



Report

Date: 19TH October 2023

**To: the Chair and Members of the
Regeneration & Housing Overview & Scrutiny Panel**

Report Title: HOUSING RETROFIT – PROGRESS SINCE 2021

Relevant Member(s)	Cabinet	Wards Affected	Key Decision?
Cllr M Houlbrook Cllr G Jones		All	No

EXECUTIVE SUMMARY

1. The work of the Doncaster Climate Commission identified that the borough's housing was the second biggest producer of carbon emissions, after transport. The Council's Environment and Sustainability Strategy approved in 2021 therefore made improving the energy efficiency of the borough's homes one of its priorities.
2. Since 2021 a start has been made on the huge task of retrofitting the borough's housing stock. The Council has successfully bid for significant external grant funding from a number of Government funded housing retrofit initiatives, matched largely by its own investment of £12m in a Thermal Improvement Programme for Council housing funded by the Housing Revenue Account. In 2023 the Council has also secured £2.7m in Gainshare funding from the South Yorkshire Mayoral Combined Authority to retrofit more homes. In total £13.6m of external funding has been secured to date and over 1,100 homes have been improved, the vast majority being the Council's own social rented homes. We know however, that in terms of the target of net zero by 2040 the Council's housing stock needs hundreds of millions more investment in retrofit.
3. In 2022 the Council commissioned a Housing Stock Modelling report assessing the likely condition of the borough's private sector housing, both owner occupied and private rented. This report, and the Health Impact Assessment done of its findings, helps us to understand the likely scale of homes where residents experience excess cold and to identify target areas for retrofit. The likely scale of retrofit costs for 115,000 private sector homes to achieve net zero targets will far exceed those

for the Council's housing stock, and private sector funding, including from individual households, will be needed to reach the target

EXEMPT REPORT

4. This is not an exempt report.

RECOMMENDATIONS

5. That the Panel notes the progress so far in retrofitting the borough's housing stock and the scale of the long term challenge to meet net zero targets for housing

WHAT DOES THIS MEAN FOR THE CITIZENS OF DONCASTER?

6. Mitigating the impact of climate change is a key priority locally, nationally, and internationally, and reducing carbon emissions is fundamental to limiting the global temperature increase. The impacts of climate change are already beginning to be seen locally in more severe weather events like flooding and wildfires, hotter and drier summers and warmer and wetter winters. The Council must take any steps it can to help reduce the risk of these weather events to residents. Housing retrofit can also help minimise the impact of increasing energy costs for households, mitigating the cost of living pressures many are facing

BACKGROUND

7. The work of the Doncaster Climate Commission 2019 identified that the borough's housing was the second biggest producer of carbon emissions, after transport. The Council's Environment and Sustainability Strategy approved in 2021 therefore made improving the energy efficiency of the borough's homes one of its priorities.
8. Since 2021 a start has been made on the huge task of retrofitting the borough's housing stock. The Council has successfully bid for significant external grant funding from a number of Government funded housing retrofit initiatives, matched largely by its own investment of £12m in a Thermal Improvement Programme for Council housing funded by the Housing Revenue Account. A series of successful funding bids has reduced the need to use Council's own capital and HRA to deliver the Thermal Improvement Programme. The bids are as follows:
 - a. Local Authority Delivery schemes – funded by Department for Energy Security & Net Zero (DESNZ)
 - i. Phase 1 – £684,000
 - ii. Phase 1B – £517,000
 - iii. Phase 2 – £2.45m
 - b. Social Housing Decarbonisation Fund – DESNZ
 - i. Wave 1 – £3.24m
 - ii. Wave 2 – £4m

9. In 2023 the Council has also secured £2.7m in Gainshare funding from the South Yorkshire Mayoral Combined Authority to retrofit more homes by 2025. In total £13.6m of external funding has been secured to date and over 1,100 homes have been improved, the vast majority being the Council's own social rented homes. We know however, from work commissioned from Savills, that in terms of the target of net zero by 2040 the Council's housing stock needs hundreds of millions more investment in retrofit.
10. In 2022 the Council commissioned a Housing Stock Modelling report assessing the likely condition of the borough's private sector housing, both owner occupied and private rented. This report, and the Health Impact Assessment done of its findings, helps us to understand the likely scale of homes where residents experience excess cold and to identify target areas for retrofit. The likely scale of retrofit costs for 115,000 private sector homes to achieve net zero targets will far exceed those for the Council's housing stock, and private sector funding, including from individual households, will be needed to reach the target. Here are some of the findings:
 - a. Average SAP (home energy rating) rating est. at 63 –
 - i. England and Yorks & Humber average is 62
 - b. 1,261 Private Rented Sector homes have EPC rating below E
 - i. Since 2018 it has been illegal to rent a property with an EPC lower than E.
 - c. 2,979 owner occupier homes also est. to have EPC ratings below E
 - d. Estimated 16,920 homes with un-insulated cavities and 18,217 with less than 100mm loft insulation
11. To date the most progress on retrofit has been made on the Council's own housing stock. This has largely been due to the criteria for the external funding made available to bid for, which has limited the income levels of eligible households and failed to take account of the large rise in the costs of measures such as External Wall Insulation during 22-23. This has made capped grant levels insufficient to enable private households to afford to participate in the schemes.
12. A significant lack of capacity in the contractor market has also slowed progress and made retrofit work more expensive. The qualification requirements for approved installers and the standards of work required have deterred some contractors from skilling up their workforce whilst sources of funding are short term and unpredictable. A long term, funded national retrofit programme would open up very significant new opportunities for more jobs and work for local companies
13. There are a number of other national energy efficiency improvement schemes running to which private sector households can apply including the Great British Insulation Scheme (GBIS) and Energy Company Obligation (ECO). The vast majority of grant funding has been directed to those most vulnerable, with either health or low income being a qualifying criteria, but the recent introduction of GBIS has opened up to more homeowners able to access a funded insulation measure for their home. While this has been welcomed by the insulation industry, it does

