

# Retrofit London Programme

## Progress Report 2022/23



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**LONDON  
COUNCILS**

# Background

The Retrofit London Programme is an award winning collaboration between 33 London local authorities and key stakeholders including national and regional government, private sector housing, housing associations and the skills sector.

It aims to facilitate and support people and organisations to make London's homes greener and warmer with a target of an average of Energy Performance Certificate B by 2030.

The Programme is now well established and is focusing on:

- Actions that address immediate challenges, particularly the need to increase retrofit uptake across all tenures and types using the resources available, including in respect of funding and sector capacity.
- Working with partners to get the retrofit sector in London in a position to deliver at scale.
- Putting the Programme in a position so that it is recognised as a valuable resource primarily for boroughs.

This report provides an overview of progress in 2022/23 as well as analysis of data on the delivery of retrofit in London.

## Progress Highlights

- Governance has been put in place with a **Steering Group**, involving key partners with an interest in retrofit, including BEIS, DLUHC, the GLA, the G15, skills sector and various local government officers from across relevant functions, as well as a Practitioners' Group which shares learning and best practice.
- In light of the opportunities and benefits of collective working across London, London's Housing Directors have committed funding which has **supported the establishment of a Programme Delivery Team**.
- The ambitious collaborative approach and London-wide leadership role of the Programme was key to **winning the MJ Award for 'Leadership in Responding to the Climate Emergency'** and securing a **UK Housing Award in the category of 'Climate Change Project of the Year'**.
- The average EPC B target is the **focus for both Retrofit London and the Mayor of London's preferred net zero by 2030 delivery pathway**.
- There has been **engagement and lobbying around immediate priorities** such as Government funding programmes and the proposed Minimum Energy Efficiency Savings requirements for the Private Rented Sector.
- Wide ranging **knowledge gathering and sharing** with a range of organisations.
- Alongside the GLA, began developing a **shared plan for delivering retrofit** and exploring options for supporting scaling up.
- Partnered with the GLA to develop a **successful submission for £12m of Home Upgrade Grant funding** to be delivered across London.
- Prepared an **Implementation Plan** based on stakeholders' priorities, which builds on the Retrofit London Housing Action Plan. An update of progress against priority areas is included in this report, alongside an overview of activities for 2023/24.

This progress has been made despite challenges with establishing the Programme Delivery Team and confirming hosting arrangements.

# Progress Against Priorities in 2022/23 and Activities for 2023/24

In April 2022 the Retrofit London Housing Implementation Plan set out twelve priority areas for the Programme to focus on:

Priority A	Leading delivery	Priority G	Skills
Priority B	Data and monitoring	Priority H	Planning
Priority C	Action plans for local authority housing	Priority I	Finance and funding
Priority D	Reducing energy demand	Priority J	Procurement
Priority E	Heat pumps	Priority K	Communications and case making
Priority F	Heat networks	Priority L	Community and resident engagement



The table below sets out progress in 2022/23 and the activities for 2023/24:

	Priority	Progress in 2022/23	Activities for 2023/24
A	Leading delivery	<ul style="list-style-type: none"> <li>Funding has been secured from London’s Housing Directors to support the programme.</li> <li>The structure of a Programme Delivery Team has been established and hosting arrangements confirmed.</li> <li>Governance arrangements have been put in place with Steering Group and Practitioners’ Group meetings regularly taking place.</li> <li>Close working with the GLA to develop London-wide approach to housing retrofit.</li> <li>The ambitious collaborative approach and London-wide leadership role of the Programme was key to winning the MJ Award for ‘Leadership in Responding to the Climate Emergency’ and securing a UK Housing Award in the category of ‘Climate Change Project of the Year’.</li> <li>Partnered with the GLA to develop a successful submission for £12m of Home Upgrade Grant Phase 2 (HUG2) funding to be delivered across London.</li> </ul>	<ul style="list-style-type: none"> <li>Undertake recruitment for Programme Delivery Team.</li> <li>Review of governance arrangements to make sure they are fit for purpose and can evolve to support the programme going forward.</li> <li>Development of outcome based devolved funding approach.</li> <li>Engage with the National Retrofit Hub on areas of work where a national approach would be beneficial.</li> <li>Set out strategic programme of work to guide shorter term delivery.</li> <li>Look at the potential for local authorities to have common technical standards for retrofit.</li> <li>Complete engagement phase of HUG2 programme and support procurement and delivery phases.</li> </ul>



