

Subject: Developing a Regional Eco Retro-Fit Project for Existing Stock

Report by: EERA

Purpose

To seek RHAGs approval to explore options for the development of an eco retro-fit project for the region to cover existing stock (social and private).

Recommendation

It is recommended that Members of RHAG:

- **Note the contents of this report**
- **Agree to establish a task and finish group of RHAG to develop specific proposals for a future project to include both public and private sector stock**
- **To recommend to Housing and Sustainable Communities Panel (HSCP) that the unallocated element of the RHP Private Sector Pot in Year 3 be re allocated to fund the private sector elements of this project**

1. Background

Regional Funding Advice (Private Sector)

1.1 The emerging Regional Funding Advice makes recommendations as to the funding to be allocated to a range of housing and regeneration programmes up to 2019. Paragraph 4.28 of the current draft reads as follows:

The East of England's advice is that regional funding should continue to be prioritised to support the work undertaken within local authorities to improve conditions of existing housing stock in the private sector. It is recommended that from 2011-12 an investment programme be developed that builds on the learning from projects funded under the 2009-11 bid programme. This should focus on the development of an 'eco' programme focused on retro-fitting measures to reduce fuel poverty, the impact on climate change and to help to address the region's environmental deficit.

Heat and Energy Saving Strategy (Public Sector)

1.2 In February 2009 The Government published its *Heat and Energy Saving Strategy* for consultation (Executive Summary attached at annex 1 for information). This document sets out ambitious plans and reads as follows:

The Government's strategy for saving energy and decarbonising our heating, now and into the future, has four main objectives:

- *to help more people in these difficult economic times, and over the long term, to reduce their energy bills by using less energy;*
- *to reduce the UK's emissions and increase our use of renewable energy in line with the demands of our carbon budgets, our renewables*

target and our ultimate target to reduce greenhouse gas emissions by 80% by 2050;

- *to help us to maintain secure, diverse energy supplies; and*
- *to take advantage of the economic opportunities presented by the shift to a low carbon economy in the UK and in the rest of the world, helping us during the current economic downturn and over the long term.*

At a later section the paper also sets out:

“All sections of society need to work together to achieve these aims – individual householders, communities, businesses, the public sector and industry. This consultation covers all these sectors, although much of the emphasis is on existing domestic buildings, where we need to increase our ambitions for saving energy and reducing emissions. The Government recognises that it will need to lead this process, both through its own actions and by ensuring that the social stock leads the way, as it has done through the Decent Homes Programme for energy efficiency to date, and to provide for incentives to support the change.”

- 1.3 In an article in Inside Housing (20th February 2009) titled *Green goals for decent homes* Sir Bob Kerslake gave the proposals his strong backing and suggested that the plan could lead on from the government’s target to make all social homes decent by 2010.

“We will seek to build on our experience of the decent homes programme by working to retrofit existing homes with sustainable technologies”

East of England Implementation Plan

- 1.4 The East of England Implementation Plan (formerly JIP) is the document that sets out the implementation plan for the current Regional Economic Strategy (RES) and Regional Spatial Strategy (RSS). The document will shortly be published for consultation at the end of March 2009.
- 1.5 The EEIP has seven themes, each of which is supported by a series of work programmes. In the Housing and Regeneration section of the EEIP there is a work programme aimed at Improving Energy Efficiency in the existing housing stock. The aim of this programme is to reduce the energy consumption and the production of carbon dioxide from the existing homes in the region. As the EEIP is still to be published no specific plans have yet been made as to how this work programme will be delivered.

Summary

- 1.6 In summary it can be seen that there is an emerging synergy across a number of national and regional strategies and investment plans that each prioritise the delivery of a retro fitting programme in the existing housing stock (both public and private) aimed at reducing carbon emissions, improving energy efficiency and reducing fuel costs to occupiers.

2. Developing a Regional Retro Fitting Project for the Existing Housing Stock

- 2.1 RHAG acting as the specialist officer group providing advice to the Housing and Sustainable Communities Panel seems the appropriate group to contribute to the development of a project that could bring all of the above programmes together in the East of England. The creation of a new start and

finish group reporting to RHAG would enable interested members of RHAG plus other officer representatives from other agencies (HCA, EEDA and others) to develop specific proposals aimed at delivering the relevant objectives of the EEIP, the RFA and the emerging Heat and Energy Saving Strategy.

Funding

- 2.2 The issue of funding will clearly be central to work of the Task and Finish group in order that the project can be delivered successfully. At this early stage however it does appear that the HCA could be in a position to fund aspects of the project that relate to improvements in the existing social housing stock.
- 2.3 Funding for Private Sector Renewal, Regeneration and Mixed Communities accounts for 6% of the Regional Housing Pot. In 2010/11 £4.8m has been ringfenced to deliver a regional loans and equity release scheme.
- 2.4 Whilst the creation of a regional loan and equity release scheme is still supported officers feel that the current market conditions and poor access to credit mean that it is currently not appropriate to plan to deliver this priority from April 2010.
- 2.5 Officers feel that it would be appropriate to recommend to the HSCP that the unallocated funding from year 3 of the RHP 2008/11 (£4.8m) should be used to support the eco retro fitting project (private sector stock). This would ensure that the funding was retained to improve conditions in the private sector stock as was originally intended, would take appropriate account of current market conditions and would support the delivery of the innovative project set out in this report.