

Case Study:

# HOW IS THE WEST OF ENGLAND COMBINED AUTHORITY PLANNING TO LEVEL UP THROUGH RETROFITTING HOMES?

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# ADEPT

The Association of Directors of Environment, Economy, Planning & Transport

## INTRODUCTION

The government's Net Zero Strategy Build Back Greener was published in 2021. The strategy set out the government's plans for reducing emissions from each sector of the economy to reach net zero in 2050, with a 78% reduction from 1990 to 2035.

Key commitments included reducing emissions from heat and buildings and the aim of selling no new gas boilers by 2035. This included funding for the decarbonisation of social housing and public sector buildings.

Of the total UK carbon emissions, 14% comes from household energy usage. The UK has some of the least efficient housing stock in Europe, with 45% of existing dwellings EPC band D, and 19% band E or lower.

The Climate Change Committee's assessment (2021) welcomed the strategy as "ambitious" and "comprehensive". It recommended some specific areas for further action including to promote energy efficiency measures in owner-occupied homes.

Protecting the environment, including retrofitting homes for energy efficiency, was one of the key priorities of the West of England Mayor, Dan Norris, who was elected in May 2021. The [West of England Climate and Ecological Strategy Action Plan](#) was published in April 2022. Low carbon buildings and places was one of five strategic priorities for the region.

Heating and powering homes accounts for just under a third (30%) of the region's CO<sub>2</sub>.

emissions. To support ambitions to reach net zero, over 170,000 homes in the region need to improve their insulation and reduce energy use. Currently, around 1,700 homes are retrofitted with insulation in the region each year, but the rate needs to increase to 29,000 per year.

Accelerating the retrofitting of homes could have considerable co-benefits in terms of the local economy and skills. An analysis of the [retrofit skills market](#), commissioned by the West of England Combined Authority in 2021, estimated that solid wall insulation jobs would need to increase by a minimum of 48-fold in order to meet the target of net zero by 2030.



## ACTION ON HOME ENERGY EFFICIENCY

There are two energy related home improvement grant schemes for residents on low incomes. This includes funding from the government's Home Upgrade Grant Scheme, which is open to residents on a household income below £30,000 per year. The affordable warmth grant is also available to residents on low incomes to cover measures such as loft and cavity wall insulation, and repairs to heating and windows. There is also wider funding available to landlords in the social housing sector.

There are no grant schemes to incentivise residents on higher incomes to make home energy efficiency improvements to their homes, other than the [Boiler Upgrade Scheme](#). The government established the Green Homes Grant to focus on green home improvements in 2020. However, this closed in March 2021, with issues around take up and roll-out of the scheme during the pandemic.

The Combined Authority has a record of action to support the retrofitting of the existing housing stock. It established the Low Carbon Challenge Fund in 2019. This complemented the delivery of the West of England Climate Emergency Plan, which included actions to support the retrofitting of domestic properties as well as renewable energy projects and green business development.

This was jointly funded through the European Regional Development Fund (ERDF) with c.£2.1 million (2019-2023) and money from the West of England Regional Investment Fund (£1.4 million).



Key projects included the [Innovative Housing Retrofit Scheme](#), which was a pilot project to test energy-saving improvements in hard-to-treat homes. The scheme offered capital grant funding to social landlords for projects of up to 25 homes.

Three schemes are currently in delivery with social housing providers Brighter Homes, Curo and Bristol City Council. Each scheme has a different focus looking at issues such as pre-fab buildings or homes that are located off-grid. The projects will reduce the carbon emissions and pilot innovative retrofit technologies, techniques and financing.

A key aim is for these schemes to support the roll out of retrofitting at a larger scale - demonstrating approaches for different types of properties and building organisational learning, systems, processes and networks to help with at scale.

Alongside the publication of the West of England Climate and Ecological Strategy Action Plan in April 2022, the Combined Authority has allocated a further £10 million funding (up to 2025) for actions to support low carbon buildings and places. Key commitments included:

- working in partnership to develop and launch the regional Retrofit Accelerator to increase the scale and pace of retrofit within the region - £3 million funding was allocated
- developing further retrofit interventions, focussing on development of supply chain and skills
- delivering training programmes to increase the number of retrofit installers within the region including construction skills
- working with South West Net Zero Hub to deliver retrofitting schemes to improve energy efficiency to homes in fuel poverty including Green Homes Grant

## WHAT IS HAPPENING NOW?

**The Combined Authority is working in partnership to develop and launch the Retrofit Accelerator programme to increase the scale and pace of retrofit within the region. The Retrofit Accelerator will provide an advice service for home owners across the Combined Authority area.**

This will be contactable by phone, email and a webpage, and will provide a basic level of information, tailored to each household, for free. This service will be operated by a dedicated Community Interest Company established by the Centre for Sustainable Energy, starting in Spring 2023.

