

**Will retrofit help with net zero?**

There will be a mammoth effort – and cost – of retrofit facing council housing

**Ready for regulation**

‘Councils should be focusing on doing the right thing for residents’

# Housing pressure grows as ‘Awaab’s Law’ looms

By Paul Marinko

Warnings that ‘big issues’ remain to address poor housing quality have emerged after plans for ‘Awaab’s Law’ were unveiled by the Government.

London Councils housing spokesperson Darren Rodwell said ministers’ plans to introduce strict time limits for social landlords to address poor housing conditions were the right thing to do but argued Government policy had led to severe underinvestment in housing stock.

‘The intentions are right, but without the infrastructure investment in both people and stock I think it will just cause a whole new deterioration of the ability for us to keep people warm and safe,’ said the Barking and Dagenham LBC leader.

Housing secretary Michael Gove has announced an amendment to the Social Housing Bill currently going through Parliament to include ‘Awaab’s Law’.

Named after the two-year-old, Awaab Ishak, who died due to damp and mould in his home, which was managed by Rochdale Boroughwide Housing, the law will force councils and social landlords to fix poor conditions in homes within strict time limits.



© Ishak family

The death of Awaab Ishak has been a key factor in Government scrutiny of councils and social landlords over poor conditions within homes

## ‘We’ve not got the right tools to be able to deal with the issues that are happening’

But Cllr Rodwell, who is also vice chair of the Local Government Association’s Environment, Economy, Housing and Transport Board, said: ‘We keep having our HRA [Housing Revenue Account] funds depleted in different ways. All that’s done is shrink the ability of the HRA to do the works that are needed.’

The Government’s move followed a report from the House of Commons

housing committee which argued the quality of private rented sector housing would not rise unless councils had the capacity for vigorous enforcement.

The committee said there were currently significant ‘obstacles to effective enforcement’.

Its report read: ‘The DHS [Decent Homes Standard] will not help to raise standards in the PRS [private rented sector] unless local authorities can enforce it vigorously, but, at the moment, levels of housing enforcement activity vary hugely between local authorities.’

‘The precarious position of local government finances, the shortage of

qualified housing and environmental health officers and the lack of reliable data are all obstacles to effective enforcement.’

Recognising the Government was unlikely to make significant extra funding available to improve the situation, the committee concluded the system would need to ‘become self-financing,’ with councils ‘confident’ of collecting financial penalties for breaches.

The report said courts should ensure rogue landlords pay costs that reflected the true cost of council enforcement action.

Cllr Rodwell welcomed the report, adding: ‘We’ve not got the right tools to be able to deal with the issues that are

happening. Nor do we get our money back in a lot of cases when we deal with the issues.’

‘On this, I do believe that there should be a scheme where people pay appropriately as they are a business. And that would give local authorities the ability to provide services where and when needed.’

He called for a ‘rogue landlord order’ which would enable councils to recoup enforcement costs after the initial permission was granted by the courts, avoiding the need to take further legal action. ■

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# Will retrofit really help reach net zero?

As net zero soars up the agenda, **Paul Marinko** warns of the mammoth effort – and prohibitive cost – of housing retrofit facing councils

**P**retty much every council is battling to improve the energy efficiency of housing in their communities as they look to tackle the climate emergency, but are they on a hiding to nothing?

Homes are thought to account for nearly 20% of all UK carbon emissions, with many of the older ones built in a way that leaks masses of heat and energy.

Ambitions are high. The Retrofit London programme – coordinated by London Councils and led by Enfield and Waltham Forest LBCs – is aiming to improve 3.8 million homes by 2030.

Joanne Drew, Enfield's acting executive director of place and Retrofit London's joint lead, adds that the Committee on Climate Change estimates we need 1.8 homes retrofitted a minute to achieve current national targets.

Most councils are taking a 'fabric first' approach to their retrofitting programme, essentially making sure the likes of walls and roofs are prevented from leaking vast amounts of energy.

Despite the inevitable disruption this can have to homeowners and tenants, the recent energy price hikes and cost of living crisis has led many to consider the benefits of having their homes retrofitted.

Several councils have proved progress can be made. North East Derbyshire DC recently retrofitted 427 council-owned homes with external wall insulation.

Yet, Government's grants don't stretch far and the project cost the council £12.1m. That equated to nearly £28,500 for every property, even with the economies of scale from doing more than 400 homes at once.

With councils facing budget pressures

from every direction, does this kind of cost make financial sense?

Niall Clark, director of property services and development at North East Derbyshire's wholly-owned housing company, Rykneld Homes, argues that it does.

