
Social Housing: How to do more and make sure tenants are beneficiaries

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Decarbonising the Nations Housing Stock: The Challenge

We need to reduce emissions to close to zero by 2050. A step change in the rate of energy performance improvements to existing homes is required over the 2020s to meet the carbon budgets, keep energy bills low, and support the transition to low carbon heat.



Homes account for **15% of UK greenhouse gas emissions** (or 21% if electricity use is included).



In 2019, there were **~15m homes below EPC Band C** in England. Of these, **1.6m are social homes** with **54% of these in fuel poverty**.



Average energy costs for **EPC A-C** homes

Average energy costs for **EPC F & G** homes

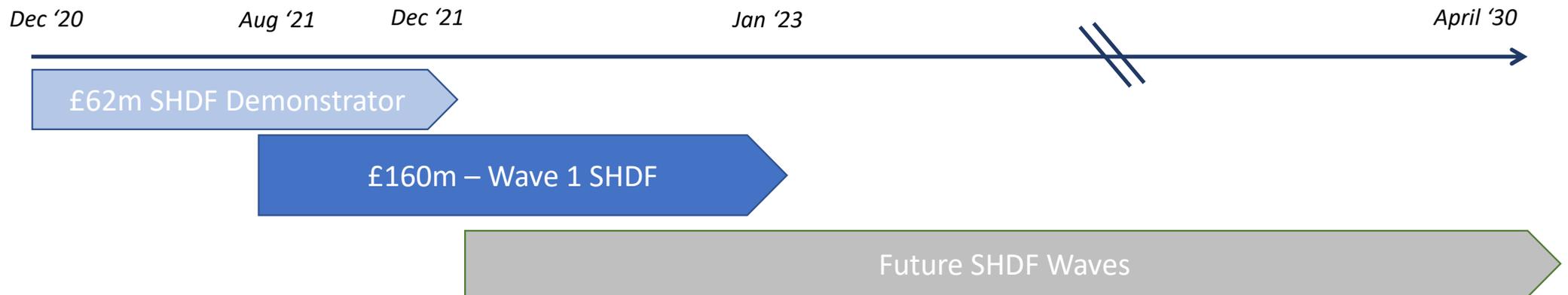
Improving energy performance: Policy Response

Public support where it is needed most

- **Funding for the fuel poor, e.g.**
 - Increasing the **Energy Company Obligation** - funded by energy suppliers with some costs being passed back to customers through reduced energy bills.
 - Public funding for **Green Homes Grant (LAD)** and low-income homes off the gas grid (**Home Upgrade Grant**) – supporting owner occupier and private rented sector.
- Supporting social landlords to improve social housing (**Social Housing Decarbonisation Fund**) – supporting social housing sector and social housing tenants.
- **Catalysing innovation and incentivising early adopters.** Drive down costs of retrofit and encouraging early action to grow the supply chain.

