

## Domestic retrofitting in London – a model for supporting boroughs and social housing providers

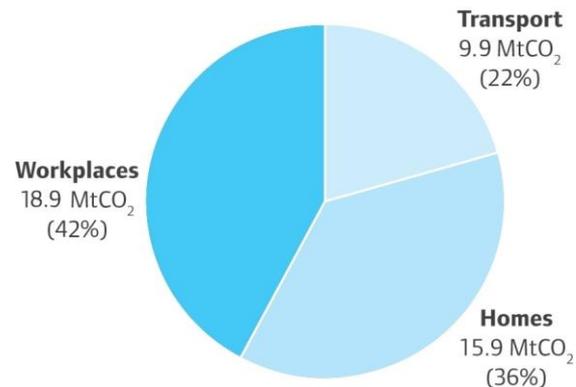
### The targets

- Climate Change Mitigation and Energy Strategy target: reduce carbon emissions by 60% by 2025 (from 1990 levels)
- London's boroughs and social housing providers also have their own carbon reduction targets.
- Homes account for 36% of London's carbon emissions, and 80% of London's buildings will still be standing by 2050

### The opportunity

- 3.3 million homes with a high percentage of solid walls
- London's fair share of the Energy Company Obligation (ECO) – one of the potential funding streams - is estimated at £579 million up to 2015
- The total investment cost of retrofitting solid walls in London's social housing is estimated at £2.8 billion.
- A pipeline of retrofit projects within London's social housing providers includes over £950m worth of potential projects

### London's carbon emissions



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## The challenge

- London has only received 5% of measures delivered under previous Government funding schemes, compared to a 12% share of population and 14% share of fuel poor areas
- Key challenge to delivering in London is the highly complex operating environment.
- There are also a number of challenges facing social landlords and London boroughs in delivering domestic retrofit activity.

## Proposed solution

- A step change in delivery is required to meet targets and overcome the challenges listed above.
- Significant demonstrated demand for support from key stakeholders
- GLA is uniquely positioned to take a strategic approach and to **enable** the key stakeholders to deliver retrofitting projects at scale.
- Therefore the GLA is proposing to build on the success of RE:NEW and establish a long-term resource available to London boroughs and social housing providers, that will facilitate and enable the process of procuring domestic retrofit projects.

## The solution: The RE:NEW Programme Delivery Unit

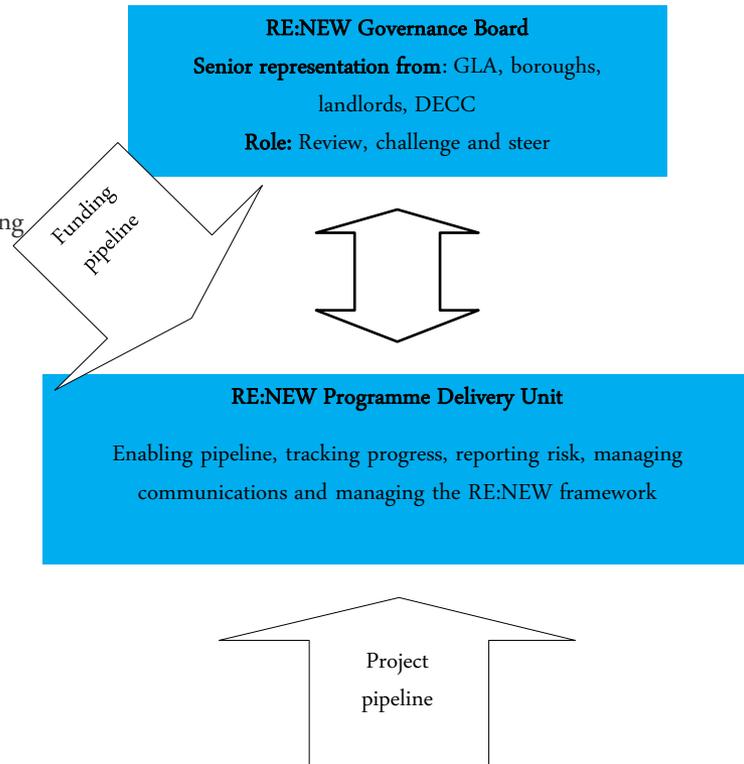
- A team of people who can provide **support** to organisations such as social housing providers and local authorities to **enable** and **support** them in delivering retrofitting projects.
- Range of interventions including:
  - technical knowledge
  - funding knowledge
  - procurement support for retrofit solutions
  - standardising approaches to retrofit delivery
  - establishing programme level economies of scale through aggregating and accelerating retrofit projects and funding pots.
- Re-procuring and managing the RE:NEW framework, tracking progress, reporting risk and managing ad-hoc communications.

