



Housing Retrofit Update

Scrutiny 10 July 2023



1. Progress since last update



Net Zero Project

- Consultants appointed to carry out feasibility studies for a possible net zero retrofit project. Purpose at this stage is to understand detailed costings, technical potential, funding models and resident impacts. Currently reviewing outputs of feasibility study.

Social Housing Decarbonisation Fund

- Placed a successful bid for wave 2 of this funding round. This is worth up to £4.5m and could contribute to energy efficiency improvements to up to 550 homes. We are working to appoint consultants to manage this project, and contractors to deliver the work. (contract award Cabinet July 24th)
- The timescales associated with the SHDF are very tight, with the funding needing to be spent by March 2025. We will be working with our contractors to maximise the number of homes that can benefit

Heat Network Efficiency Scheme

- Placed a successful bid for £100k funding to improve the efficiency of one network as a pilot project which may be rolled out to other networks in future.

2. Alignment to wider council goals



Wider Council Net Zero Ambitions

- Housing are working to the same 2040 target as the rest of the council to achieve Net Zero, and our targets and objectives are embedded into the council's Climate Action Plan, notably in the section on Buildings.

Internal Governance

- Internally Housing have several operational working groups of key officers focussed on the details of fabric retrofit, communal heating and other mechanical and electrical systems.
- These report into a strategic Housing Retrofit Group which considers broader questions such as funding models, resident engagement strategies and alignment with other key work like fire safety.
- Finally this group sits under the council wide Environmental Sustainability Board.

3. Timeline and Key Milestones



Key Milestones

- We are working to the Councils commitments to achieve an average EPC rating of B by 2030 and Net Zero by 2040.

Progress

- We have completed a comprehensive review of all our EPC data and procured a software system to enable modelling and analysis.
- Currently developing a roadmap to 2040, which is expected to be completed within this financial year in line with the Mayors manifesto commitment.
- The average EPC issued between 2009 and 2011 was a D rating, with SAP figure of 63. A decade later there has been a significant improvement. EPCs issued between 2018 and 2020 had an average C rating with a SAP figure of 70.
- The rate of improvement will need to increase about 50% to achieve an average of B (a SAP figure of 81) by 2030; the roadmap will set out the detail of how this can be achieved.
- The current focus is on research and pilot projects. This is expected to be the focus for another 2-3 years and then potentially wide scale roll out of deeper retrofit can begin.
- In the meantime planned programmes will continue; new contract specifications have all been reviewed to ensure that planned work maximises available retrofit potential.

4. Financial Implications and Opportunities



Capital Investment

- Our initial work has indicated that the work needed to bring the stock to a Net Zero standard is not affordable under present funding regimes (nationally not just for Hackney)
- There are additional challenges for Housing in understanding the implications for leasehold homes; lease terms do not always permit high levels of investment or support 'improvement' works.

Funding

- While the council is trying to make use of all available grant funding, often this is very low compared to the cost of the work required overall.
- Grant funding arrangements often contain very specific requirements which bring additional complexity.

Resident Implications

- While fabric retrofit is usually welcomed as it reduces energy bills, this is less clear as a benefit of low carbon heating systems. These usually rely on electricity and the higher cost per kWh for electricity over gas, means that we need to carefully consider resident implications in moving away from gas.

5. Resident Engagement



Work so far

- This has been limited as schemes are largely at a research stage.
- Detailed engagement plans are being developed at present for works under the SHDF grant work.

Regeneration

- The regeneration team are completing post-occupancy analysis of some homes which will be valuable to housing also. It will explore the experience of residents in moving to new build highly energy efficient homes; we expect that this will be useful in informing how we work with residents on retrofit projects also.

General Strategy

- Housing have published an overarching Resident Engagement strategy and this will play a lead role in informing engagement on retrofit projects.

6. Embedding Technical Knowledge



Cross London Work

- Hackney is working as part of a London Councils group on retrofit; this group shares research and experience, as all boroughs are facing the same challenges.

Team Upskilling

- We have secured grant funding to train several officers to be Retrofit Assessors.

Contractors

- We are working to ensure that we have an appropriate range of contractors to complete retrofit work and to maintain new energy efficient systems. This is reflected in both the requirements we place in base contract requirements and specifications and in testing contractor's competencies via the procurement evaluation process.

7. Reporting Progress



Key Metrics

- We are using the EPC as a national standard. It is also the basis of the 2030 target.
- We are also using the carbon intensity element of it to estimate carbon emissions towards the 2040 target.
- At present progress is reported as part of the working group, but the initial plans for a roadmap include proposals for more formal reporting.

Processes

- Retrofit projects are being operated to the PAS2035 process to ensure they are operated properly and that the measures chosen to improve a home are suitable and complementary.

Wider Context

- We are continuing to examine the wider national context on progress, e.g. the impact of the decarbonisation of the electricity grid or the future opportunity for hydrogen in place of gas.