	Priority	Progress in 2022/23	Activities for 2023/24
B	Data and monitoring	<ul style="list-style-type: none"> <li>• Work has been undertaken to map the data available to monitor progress with delivering retrofit measures in London. Some of this is presented later in this report.</li> <li>• Collate data on London's SHDF and HUG funded retrofit plans.</li> </ul>	<ul style="list-style-type: none"> <li>• Complete analysis and publication of HUG and SHDF funding to provide an indicative pipeline of measures.</li> <li>• Undertake joint project with the GLA to identify short term opportunities to improve data quality and quantity, as well as longer term requirements. Some areas for change have already been identified: <ul style="list-style-type: none"> <li>○ A rating system that promotes both decarbonisation and energy efficiency.</li> <li>○ More robust assessments which lead to whole building plans so that occupiers, owners and suppliers can effectively plan improvements.</li> <li>○ Standard accreditation and assessment approach across components and tenures.</li> </ul> </li> </ul>
C	Action plans for local authority housing	<ul style="list-style-type: none"> <li>• Research commissioned to support boroughs to align maintenance programmes can with retrofit measures.</li> </ul>	<ul style="list-style-type: none"> <li>• Disseminate outputs of retrofit and maintenance alignment project.</li> <li>• Collect and share examples of best practice in developing retrofit delivery plans.</li> <li>• Work with London South Bank University to identify best practice and asks in respect of local authority leaseholders.</li> </ul>
D	Reducing energy demand	<ul style="list-style-type: none"> <li>• The wider work of the programme has supported stakeholders to implement energy efficiency measures as part of a fabric first approach.</li> </ul>	<ul style="list-style-type: none"> <li>• Deliver a session for local authority retrofit delivery officers showcasing low-cost insulation measures.</li> </ul>
E	Heat pumps	<ul style="list-style-type: none"> <li>• Support boroughs and housing associations to share learning and practice on heat pump installation through the Practitioner's Group..</li> </ul>	<ul style="list-style-type: none"> <li>• Work with the Renewable Power for London Programme and GLA to expand Local Area Energy Planning and consider priority areas for decentralised energy, heat pumps and fabric measures.</li> </ul>