The Social Housing Decarbonisation Fund

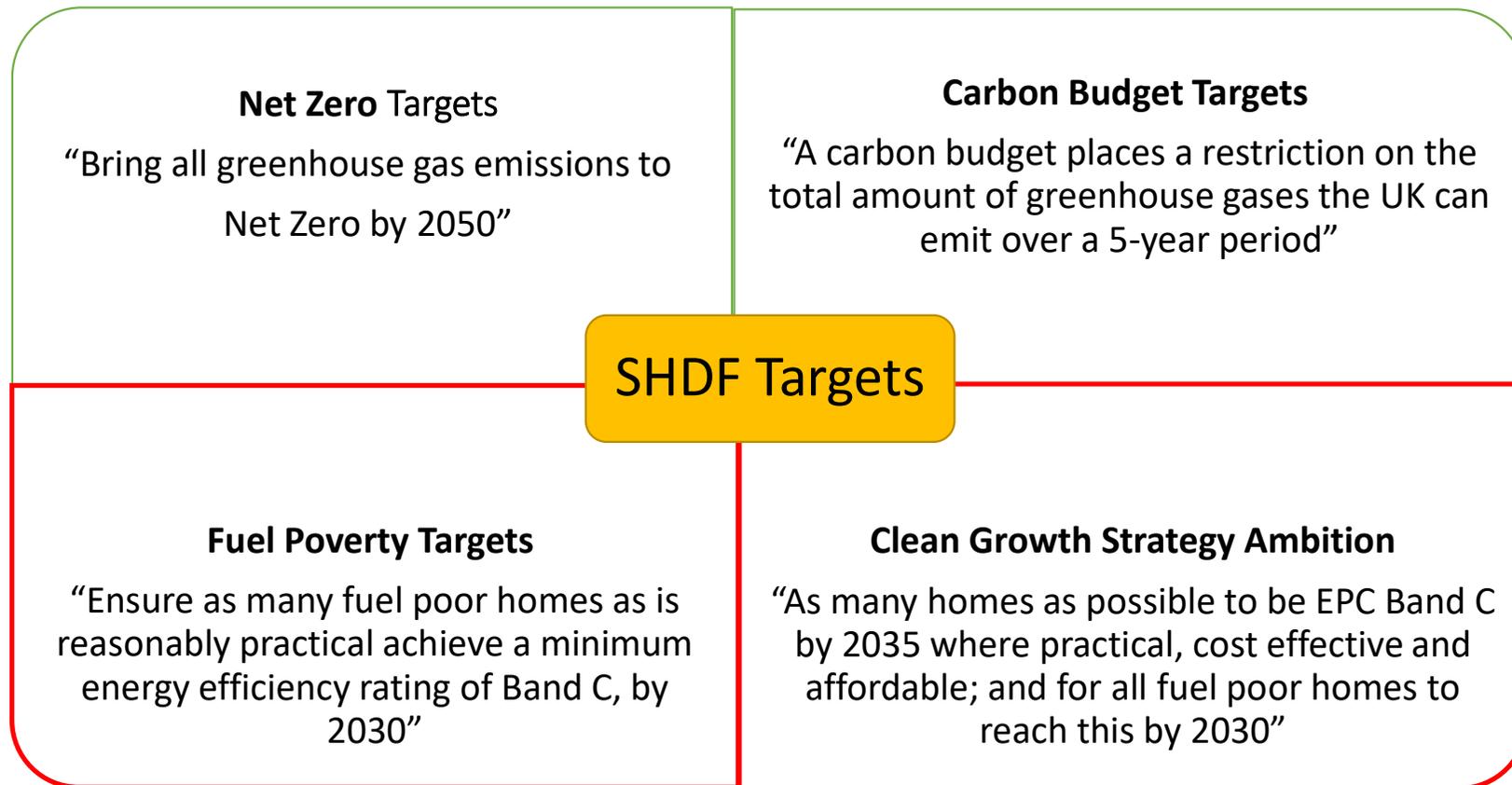
- The 2019 Conservative Manifesto includes a proposal for a **£3.8bn Social Housing Decarbonisation Fund** over a 10-year period, to improve the energy performance of social rented homes (subject to future spending reviews).
- The 2020 Summer Economic Update announced the £50m Demonstrator (*increased to £62m*) fund to deliver innovative retrofit projects for social housing, demonstrating a targeted performance level and cost reduction. GJ(EaL1)
- The Government has announced up to £160m for the first wave of the SHDF in financial year 2021/22, delivering to January 2023.



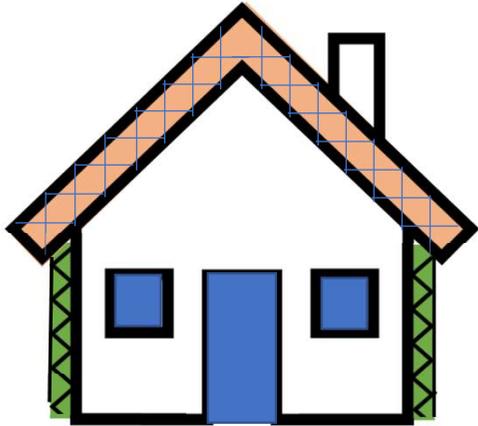
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GJ(EaL1) Guy to advise on whether we still are saying £62m or now saying less
Gledhill2, Jacob (Energy Efficiency and Local), 28/09/2021