'Over the sort of life cycle that we work with, 30 to 40 years, then the investment actually – when you take into account all the types of things that we need to do to provide high quality homes – is good value for money,' he says.

**Despite fanfare around savings from retrofitting, suggestions have been dismissed that homeowners could see a return on their investment in 18 years, with payback at between 35 and 50 years**

But even if all councils' retrofitting programmes successfully addressed the issues in their own properties, they still wouldn't be halfway to solving the problem. With around two thirds of the UK's almost 30 million homes privately owned, private properties remains the real challenge to the UK reaching net zero by 2050.

With the vast majority expected to finance all or most of the cost themselves, retrofitting is proving less than popular with most homeowners. Even for those keen to take the plunge it appears the cost

could prove economically unjustifiable or unachievable.

Improving the insulation of walls and roofs is only the first step. With the Government set to ban the sale of gas boilers in 2035 there is a need for every home to convert to more environmentally friendly heating systems such as heat pumps. And this requires more than just ripping out a boiler and attaching a heat pump to the side of a house.

Mr Clark says that generally air source heat pumps tend to be used with underfloor heating, so there will often be the need for homeowners to go through further extensive and expensive work to achieve this.

According to Rufus Grantham, global head of retrofit and built environment at Bankers Without Boundaries (BwB): 'Doing retrofit isn't economically viable for most individual householders if you only take into account energy savings.'

He points out the cost estimates for retrofitting the average UK home vary widely, with the Climate Change Committee putting the figure at £9,000 and councils such as Camden LBC putting it at between £65,000 and £70,000, although the figures aren't always directly comparable.

Cambridge City Council recently shelved plans to retrofit its 7,000 homes after estimating the project would cost £500m. So, even with economies of scale, these figures suggest an average cost of more than £70,000.

Mr Grantham estimates the figure is probably between £35,000 and £40,000. But even then he says the financial case doesn't stack up and admits this figure may also be too low.

Despite the recent hike in energy prices and much fanfare around the savings on offer from retrofitting, BwB dismisses suggestions homeowners could see a return on their investment in 18 years.

The organisation puts payback at between 35 and 50 years, after factoring in the need to replace some assets over time and long-term lower energy prices. And BwB calculates the average UK homeowner is 56-years-old and only has 25 years left to live. So – assuming they're in a position to fork out tens of thousands of pounds – they may see a payback 10 years after they've moved into the ground.

The solution the organisation is proposing is programmes of up to 1,000 homes where far more than retrofit is on offer. Everything from more green landscaping and charging points to electric car sharing pools.

It would see councils acting as a 'virtual mass landlord' for private homeowners and managing the whole process. Up front cost would come from major investors such as pension funds and the payback would be achieved from a 'periodic payment obligation' which is attached to the house rather than the homeowner – similar to council tax but paid through the utility bill.

While Mr Grantham admits they haven't yet got all the answers, he reveals BwB are already in talks with a number of councils, including the West Midlands Combined Authority, Manchester City Council and Hounslow LBC.

So, there may be signs of a workable solution getting out of the starting blocks. But the monumental hurdle of cost, the need to corral thousands of homeowners and the time ticking to 2050 remain sobering thoughts. ■

# A whole-lot more than a whole-house retrofit

By Steve Batty

When it comes to decarbonisation, we are (thankfully) hearing about a lot of projects which are getting off the ground, new funding pots from central government are announced regularly and there are plentiful options when it comes to the various measures you can consider when retrofitting homes, offices, or public buildings.

But what we don't hear enough are the real success stories, which could lend themselves to real change and act as a blueprint for success. Carbon savings are fantastic. Slicker technology is nice to have. But the true results I'm talking about lie in changed lives: a warmer home; safety from fuel poverty, and significant financial savings which all contribute to improved quality of life and mental health. These are the outcomes which drive our social landlord customers, and they are the outcomes we strive to deliver daily.

Decarbonisation doesn't always go hand in hand with tackling fuel poverty – just look at the difference in the gas and electricity prices – so it's important for social landlords to take a holistic view of retrofitting their housing stock, with the resident at the very centre of those plans, and look at a 'whole house approach'.

We've had dramatic results as part of a £9m project with Leeds City Council to implement whole-house retrofits across 190 properties.

The whole-house retrofit has seen the flats' (150 of which are council-owned) Energy Performance Certificate ratings drastically improved to an A-rating – a level achieved by just 0.2% of homes in England.

Despite recent price rises, residents of the properties are expected to have their bills cut by up to 70% – saving them as much as £1,600 per year\*.