	Priority	Progress in 2022/23	Activities for 2023/24
F	Heat networks	<ul style="list-style-type: none"> <li>The programme has been involved in the development of Local Area Energy Plans and the North London Heat Network Study.</li> </ul>	<ul style="list-style-type: none"> <li>Work with the Renewable Power for London Programme and Government to develop heat network zoning for London.</li> </ul>
G	Skills	<ul style="list-style-type: none"> <li>There has been collaboration with sub-regional partnerships on skills mapping and the development of the London Local Skills Improvement Plan.</li> <li>A retrofit skills conference was undertaken in partnership with the London South East Colleges network to look at opportunities to increase retrofit skills capacity and address current barriers.</li> <li>Worked with the GLA to develop an approach to support skills provision for social housing providers.</li> </ul>	<ul style="list-style-type: none"> <li>Disseminate the outputs of the skills workshop including highlighting immediate opportunities for increasing skills capacity.</li> <li>Develop pipeline of projects to demonstrate demand in order to stimulate supply side.</li> <li>Collaborate with Central London Forward on project to map retrofit skills required to respond to different policy and funding scenarios.</li> <li>Support delivery of retrofit skills training for social housing providers.</li> </ul>
H	Planning	<ul style="list-style-type: none"> <li>Worked closely with the Low Carbon Development Programme (LCDP) to support approaches which ensure new buildings are closer to net zero, avoiding the need for future retrofit.</li> <li>Collaborated with local authorities and other organisations to look at solutions for heritage properties and those in conservation areas.</li> <li>Supported LOTI and SLP project to develop web based retrofit planning pathways tool.</li> </ul>	<ul style="list-style-type: none"> <li>Collaborate with LCDP to ensure retrofit guidance is included in the next phase of the LCDP toolkit.</li> <li>Identify best approach to supporting individuals and organisations to retrofit heritage properties and those in conservation areas.</li> <li>Continue to collaborate with LOTI and SLP on the web based retrofit planning pathways tool with planned launch for 2023/24.</li> </ul>
I	Finance and funding	<ul style="list-style-type: none"> <li>There has been regular engagement with the Green Finance Institute to understand emerging opportunities for funding retrofit measures.</li> <li>A project finance and funding project scope has been developed in collaboration with Central London Forward.</li> <li>Input into 3Ci work on mapping a pipeline of green programmes and projects that need funding.</li> <li>Held a workshop session on Net Zero Neighbourhoods to support boroughs to explore options for financing and delivering neighbourhood approaches to retrofit.</li> </ul>	<ul style="list-style-type: none"> <li>Work with GLA to develop the next phase of the Retrofit Accelerators to support boroughs with business case development for retrofit projects to attract further funding.</li> <li>Continue working with 3CI to develop funding model for retrofit and other climate infrastructure alongside other cities in the UK.</li> <li>Work with the group of boroughs collaborating on net zero neighbourhood delivery models to explore approaches to funding and delivering retrofit at a neighbourhood level.</li> </ul>

	Priority	Progress in 2022/23	Activities for 2023/24
J	Procurement	<ul style="list-style-type: none"> <li>• A workshop exploring procurement frameworks was undertaken in collaboration with the London Housing Consortium (LHC).</li> </ul>	<ul style="list-style-type: none"> <li>• Disseminate information on procurement frameworks.</li> <li>• Explore local authority appetite for collaborative procurement of retrofit measures.</li> </ul>
K	Communications and case making	<ul style="list-style-type: none"> <li>• Submitted responses to consultations on Decent Homes and Minimum Energy Efficiency Standards in the private rented sector.</li> <li>• Programme represented at a number of events, including multiple national sector conferences, London Climate Action Week, borough webinars and government policy engagement events.</li> <li>• A rolling programme of engagement with local authorities started with 14 sessions in six months.</li> <li>• Established quarterly newsletter.</li> <li>• Collaborated with the GLA on the development of information and materials which informed the London Partnership Board.</li> </ul>	<ul style="list-style-type: none"> <li>• Define programme level asks of key stakeholders.</li> <li>• Provide an overview of the priorities and examples of best practice gathered via local authority engagement meetings.</li> <li>• Establish online presence for Retrofit London and use to share best practice and knowledge.</li> <li>• Collaborate with London Councils to launch enhanced communications plan in Q2 2023.</li> <li>• Work with GLA and partners to undertake options appraisal on delivery models for scaling London's retrofit capability and capacity.</li> <li>• Contribute to London Climate Programme engagement with the Energy Efficiency Task Force.</li> </ul>
L	Community and resident engagement	<ul style="list-style-type: none"> <li>• A community powered retrofit project commenced with phase one focusing on identifying existing examples of best practice and the benefits of taking an area based approach.</li> <li>• Toolkit for engaging residents in retrofit developed and published.</li> </ul>	<ul style="list-style-type: none"> <li>• Commence next phase of the Community Powered Retrofit Project.</li> </ul>

# Delivery of Retrofit in London

This section provides analysis on the benefits of retrofit and data on retrofit delivery.

## Benefits of retrofitting

**Improved health outcomes** - National Energy Action's Strategy for 2021/26 notes that around 10,000 people die every year from the effects of a cold home. In addition, cold homes cost the NHS more than £2bn every year in England and Wales. Every pound spent on making homes warmer brings £4 in health benefits. The impact in London is exacerbated by 15.2% of households being in fuel poverty, which is higher than the England average of 13.4%.