Targets and Commitments

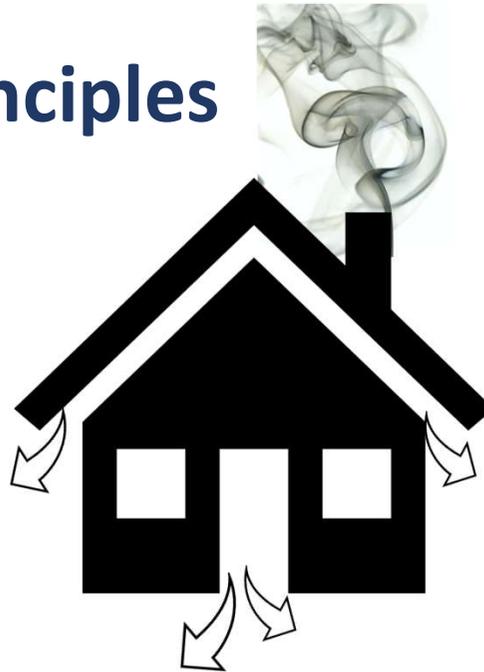


SHDF Wave 1 Key Principles



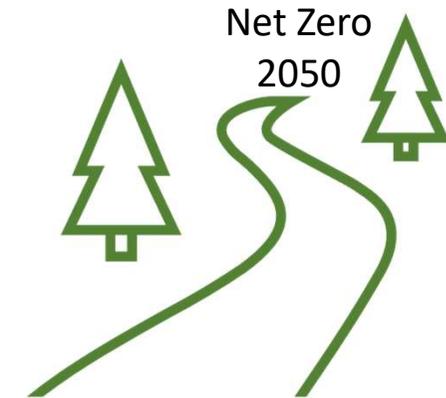
Fabric First

Ensures heat loss prevention measures are installed before other energy efficiency measures, to maximise the dwelling's suitability for low carbon heating either now or in the future, and to **benefit tenants (comfort, health, wellbeing and bills)**.



Worst First

Facilitating the treatment of the **worst performing homes** through a scaled cost cap that allows for greater spend on those homes with a lower starting EPC Band.



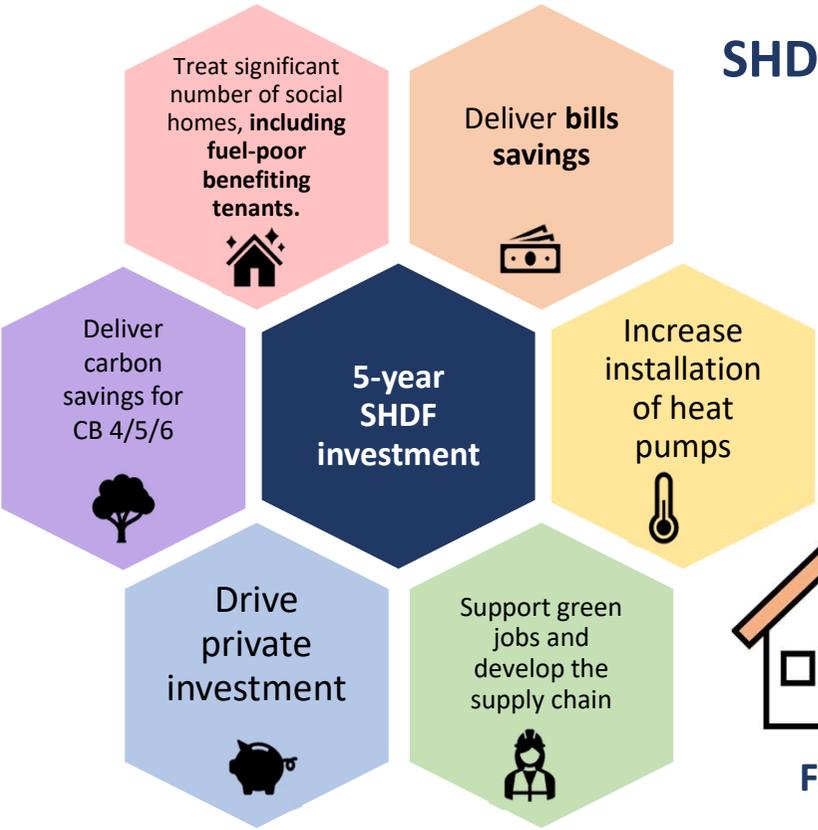
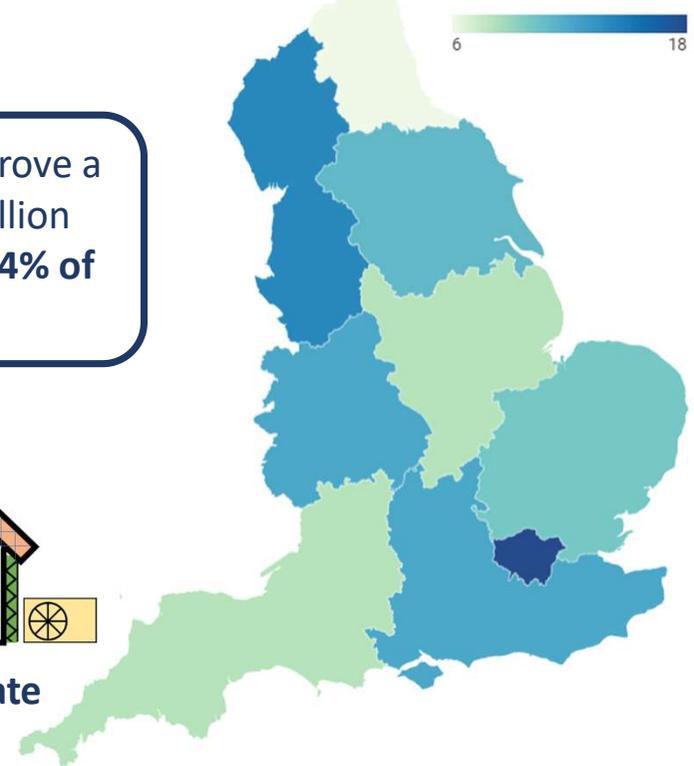
Lowest Regret