The Holt Park scheme (main and below) is set to save residents up to 70% on their bills

To achieve these efficiency levels, new high-performance windows, doors and insulation were installed alongside specially designed 'warm roofs', keeping the homes warmer for longer and reducing energy needed to heat them.

Inefficient, carbon-intensive gas boilers were replaced by environmentally friendly air source heat pumps, controlled by smart thermostats. In addition, the smart thermostats provide real time data allowing the landlord to monitor the performance of their stock

and giving residents greater control and visibility of their energy use.

Top floor flats also have newly-fitted solar panels, allowing residents to generate their own free electricity, and LED lighting has been incorporated throughout – all of which contribute to carbon emissions per property now being -0.1 CO2ton per annum, compared to 2.8 CO2ton per annum previously.

The project received funding from the Government's Social Housing Decarbonisation Fund and is a shining

**The true results lie in changed lives: a warmer home; safety from fuel poverty, and significant financial savings – which all contribute to improved quality of life and mental health**

example in demonstrating what can be done to decarbonise the UK's housing stock. It has really led the way when it comes to meeting the Government's goals to upgrade fuel-poor, inefficient homes – taking what was some of the least efficient homes in the country, into some of the most sustainable homes in the country.

At a time when many are worried about recent energy price hikes, we're proud to be able to use our expertise to demonstrate how a 'whole-house' approach to retrofitting homes can deliver outstanding results, that span more than aesthetic improvements and carbon savings.

The work has unquestionably changed lives for the better. Susan Neale is one of the Holt Park residents to have work completed to her home. She said: 'This winter I won't be scared to have my heating on.'

'My home is completely different now – it's warmer and quieter and I feel better knowing that I won't be struggling or worrying as much about my bills. I hope more people get the chance to have the same work done.'

James Rogers, director of communities, housing and environment at Leeds City Council, said: 'It is fantastic news that we have completed this project, which supports our ambition to deliver a range of significant environmental improvements for people living in 190 flats on the Holt Park estate.'

'This will not only help us reduce carbon emissions and make the 190 homes on the Holt Park estate more energy efficient, it will also play a huge role in helping to cut energy costs for people in these homes by up to 70%. We know that unfortunately too many people suffer from fuel poverty in Leeds and it's work like this that will help cut those costs and make real positive impact to people's lives.'

**Steve Batty is director of sustainability at Equans UK & Ireland**

\*based on 2021's energy usage and current energy prices



# Ready for regulation

As new legislation heralds greater power for housing regulation, **Kate Dodsworth** suggests councils should get ready – but the real focus should be on doing the right thing for residents

**A**t the Regulator for Social Housing, we're gearing up for the biggest transformation to social housing regulation for more than a decade. The Social Housing Regulation Bill, which has nearly finished its journey through Parliament, will bring about significant changes for every social landlord including councils.

Councils need to get ready for this new, more active approach. Subject to legislation, we expect it to kick in from April 2024. What will new consumer regulation look like? What are the best ways to prepare? And what are the next steps?

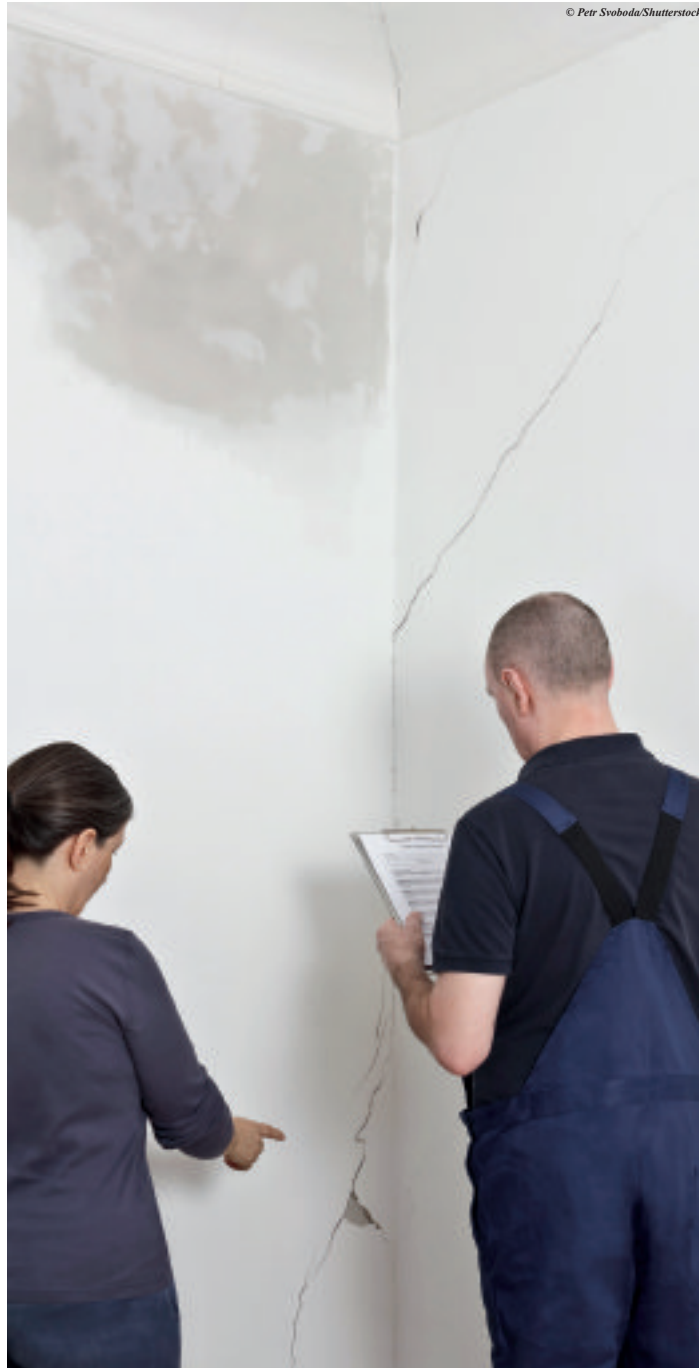
First, a quick look at the current system. We already regulate councils, which need to comply with our existing consumer standards. And we've recently started regulating councils' compliance with the rent standard, which has gone well so far.