**Reduced running costs** - Following recent price increases, the difference in average energy costs for the most energy efficient properties compared to the least are even more stark:

EPC Bands	Average Annual Energy Bills to 31 <sup>st</sup> March 2022	Average Annual Energy Bills Increase after 1 <sup>st</sup> April 2022	% of London's Housing Stock
A to C	£1,104	£600	30.1
D	£1,135	£726	50.9
E	£1,741	£946	17.0
F	£2,324	£1,263	1.6
G	£3,207	£1,743	0.3

Source: [thisismoney.co.uk](https://www.thisismoney.co.uk)

**Economic growth** - Greenpeace have modelled the economic benefits of retrofit on UK GDP and even the Government's less ambitious plans as set out in the 10-Point Plan scenario would still generate £3.9bn by 2030. The more ambitious average EPC B target for London should generate higher benefits because of the need for more interventions, which deliver additional societal benefits, including in relation to fuel poverty and health.

Source: [theconversation.com](https://www.theconversation.com)

**Reduced carbon emissions** - Reaching the EPC B average target will reduce carbon emissions from London's homes by an estimated 5.8 million tonnes per annum. Achieving net zero takes this figure to 10.5 million tonnes.

(Parity analysis for Retrofit London Housing Action Plan)

**Increase in jobs and reskilling and upskilling at risk trades** - In 2021 around 4,000 people worked on retrofit projects. By 2030 around 110,000 full time equivalent posts will be required. This represents a huge opportunity for re and up skilling, as well as getting new entrants into the sector who are representative of London's diverse communities.

(Parity analysis for Retrofit London Housing Action Plan)



# London's Starting Position

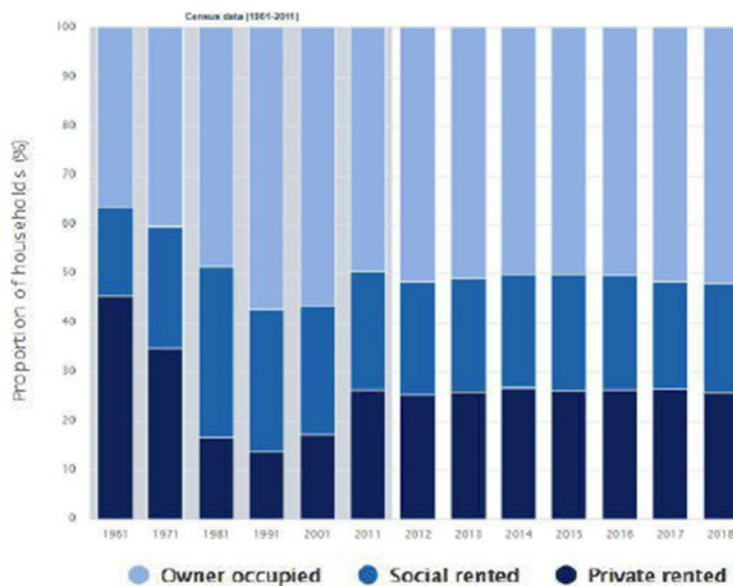
Analysis to support the Retrofit London Housing Action Plan provided a snapshot of London's current housing stock, including the distribution of Energy Performance Certificate ratings:

**Fig 1: No of Properties by SAP band**



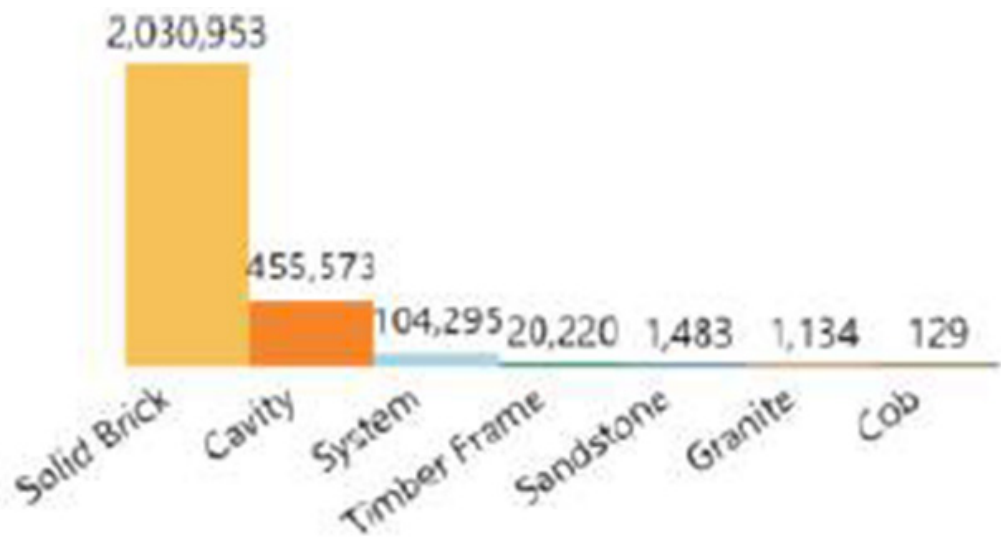
As well as the significant number of properties that are below EPC B, there are also challenges with tenure:

**Fig 2: London Housing by Tenure**



The construction of London's housing stock is also a challenge, for example there is a large proportion of solid brick properties without insulation:

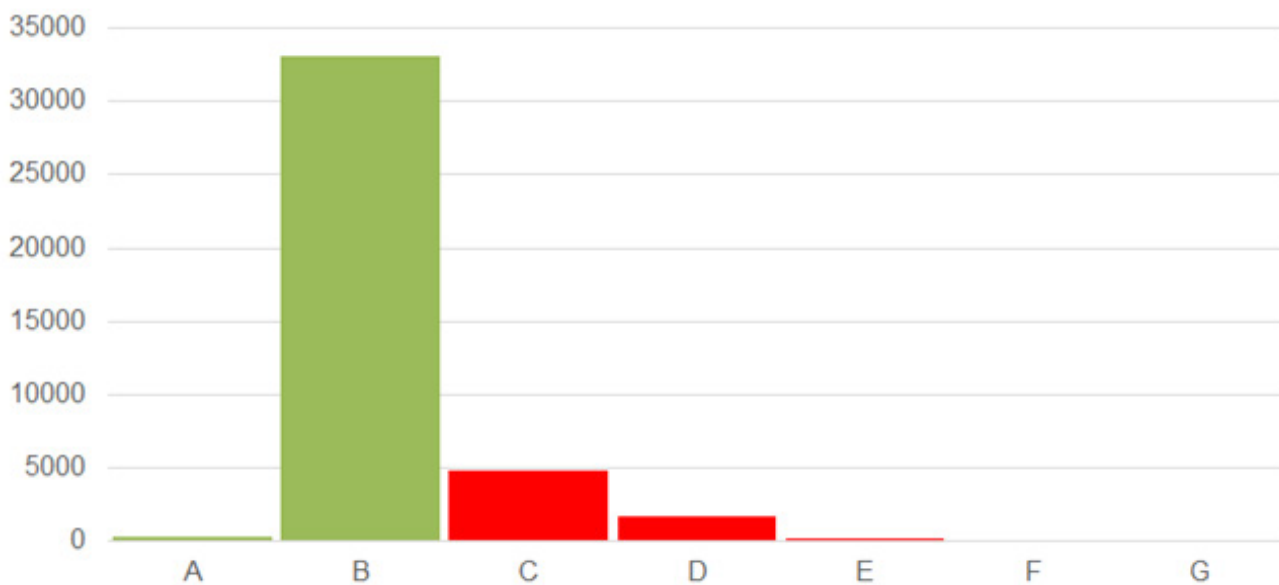
**Fig 3: Uninsulated walls**



New developments also present a challenge with a significant number being built each year which will require future retrofit:

**Fig 4:**

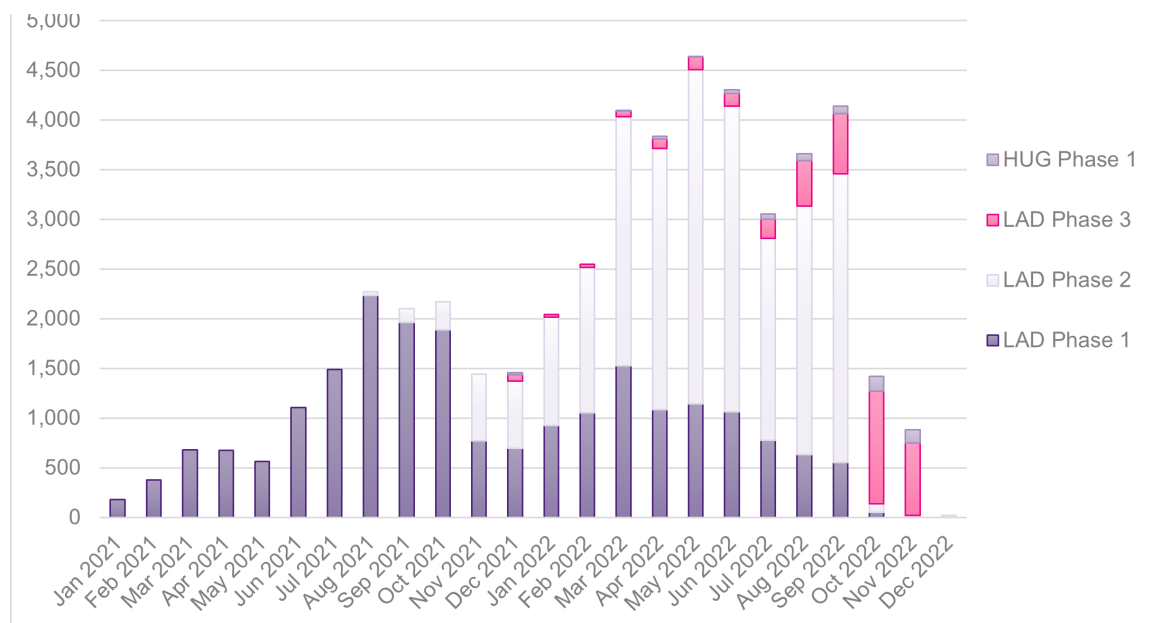
**Fig 4: New EPCs in London 2021**



# Delivery of Measures to Date

Government grant funding has led to an increase in the number of retrofit measures being installed:

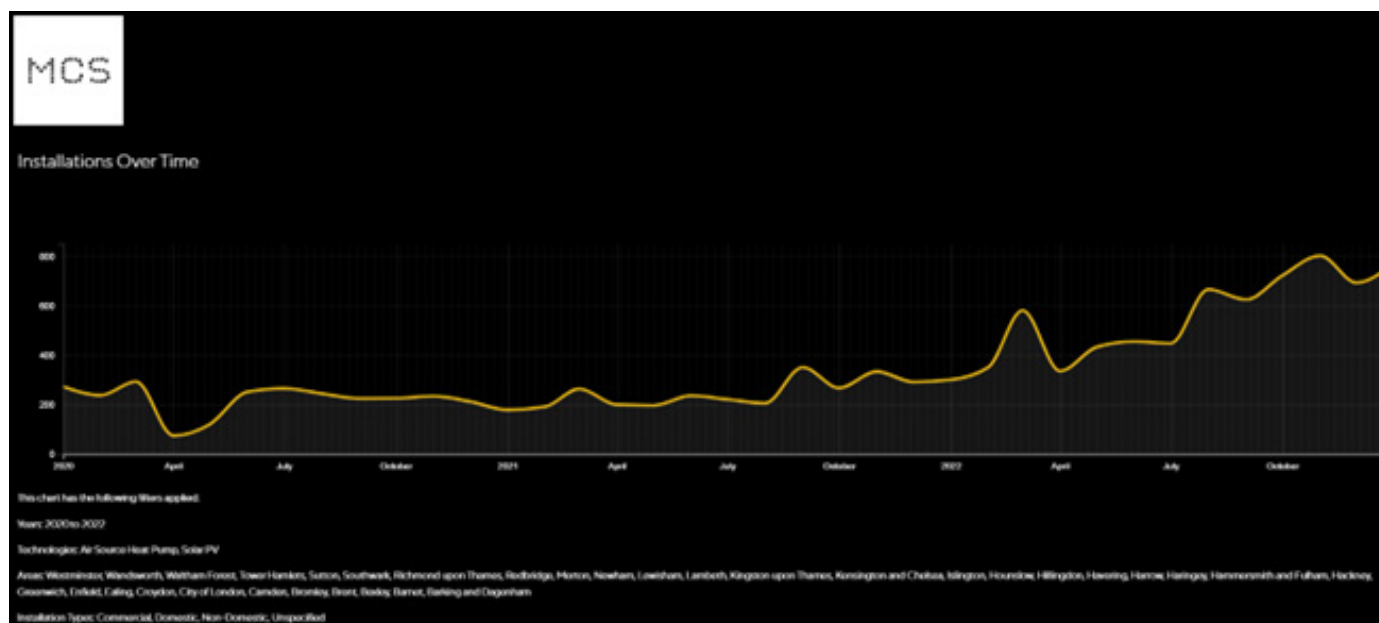
**Fig 5: Government Grant Funded Measures Installed in England**



For Home Upgrade Grant Phase 1 (HUG1) London secured £27.5m and for Local Authority Delivery Phase 3 (LAD3) secured £36.2m. This is from an overall allocation for HUG1 of £218m and £280m for LAD3.

Data on installations of retrofit related measures recorded by installers also shows an increase over time:

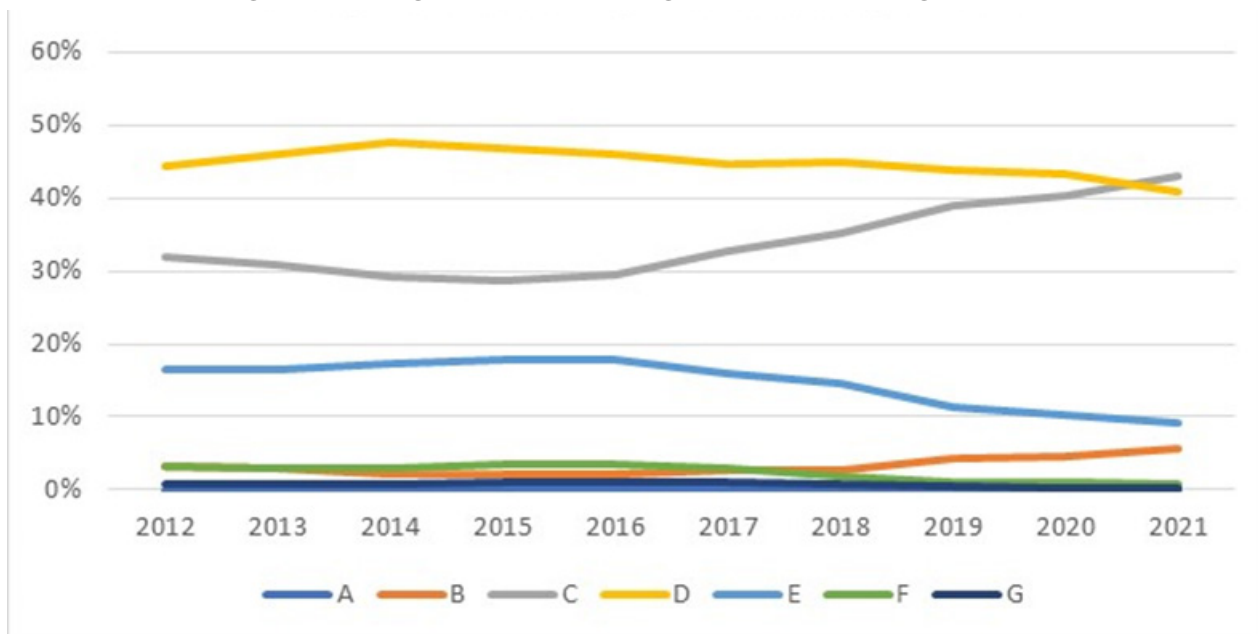
**Fig 6: Installations over time**



# Progress Towards EPC B Average Target

In terms of on the overall impact the delivery of measures across the board are having on EPC levels:

**Fig 7: Ratings of EPCs Lodged for Existing Homes**

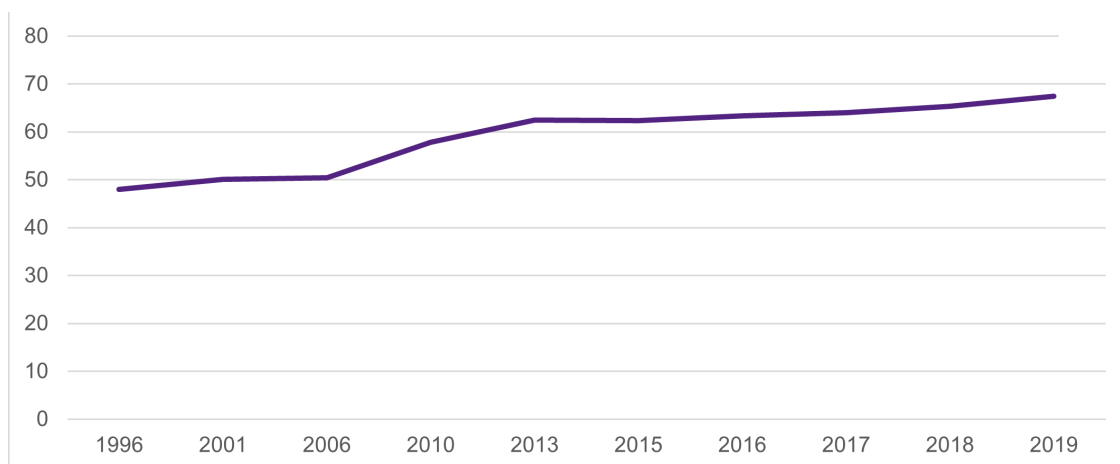


This indicates that the number of B and C rated properties has increased, with a corresponding fall in D, E, F and G rated properties.

It should be noted that the total number of certificates that have changed is relatively small, for example the 58,000 churn in 2021 is less than 2% of all homes in London.

The changes in the proportion of properties in different EPC bands mean the average SAP score has increased over time:

**Fig 8: All Tenures SAP Average**



While this means that the average has remained in the EPC D band, there is only a small change required to reach the C band threshold of D (69 points). It is worth noting that public sector housing stock has already reached this with an average of 71 points.

## Potential Future Delivery

The HUG2 and SHDF 2.1 programmes will see delivery increase in the next couple of years. Mapping of SHDF bids has highlighted significant demand for from local authorities, with a sample of bids indicating over 4,000 homes to be treated and over 17,000 measures installed.

Along with the successful bids from other local authorities not covered by the analysis, as well as those from housing associations with stock in London, the indications are that there is clear demand for retrofit related skills and materials.

## Get in Touch

The Retrofit London Programme has been established as a valuable resource in the effort to improve homes so that they are greener and warmer. At the core of this is a collaborative approach, which is successful due to the range of stakeholders who are engaged.

There are always opportunities to extend this further so if you are interested in hearing more or have something to share, please get in touch: [retrofitlondon@londoncouncils.go.uk](mailto:retrofitlondon@londoncouncils.go.uk).

