

11th February 2011 - Press Release

New report paves the way for large-scale housing retrofit

A new report has been published that sets out for the first time how low carbon retrofitting can be delivered on a large scale across whole communities.

The “Community Green Deal” report, commissioned by the Sustainable Housing Action Partnership (SHAP) and the Homes and Communities Agency (HCA), addresses the challenge of delivering the Green Deal at scale across mixed tenure communities. It aims to deliver the 80% carbon reductions pledged in the Climate Change Bill through 25 year community-scale programmes, ahead of the 2050 target.

This model is designed to work in any mixed tenure community adding value to Neighbourhood Plans through partnerships of local authorities, Registered Social Landlords, working with communities themselves. They would work alongside energy companies and local contractors to deliver the Government’s Green Deal and strengthen local communities in the spirit of Big Society through the improvement of the existing housing stock. This approach will help tackle fuel poverty, health and well being including excess winter deaths. In addition to CO2 emission reductions, these projects will stimulate local economic growth and create sustainable employment in the new green economy.

Launching the Community Green Deal the HCA’s Regional Director Paul Spooner said *“The Community Green Deal would work on multiple levels to bring much needed investment in the Country’s aging housing stock improving it to 21st Century standards, in the process building a new low carbon economy which will benefit local manufacturers and provide training and employment.”*

Local Authorities and social housing providers would deliver the Community Green Deal, bringing their experience from Decent Homes programmes and working with lead contractors to co-ordinate large investment programmes.

SHAP Chair Alan Yates said *“The Community Green Deal will deliver a triple bottom line of social, environmental and economic benefits to households of all tenures, leveraging in a range of funding streams and with the added comfort factor of project delivery being managed by trusted local partners.”*

“By working together Local Authorities, social landlords and communities can make things happen. It is only by working in this way that we believe we can deliver the Government’s ambitious targets for CO₂ reduction.”

75 stakeholders from 40 organisations across the housing sector contributed to the report and its evidence base comes from a number of projects undertaken across the West Midlands and beyond.

Anne-Marie Simpson, Head of Regeneration for the HCA Midlands said; *“The report sets out an opportunity to address CO2 reductions in existing housing stock by working together, pooling existing resources available and using these to attract private investment with returns generated through the feed in tariff. In giving more delivery certainty of works, residents can be supported to achieve benefits in fuel cost savings and greater benefits in terms of job creation, skills and training, and economic growth can be generated.”*

Sustainability Director Nick Dodd, from consultants URBED who wrote the report for SHAP and the HCA, said *“Market research and pioneering neighbourhood projects have shown local authorities, social housing providers and community bodies are potentially the most trusted partners to deliver retrofit – trust and word-of-mouth recommendation are key when working with tenants, owner occupiers and private landlords.”*

With careful programme planning Charlie Baker from URBED says the carbon and energy savings can pay for themselves over 25 years; *“Our financial modelling shows that a programme to deliver 80% CO2 reduction for 3,000 homes could be paid for by combining the value of the Feed-in Tariff, Renewable Heat Incentive, ECO and energy savings”*

Financial advisor Edmund Papworth from Grant Thornton, who advised the project, said *“the model proposed has the potential to de-risk retrofit and create greater programme certainty in order to attract large-scale investment – it will create the safe pair of hands investors need.”*

A copy of the full Community Green Deal report and its companion guides can be downloaded from: www.shap.uk.com/projects/shap10/Report

Ends

For more information, please contact John Horseman, Acting Coordinator, SHAP on 07920 751761 or email shap-west-midlands@hotmail.co.uk

NOTES FOR EDITORS:

Key Findings in the Report:

- The Green Deal and investment in a low carbon economy are key policy objectives for the Government, with the need to improve 7 million homes by 2020 and to reach out to 26 million existing homes by 2050;
- The Community Green Deal is proposed as a locally-based area-wide approach to the delivery of the Government's Green Deal programme and ultimately the UK's medium to long-term carbon reduction targets;
- The Community Green Deal proposes the delivery of whole home retrofits for communities of between 750 and 3,000 homes;
- Partnerships of Local Authorities, Registered Providers and ALMOs are best placed to deliver area-based programmes in partnership with local communities;
- The Community Green Deal model would be led by social housing stock investment, but would in the process draw in owner occupiers and private landlords, with works being carried out by trusted local delivery partnerships;
- By delivering programmes at scale there will be greater certainty of achieving domestic carbon reduction targets and at lower cost;
- Finance is available for these projects, but they will need to be set up in a way that maximises the benefits of any initial funding and addresses the perceived risks of potential finance providers;
- If the model is set up correctly it will be possible to attract large-scale 'second tier' institutional investors looking to invest £100-£300m or more in large, well co-ordinated projects;
- This scale can be achieved by aggregating community-scale projects into one investment opportunity – starting at around 15,000 to 30,000 homes.
- Community Green Deal projects would create the certainty to drive investment in the local supply chain and training / reskilling, providing sustainable private sector employment and economic growth in a market with an estimated value of £15 billion per annum.

The Sustainable Housing Action Partnership (SHAP) is a not for profit membership organisation which provides independent leadership in sustainable housing to Registered Social Landlords, Arms Length Management Organisations and Local Authorities in the West Midlands. SHAP undertakes this by promoting, researching and disseminating best practice in the environmental, social and economic aspects of sustainable housing.

SHAP has produced a series of reports since 2006 setting out best practice in all aspects of sustainable housing, including the Beyond Decent Homes standard published in 2009 which is designed to be a practical tool for use by social landlords in constructing their Development Briefs and Asset Management Strategies.

For more information and access to all the SHAP reports visit: www.shap.uk.com

The Homes and Communities Agency (HCA) is the single, national housing and regeneration delivery agency for England. Our vision is to create opportunity for people to live in homes they can afford in places they want to live, by enabling local authorities and communities to deliver the ambition they have for their own areas.

For more information visit: www.homesandcommunities.co.uk