Minimise the potential of measures having to be replaced in the future on the journey to Net Zero.

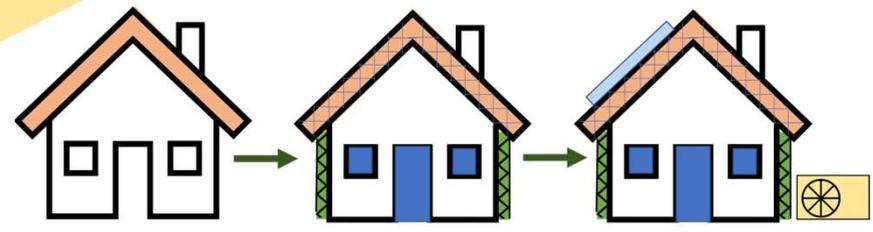
SHDF Proposed Wave 2

SHDF Wave 2 to be delivered over 5 years, from 2022-27.

Percentage of social housing stock below EER C in region



SHDF Wave 2 will continue to improve a significant amount of the 1.6 million social homes below EPC C, with **54% of those in fuel poverty.**

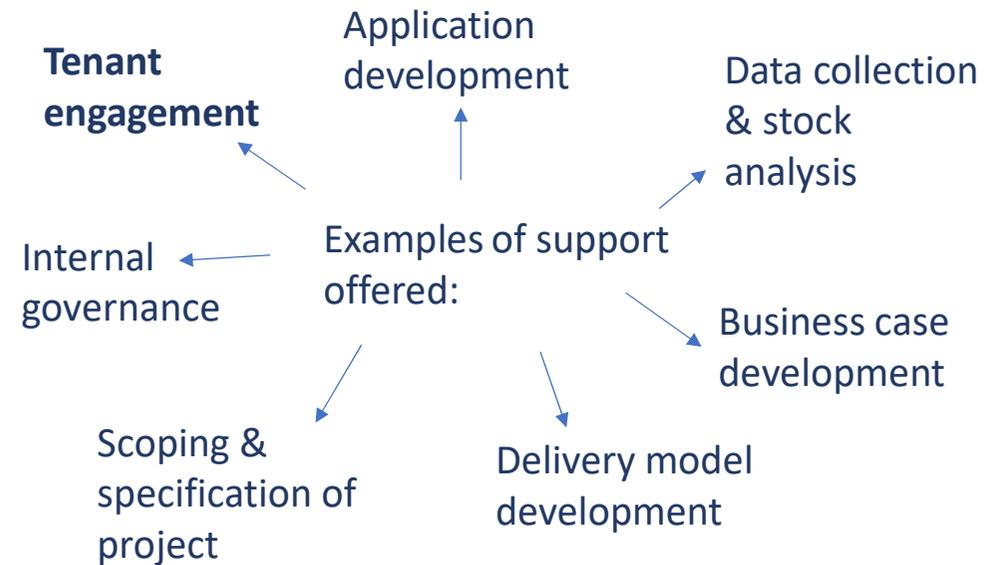


Fabric First, Clean Heat where appropriate

Social Housing Retrofit Accelerator

The SHRA has been established to provide technical support for all social housing landlords interested in accessing funding from Wave 1 of the SHDF at any stage of their project.

The support will come in the form of:



Thank You