But, crucially, our current consumer regulation is reactive. The Bill will shift us to a proactive approach. Now we can only investigate a case if it's referred to us – by a tenant, landlord or other stakeholder. But in future we'll proactively inspect landlords to make sure they are complying with our standards. In other words, we'll seek assurance they are providing safe, decent and good quality homes, engaging with tenants and delivering effective landlord services.

As part of our work to gear up, we're speaking to tenants up and down the country including many with councils as their landlord. Tenants tell us how important and empowering these changes will be for them. This reinforces how vital it is landlords understand what is coming down the tracks and get ready.

One of the main changes will be our new inspection programme. We're developing our approach to inspecting landlords, including councils. They will be in depth, rigorous and focus on service outcomes and accountability.

For councils, we'll be looking at service performance, engagement with tenants and the assurance that councillors are getting about the quality of homes. We will test this against a range of evidence, such as data from Tenant Satisfaction Measures (TSMs – more on this below), the Housing Ombudsman (which manages individual complaints) and feedback from tenants.



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- Make sure you're on top of your data and have the right systems in place. Without this, you won't be in a strong position to demonstrate that you comply with our standards when we start the inspections.
- Make sure you comply with our existing standards and have robust reporting across all areas of health and safety compliance. This may sound like a given – and it should be – but even the strongest performing landlords can benefit from fully reviewing their position. If you don't comply now, it's unlikely you will under the new approach.
- Treat damp and mould as the serious issues that they are. The tragic death of Awaab Ishak in Rochdale has reinforced how severe the consequences can be when landlords don't do this.
- Make sure you listen to your tenants when they report issues and take prompt action to address them, as well as the underlying issue, where appropriate.
- Self-refer to us when you think you've found a problem. Don't wait until something goes very wrong before you contact us – we can help you put things right.

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So what are the next steps? We're currently updating our consumer standards to reflect the Bill. We intend to consult on them by this summer, and we really want to hear as much feedback as possible from a wide range of voices. We encourage councils to look out for this and share your views with us.

We're already engaging with councils across the country, and we're always eager to hear feedback from officers, councillors and tenants. Please don't hesitate to get in touch with us if you would like to hear more about the changes to consumer regulation and how you can help shape the outcome.

When we speak to councils, we come back to the same core message: it's ultimately down to landlords to make changes promptly where they are needed and not wait for our inspections. New legislation will give us greater powers, but landlords should provide quality services because it's the right thing to do – not because the regulator is looking. ■

*Kate Dodsworth is director of consumer regulation at the Regulator of Social Housing*

We've already launched pilot inspections with a range of social landlords – including councils – and we'll use the lessons to shape our final approach.

Through our TSMs landlords will ask tenants about their performance, and they will need to collect and publish this data annually. The TSMs will cover a range of topics, including compliance with the Decent Homes Standard, as well as

tenants' satisfaction with their landlords' complaints and repairs services. This will be an important part of the picture when we assess landlords.

There can be no doubt new consumer regulation is a big shift. But for councils with robust systems and the right culture already in place, getting ready shouldn't be a burden. Here are some practical steps councils can take: