. Changes to measures, outputs and grant funding will be managed through the DESNZ Change Process.
- 4.2 Delays to the WYHP Solar PV project are being managed through close monitoring by the project manager to ensure milestones are met. WYHP have supplied the latest revised forecast with the delivery start pushed back to February 2025 and completion to date from September 2025 to March 26. The delay has not impacted the overall output of 1500 installation. Requests for information from the WYHP to provide list of the properties that can have external enclosures and the associated costs while PAS63100

issue is clarified, to ensure we have enough properties to meet the output target by March 2026

5. Tackling the Climate Emergency Implications

5.1 Despite the challenges, the number of retrofits within the SHDF programme continues to increase thereby contributing to a reduction in carbon emissions.

6. Inclusive Growth Implications

6.1 As a sector, social housing tends to be in areas of high deprivation throughout West Yorkshire and investment in energy efficiency measures can contribute to a warmer home, better health and employment outcomes. The official measure of Fuel Poverty includes living in housing with an EPC D or below. Retrofitting social housing to EPC C improves energy efficiency and alleviates fuel poverty.

7. Equity and Diversity Implications

7.1 As a sector, social housing supports Inclusive Growth; tenants and communities are supported by the sector with greater diversity than other tenures. A larger proportion of tenants are from BME background, more social tenant households are headed by women and half of social tenant households have a member with a long- term illness.

8. Financial Implications

8.1 Any reductions in grant spend for Wave 2.1 will be managed through the DESNZ Change process.

9. Legal Implications

9.1 There are no legal implications directly arising from this report.

10. External Consultees

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

11. Background Documents

11.1 There are no background documents referenced in this report.

12. Appendices

None.