Residents on a low income and property owners in the affordable sector will be directed to sources of grant funding for property upgrades such as the Home Upgrade Grant. Property owners who are motivated to improve their homes and are able to pay, will be offered a home survey and retrofit plan for a fee.

This will focus on a whole house approach to retrofitting, which ensures that modifications are made in an appropriate order and following the energy hierarchy - prioritising energy conservation, energy efficiency and then renewable energy.

Further phases of the programme will look at building capacity in the installation market, recognising that the availability of skilled installers and accredited companies is a major factor. This will include raising awareness amongst tradespeople and also supporting a local accreditation scheme to support consumer confidence.

In the longer term the programme will also look at financing options for retrofit, including exploring models of loan financing to enable more home owners to adapt their properties. The Accelerator will also be well placed to signpost residents to any future government funding directed at homeowners.

## SUCCESS FACTORS

- **The West of England has a legacy of action** on low-carbon initiatives, supported by ERDF Funding from 2019-23. This provided a baseline to develop future programmes around retrofitting and low carbon skills.
- **There is strong leadership and political buy-in** for action on low carbon buildings. This was a priority for the West of England Mayor and the leaders of the local councils, who agreed a new climate action plan in April 2022.



## CONSTRAINTS

- **There is a shortage of funding for home retrofitting.** The government established the Green Homes Grant [£2 billion] to focus on green home improvements. However, this closed in March 2021, with issues around take up and efficiency during the pandemic.
- **There is limited capacity in the installer sector,** with limited interest, skills shortages and supply chain issues for green materials. Higher costs are also associated with hard-to-treat priorities. The Combined Authority is working to address this through the Innovative Housing Retrofit Scheme and Accelerator.

## LEARNING POINTS

- **There is an urgent need for funding for long-term sustainable schemes for whole house retrofits.** Previous and current funding streams are time limited and do not reach all households or all retrofit needs. Long-term sustainable funds could pump prime large-scale retrofits and could unlock falls in costs through economies of scale benefitting all types of home tenure and creating a new market for quality, holistic retrofit.
- **There are significant co-benefits of retrofit energy efficiency,** including to tackle fuel poverty and support health and wellbeing, as well as the contribution to the local economy, generating new jobs and training opportunities.

## LINKS

West of England Climate and Ecological Strategy Action Plan (2022), via:

[West of England Climate and Ecological Strategy and Action Plan 2022 \(westofengland-ca.gov.uk\)](https://www.westofengland-ca.gov.uk/strategy-action-plan)

Retrofit Skills Market Analysis, WECA (2021), via:

[WECA Green-Jobs-and-Skills Retrofit Report-1 Final o1\\_o6\\_2021.pdf \(westofengland-ca.gov.uk\)](https://www.westofengland-ca.gov.uk/strategy-action-plan)

WECA Innovative Housing Retrofit Scheme, via:

[Innovative Housing Retrofit Scheme - Combined Authority \(westofengland-ca.gov.uk\)](https://www.westofengland-ca.gov.uk/strategy-action-plan)

Heat and Buildings Strategy (2021) Department for Business, Energy and Industrial Strategy, via:

<https://www.gov.uk/government/publications>

Independent Assessment: The UK Net Zero Strategy (October 2021). Climate Change Committee, via:

<https://www.theccc.org.uk/publicationtype/o-report/o1-net-zero-reports/>

Green Jobs (October 2021) House of Commons Environmental Audit Committee, via:

<https://committees.parliament.uk/publications>

The Ten Point Plan for a Green Industrial Revolution (November 2020) Prime Minister's Office, via:

<https://www.gov.uk/government/publications>

Levelling Up the United Kingdom (Feb 2022), Department for Levelling Up, Housing and Communities, via:

<http://www.gov.uk/official-documents>

*During 2022, the Association of Directors of Environment, Economy, Planning & Transport led a project to explore how local authorities are levelling up through action to address disparities in multiple domains - public health, local environmental quality, exposure to climate risk and socio-economic deprivation.*

*This project was in collaboration with the Association of Directors of Adult Social Services, the Association of Directors of Public Health, the Association of Directors of Children's Services and the Local Government Association, recognising the synergies between our work areas, and the links between wellbeing and place.*

*This case study is one of a series of examples which look at how local authorities are levelling up, across service areas.*

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