only provide basic measures and does not go far enough to reduce fuel costs and prepare a home to meet the future standards required by net zero targets.

14. There has been a steady increase of uptake in renewable energy technologies, namely solar, following the increase in energy costs, but this has been driven by those able to pay the upfront capital. There are over 7,000 homes in Doncaster using solar and over 700 of these are Council homes. Without further incentive or grant, it will be very difficult for low income households to benefit from the large scale scheme we once saw when the government Feed in Tariff was available.

OPTIONS CONSIDERED



15. Beginning the process of retrofitting the borough’s housing stock – the Council has made a start on the huge task of making progress towards a net zero target of 2040, despite at the present time there being insufficient resources to be confident that this target can be achieved. The pressing need to tackle carbon emissions mean making a start on this work essential. This is the recommended option

REASONS FOR RECOMMENDED OPTION


16. To contribute to the achievement of a net zero borough by 2040 and reduce the impacts of climate change on local residents, businesses and the natural environment

IMPACT ON THE COUNCIL’S KEY OUTCOMES


17.

Great 8 Priority	Positive Overall	Mix of Positive & Negative	Trade-offs to consider – Negative overall	Neutral or No implications
 Tackling Climate Change	✓			
Comments: Reducing the carbon emissions from housing is a key element of mitigating the impact of climate change, and in helping to minimise the costs to households of future energy price rises				
 Developing the skills to thrive in life and in work	✓			


Comments: There are significant opportunities for new jobs and work for local companies from establishing a long term funded national programme of housing retrofit

 <p>Making Doncaster the best place to do business and create good jobs</p>	✓			
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Comments: Expanding investment in housing retrofit would provide more opportunities for local companies

 <p>Building opportunities for healthier, happier and longer lives for all</p>	✓			
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Comments: Energy efficient homes are more affordable to heat and help residents avoid the health consequences of living in a cold home

 <p>Creating safer, stronger, greener and cleaner communities where everyone belongs</p>	✓			
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Comments: Reducing the carbon emissions from housing helps to protect the environment and support more biodiversity and nature recovery

 <p>Nurturing a child and family-friendly borough</p>	✓			
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Comments: Helping to minimise the impact on household budgets of energy price rises supports families to cope with cost of living pressures

 <p>Building Transport and digital connections fit for the future</p>				✓
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Comments:

 <p>Promoting the borough and its cultural, sporting, and heritage opportunities</p>				✓
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Comments:				
Fair & Inclusive	✓			
Comments: The housing retrofit work completed so far has been targeted at lower income households, offering free or subsidised property improvements				

LEGAL IMPLICATIONS

18. No legal implications have been sought for this report. Further specific advice can be provided in relation to any issues raised by the Panel.

FINANCIAL IMPLICATIONS

19. No finance implications have been sought for this report. Further specific advice can be provided in relation to any issues raised by the Panel.

HUMAN RESOURCES IMPLICATIONS

20. No human resources implications have been sought for this report. Further specific advice can be provided in relation to any issues raised by the Panel.

TECHNOLOGY IMPLICATIONS

21. No technology implications have been sought for this report. Further specific advice can be provided in relation to any issues raised by the Panel.

RISKS AND ASSUMPTIONS

22. At present the funding solutions to ensure that the borough's housing stock can be sufficiently retrofitted to meet net zero aspirations by 2040 are not in place. There is a risk that the cost of works to the Council and to individual households are unaffordable
23. It must be assumed that over time the Government will develop a long term national funding plan for retrofit works for those households who are not able to finance the works themselves, in all likelihood blending public and private finance. It is also assumed that if the scale of retrofit activity grows the construction sector will respond to staff up and upskill the workforce to carry out these works and more energy efficient technologies eg air source heat pumps will become more affordable

CONSULTATION

24. The Council's Sustainability Unit reports regularly on progress on housing retrofit activity to the Portfolio Holder, and these updates are shared with Team Doncaster partners.

BACKGROUND PAPERS

25. [The Doncaster Climate Commission report 2019](#)
[The Environment and Sustainability Strategy 2021](#)

GLOSSARY OF ACRONYMS AND ABBREVIATIONS

26. DESNZ – Department for Energy Security & Net Zero
27. SAP – Standard Assessment Procedure
28. HRA – Housing Revenue Account
29. GBIS – Great British Insulation Scheme
30. ECO – Energy Company Obligation
31. EPC – Energy Performance Certificate

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