### Governance

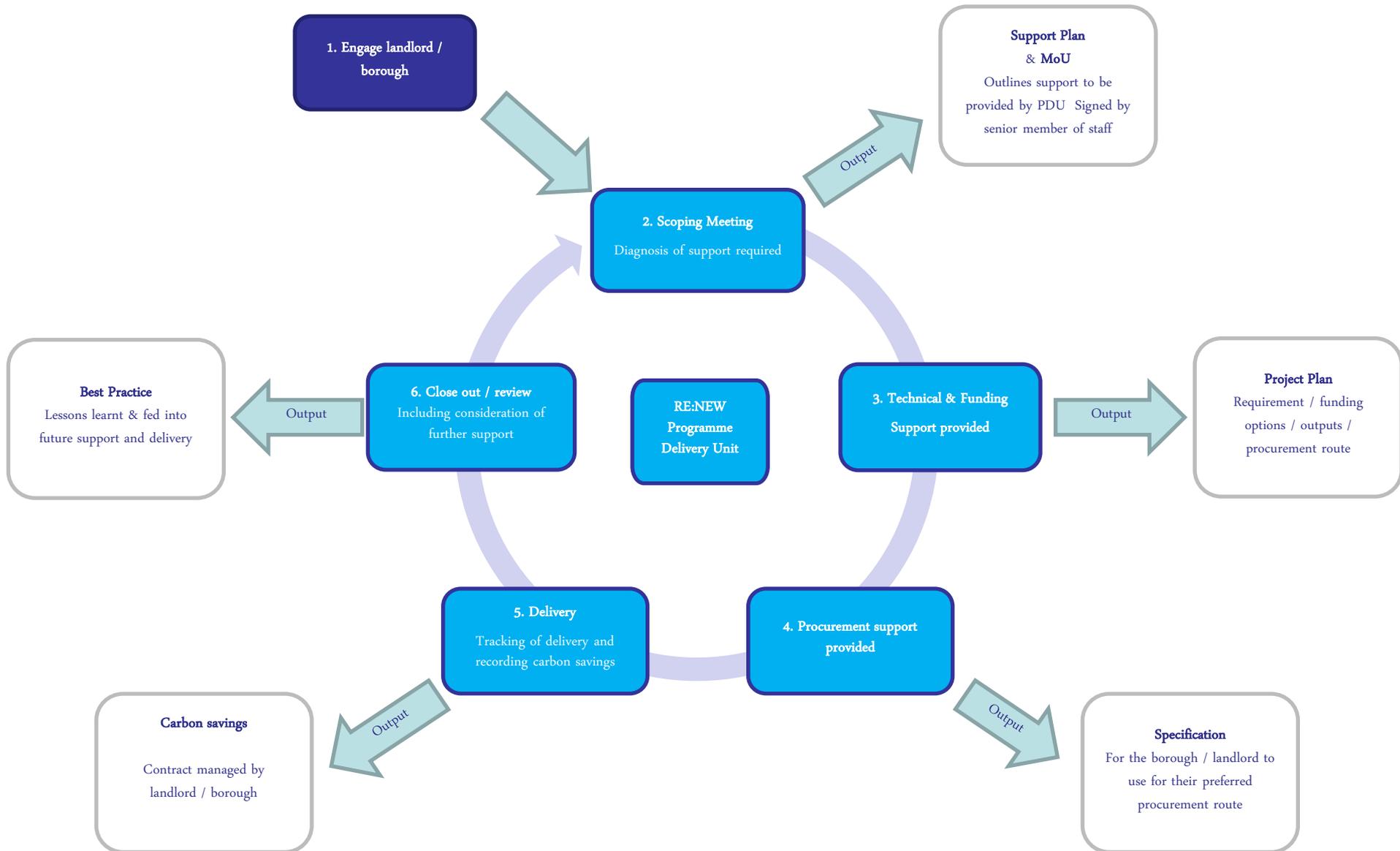
- RE:NEW Sponsors' Board will oversee the RE:NEW Programme Delivery Unit.
- Key roles of the RE:NEW Governance Board would include:
  - Reviewing & challenging progress
  - Championing the RE:NEW Programme Delivery Unit
  - Establishing and developing relationships to support and enable delivery of retrofit in London e.g. with funders, Government etc.

### Funding

- Funding and financing would be brought in through the procurement exercises supported by the PDU.



# Proposed borough / landlord journey



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# Proposed support to be provided by the Programme Delivery Unit

## RE:NEW Programme Delivery Unit

**Role:** Enabling pipeline, tracking progress, reporting risk, managing communications and managing the RE:NEW framework

### Step 3 of the journey: Technical & Funding Support

#### Development

- Stock data support
- Retrofit programme support
- Scoping / stock analysis to identify retrofit projects
- Standard data templates
- Networking / partnering to aggregate projects and share best practice

#### Funding / Financing

- Information on funding sources
- Support organisations applying for funding
- Networking / partnering for aggregated funding opportunities
- Networking / partnering with funders

### Step 4 of the journey: Procurement Support

#### Procurement

- Template specifications & contracts
- Support producing specifications
- Support accessing frameworks e.g. help running mini competitions
- Benchmarking
- Networking / partnering for joint procurement

### Step 6 of the journey: Close out / Review

#### Implementation

- Advice on delivery
- Support with planning
- Share & review best practice of:
  - Delivery and funding
  - Benchmarking
  - Procurement / contracting
  - Tenant engagement

**RE:NEW framework: Framework procured by GLA, available for use by social housing providers & local authorities**

Different types of organisation require different support

#### Social housing

PDU support to:  
RSLs  
Local authorities  
ALMOs

#### Private Rented Sector

PDU support to:  
Local authorities

#### Owner Occupier Sector

PDU support to:  
Local authorities

#### Private rented sector

Future support to other organisations including large and small PRS landlords etc.

## **Delivery plan: RE:NEW Programme Delivery Unit**

### **Key points to note:**

- The RE:NEW Programme Delivery Unit will not bring in funding directly – this will be established through any procurements that the Programme Delivery Unit supports. However, it will provide advice to the boroughs and landlords.
- The primary objective of the RE:NEW Programme Delivery Unit is to reduce carbon dioxide emissions. However, the Programme Delivery Unit will encourage organisations to ensure other drivers and strands of work such as fuel poverty, fuel switching and adaptation are built into any procurements.
- The initial focus of the RE:NEW Programme Delivery unit will be to provide support to social housing providers and local authorities for all tenures. Once this support has been established, further work will focus on alternative stakeholders to engage to enable domestic retrofitting activity in the private (both owner occupier and private rented sector).
- The RE:NEW Programme Delivery Unit will be outsourced (i.e. the GLA will procure an external organisation / consortium of organisations to deliver the Programme Delivery Unit). However, sector secondments will be encouraged (i.e. local authority staff could be seconded to the Programme Delivery Unit).
- The RE:NEW Programme Delivery Unit will be incentivised around 4 key performance indicators: MoUs signed; Project Plans developed; Carbon saved; and client satisfaction. These KPIs will be weighted accordingly to drive activity towards delivering retrofitting projects. Other KPIs will also be collected and used to monitor performance.

## Next steps

Following feedback from boroughs – obtain internal approval for RE:NEW Programme Delivery Unit	End May 2013
Establish an interim Programme Delivery Unit to ensure support is available whilst procurement is underway for the full RE:NEW Programme Delivery Unit (already approved by the GLA)	June 2013
Establish funding for covering the cost of the RE:NEW Programme Delivery Unit	June 2013
Establish the full Programme Delivery Unit	End of Q3 of 2013/14.
A further proposal will be developed which will look at a funding and financing route for long-term delivery of the pipeline	

### Key contact

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