

## Notice of a public

### **Decision Session - Executive Member for Housing and Safer Neighbourhoods**

**To:** Councillor Craghill (Executive Member)

**Date:** Thursday, 14 July 2022

**Time:** 10.00am

**Venue:** The Thornton Room - Ground Floor, West Offices (G039)

### **AGENDA**

#### **Notice to Members – Post Decision Calling In:**

Members are reminded that, should they wish to call in any item\* on this agenda, notice must be given to Democracy Support Group by **4:00pm on Monday 18 July 2022.**

\*With the exception of matters that have been the subject of a previous call in, require Full Council approval or are urgent which are not subject to the call-in provisions. Any called in items will be considered by the Customer and Corporate Services Scrutiny Management Committee.

**Written representations in respect of items on this agenda should be submitted to Democratic Services by 5.00pm on Tuesday 12 July 2022.**

#### **1. Declarations of Interest**

At this point in the meeting, the Executive Member is asked to declare any disclosable pecuniary interests or other registerable interests she might have in respect of business on this agenda, if she has not already done so in advance on the Register of Interests.

- 2. Minutes** (Pages 1 - 4)  
To approve and sign the minutes of the meeting held on 19 May 2022.

**3. Public Participation**

At this point in the meeting members of the public who have registered to speak can do so. Members of the public may speak on agenda items or on matters within the remit of the committee.

Please note that our registration deadlines have changed to 2 working days before the meeting. The deadline for registering at this meeting is at **5.00pm on Tuesday 12 July 2022.**

To register to speak please visit [www.york.gov.uk/AttendCouncilMeetings](http://www.york.gov.uk/AttendCouncilMeetings) to fill out an online registration form. If you have any questions about the registration form or the meeting please contact the Democracy Officer for the meeting whose details can be found at the foot of the agenda.

**Webcasting of Public Meetings**

Please note that, subject to available resources, this public meeting will be webcast including any registered public speakers who have given their permission. The public meeting can be viewed on demand at [www.york.gov.uk/webcasts](http://www.york.gov.uk/webcasts).

During coronavirus, we've made some changes to how we're running council meetings. See our coronavirus updates ([www.york.gov.uk/COVIDDemocracy](http://www.york.gov.uk/COVIDDemocracy)) for more information on meetings and decisions.

- 4. Retrofit Programme - Housing Revenue Account (HRA) Strategy Update** (Pages 5 - 56)

A Retrofit Action Plan is currently in preparation, setting out plans for decarbonising homes in York and tackling fuel poverty across all tenures. An update is provided in this paper of progress on the Plan and associated workstreams.

**5. Urgent Business**

Any other business which the Executive Member considers urgent under the Local Government Act 1972.

Democracy Officer:

Louise Cook

Contact details:

- Telephone – (01904) 551031
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For more information about any of the following please contact the Democracy Officer responsible for servicing this meeting:

- Registering to speak
- Business of the meeting
- Any special arrangements
- Copies of reports and
- For receiving reports in other formats

Contact details are set out above.

**This information can be provided in your own language.**

我們也用您們的語言提供這個信息 (Cantonese)

এই তথ্য আপনার নিজের ভাষায় দেয়া যেতে পারে। (Bengali)

Ta informacja może być dostarczona w twoim własnym języku. (Polish)

Bu bilgiyi kendi dilinizde almanız mümkündür. (Turkish)

یہ معلومات آپ کی اپنی زبان (بولی) میں بھی مہیا کی جاسکتی ہیں۔ (Urdu)

 (01904) 551550

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City of York Council

Committee Minutes

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Meeting	Decision Session - Executive Member for Housing and Safer Neighbourhoods
Date	19 May 2022
Present	Councillor Craghill (Executive Member)

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## **18. Declarations of Interest**

The Executive Member was asked to declare at this point in the meeting any disclosable pecuniary interests or other registrable interests that she might have in the business on the agenda, if she had not already done so in advance on the Register of Interests. None were declared.

## **19. Minutes**

Resolved: That the minutes of the previous meetings held on 17 February 2022 and 17 March 2022 be approved and signed as a correct record by the Executive Member.

## **20. Public Participation**

It was reported that there had been no registrations to speak at the meeting under the Council's Public Participation Scheme.

## **21. Consultation Outcome - Public Space Protection Order (PSPO) within the City Walls**

The Executive Member considered a report that highlighted the responses from the recent consultation process, to determine whether to introduce a Public Space Protection Order (PSPO) within the city walls. The decision to undertake consultation regarding a potential PSPO was developed jointly in conjunction with North Yorkshire Police.

The Head of Community Safety was in attendance to present the report and she confirmed that:

- It was anticipated that anti-social behaviour (ASB) levels would increase over the spring/summer period 2022.

- The council had received 78 responses to the survey and 93% supported the reinstatement of a PSPO.
- A PSPO would give the police and the council additional powers to stop individuals or groups from carrying out specific types of anti-social behaviour.
- The PSPO would enable police officers to seize alcohol where it was associated with anti-social behaviour that was impacting on the quality of life for people in that area.

During discussion of the item, and in answer to questions raised, it was noted that:

- In response to the question, “have you experienced ASB within the city centre in the past 12 months?,” 81% replied that they had not.
- The city walls provided a very clear boundary for the police.
- PSPO boundaries were reviewed and could be extended, should displacement occur.

The Executive Member agreed that the PSPO would protect the core shopping area and residential areas within the city centre. She noted that York city centre was generally a very safe place but that there was a minority of people who behaved in an unacceptable way. The Executive Member emphasized that this was not about banning drinking but enabling police officers to seize alcohol where it was associated with anti-social behaviour. She also noted that a PSPO was one of many tools available to tackle issues of ASB and was not used in isolation, but formed part of a multi-agency delivery plan.

Resolved: That Option 1 be approved – The introduction of a Public Space Protection Order (PSPO) within the city walls, to include:

- Seizing alcohol where it is associated with anti-social behaviour that is impacting on the quality of life for people in that area.
- Setting the amount of any Fixed Penalty Notice (FPN) at £100, which would be reduced to £75 if paid within the first 14 days.
- Delegated authority for the Director of Environment, Transport and Planning to sign the PSPO on behalf of the Executive Member for Housing and Safer Neighbourhoods in conjunction with Legal Services.

Reason: To ensure that the council actively addresses the issue of anti-social behaviour in our communities.

## **22. Consultation Outcome - Public Space Protection Order (PSPO) for Union Terrace and Clarence Gardens**

The Executive Member considered a report that highlighted the responses from the recent consultation process, to determine whether to introduce a Public Space Protection Order (PSPO) for the Union Terrace and Clarence Gardens area. The decision to undertake consultation regarding a potential PSPO was developed jointly in conjunction with North Yorkshire Police.

The Community Safety Manager was in attendance to provide an update and he confirmed that:

- The council had received 168 responses to the survey.
- 82% of respondents confirmed they had experienced anti-social behaviour (ASB) in Union Terrace or Clarence Street, 90% agreed to a ban on drinking alcohol and 92% were in favour of removing large groups of 3 or more people who were causing anti-social behaviour.
- A number of respondents were concerned that the area was not large enough and could displace ASB to other areas. Following consultation with the multi-agency group tackling the issues in this area, it was agreed to extend the area covered by the PSPO.

The Executive Member noted the number of responses to the consultation and the concerns raised regarding displacement of ASB. Although she welcomed the extended area, she requested that the PSPO also included Gillygate and part of Bootham. The Executive Member confirmed that the council had spent over £1.6m on alcohol and drug rehabilitation services and that a PSPO formed part of a multi-agency delivery plan to tackle issues of ASB.

Resolved: That Option 1 be approved – The introduction of a Public Space Protection Order (PSPO) within the Union Terrace and Clarence Gardens area, to include:

- Seizing alcohol where it is associated with anti-social behaviour (ASB) that is impacting on the quality of life for people in that area.
- The ability to disperse large groups of 3 or more people who are causing ASB.

- Extending the area covered to include the area bordered by the railway line and the River Foss, including Gillygate and a section of Bootham.
- Setting the amount of any Fixed Penalty Notice (FPN) at £100, which would be reduced to £75 if paid within the first 14 days.
- Delegated authority for the Director of Environment, Transport and Planning to sign the PSPO on behalf of the Executive Member for Housing and Safer Neighbourhoods in conjunction with Legal Services.

Reason: To ensure that the council actively addresses the issue of anti-social behaviour in our communities.

Cllr Craghill, Executive Member

[The meeting started at 10.00am and finished at 10.16am].





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**Decision Session – Executive Member for  
Housing and Safer Neighbourhoods****14 July 2022**

Report of the Director of Housing, Economy and Regeneration

**Retrofit Programme – Housing Revenue Account (HRA) Strategy Update****Summary**

1. A Retrofit Action Plan is currently in preparation, setting out plans for decarbonising homes in York and tackling fuel poverty across all tenures. This Retrofit Action Plan will be considered by Executive in the autumn and will build on the overarching approach set out in the Climate Change Strategy. An update is provided in this paper of progress on the Plan and associated workstreams.

**Recommendations**

2. The Executive Member is asked to:
  - i) Note the progress to date on delivering retrofit works within council homes alongside the development of further analysis and options to deliver further improvements this year and beyond.

Reason: To deliver the council's ambitions for minimising tenants' energy bills, building the local green economy and retrofit supply chains, and reducing carbon emissions in the City.

- ii) Note the ongoing preparation for a Social Housing Decarbonisation Wave 2 bid following the council's successful application for Wave 1 funding and that a business case for this investment will be brought forward later this year.

Reason: Grant funding of up to 50% of total costs can substantially increase the pace of retrofit improvements carried out in HRA stock.

- iii) Note the intention to submit a bid through the anticipated Social Housing Decarbonisation Fund "digitalisation" programme for building

performance monitoring and data analytics technology. This would need to be supported by HRA investment and a business case will be brought forward for approval prior to committing to this programme of works.

Reason: This technology can support better informed forecasting of residents' energy bill savings following retrofit works. This will enable leverage of financial opportunities and facilitate learning opportunities as well as supporting the most effective investment in improvement works.

- iv) Note the intention to continue work towards HRA stock decarbonisation within the Retrofit Action Plan including commissioning of an evidence base to support this.

Reason: To identify long-term investment priorities and build on the existing stock analysis, and to provide net zero pathway options.

## **Background**

3. Household energy bills have increased substantially in the last year, with a typical bill likely to have increased by 75% or more. Further rises are expected when the Ofgem price cap is raised again in October 2022. This is likely to significantly increase the number of households experiencing fuel poverty. The council has an ambition for the city to be carbon neutral by 2030. These two challenges bring into sharp focus the need to undertake retrofit improvements to the council's housing stock.
4. A Retrofit Action Plan is currently in preparation, setting out plans for decarbonising homes in York and tackling fuel poverty across all tenures. This Retrofit Action Plan will be considered by Executive in the autumn and will build on the Climate Change Strategy.
5. An update on the Retrofit Action Plan was provided at the 17 March 2022 Executive Member Decision Session. This report focuses on council homes and outlines progress since the last update including a timetable for future work to deliver the Retrofit Action Plan.

## **Progress of delivering Retrofit works**

6. The council has been highly successful in attracting £5.6m grant funding to help accelerate retrofit works across the city and in neighbouring Local Authorities. In respect of works to council homes, Social Housing

Decarbonisation Fund Wave 1 (SHDF W1) and Local Authority Delivery 2 (LAD2) has been secured. It is anticipated that by 12 July, 44 council homes will have been improved through the installation of solar PV panels utilising LAD2 funding. Top up loft insulation to 300mm was also provided for all properties where this was beneficial. These works will reduce residents fuel bills, improve the thermal performance of the home, and reduce carbon emissions. These works will take these homes from an Energy Performance Certificate (EPC) D rating, to a C rating or higher.

7. SHDF funding is proposed to be utilised to deliver fabric improvements to 28 council homes at Danebury Court and Harington Avenue. A contractor has now been procured to undertake these works which are due to take place this financial year. These works will comply with the high standards outlined in PAS2035 which requires detailed design work to ensure the measures are effective with consideration of the long term condition of the building fabric. These works will improve the thermal performance of the homes, reduce heating demand, save residents money on fuel costs and improve the comfort of the homes. Again these works will increase the EPC rating of all homes.

### **Additional Opportunities to address growing fuel poverty challenges**

8. We have successfully recruited a summer intern to provide additional resource capacity to the team and to help us explore opportunities which exist for rolling out less invasive and less complex solutions which can be delivered in the short term, directly responding to the additional fuel cost rises anticipated this autumn. Stock modelling information, funded through LAD grant funding, has now been received and provides detailed analysis of our housing stock, including identifying opportunities for improvements. Utilising this information, we can more easily identify opportunities for carbon reduction and saving residents money on their energy bills. These measures could involve bespoke household energy use advice, rapid fabric upgrades such as draught proofing, or other items including energy efficient LED lightbulbs, or thermal curtains/carpet underlays. A business case for investment will be brought forward following this analysis and considering best practice from elsewhere. It is anticipated that funding for this work would be drawn down from the existing £2m council retrofit budget. There is further work to do in interrogating our data to build on the initial modelled analysis and further improve the understanding of our housing stock, particularly in respect of

more complex building types with a non-traditional construction impacting thermal performance.

**Financial opportunities to support potential additional HRA investment:**

9. The cost of retrofit works to deliver improvements across our council housing stock would be significant. At present it does not look like central government funding will be available to support the scale of the challenge, at the speed required, to meet our carbon neutral aspirations and to support our residents through the provision of warmer and more efficient homes. One opportunity which exists to support capital investment is the use of a “shared benefits charge” or service charge in future HRA retrofit investment programmes. This approach can pay back initial capital costs over time, opening up opportunities for a larger upfront additional investment. This is a new financial model which a number of local authorities are currently moving towards.
10. It is intended to work up a business case to underpin consideration of a charge of up to a fixed maximum proportion of the annual value of tenants’ energy bill savings, based on a lower estimate of those savings following retrofit measures. This could facilitate a significant scale up of HRA retrofit works, and support access to further financial options such as the UK Infrastructure Bank and institutional investment, in addition to offering potential for delivering improvements across other tenures. Without this kind of model the potential to scale up HRA investment is limited due to the lack of revenue generation to service interest on a loan.
11. It is essential that delivery of this approach maintains high levels of tenant satisfaction and comfort. Initially this can be facilitated by allowing a margin for impact estimation error and using a lower estimate of benefit. To improve accuracy and better target measures over time, it is also proposed to pilot new building performance monitoring and data analytics technology, discussed below.

**Home building performance monitoring technology**

12. Monitoring the performance of homes through technology can provide valuable input into understanding data around temperature, humidity and ventilation. This knowledge can help to identify both opportunities for more efficient user choices as well as fabric home improvement opportunities. This technology is becoming increasingly affordable and it

is anticipated that with an investment of £15,000, sensors could be installed in at least 30 homes to record time-series data. When combined with energy bill details this would give a high-quality evidence base for understanding the benefit of different improvement works options for prioritisation and financial optimisation.

13. This approach is embedded in the Welsh Government’s “Optimise Retrofit” programme<sup>1</sup>, a potential good practice example. Wherever possible the sensors would be installed to monitor a suitable period pre and post-works, if it is not possible to monitor pre-works then comparator properties outside of the intervention programme will be selected instead. It is proposed to include a bid for this investment through the 2023-25 SHDF Wave 2 Digitisation stream.
14. These technologies could also play an important role in leveraging financial opportunities across all tenures, by better estimating the benefit of optimised retrofit measures to enable a return on investments. The investments could be made by the householder themselves, or through a third party delivering at scale.

### **Social Housing Decarbonisation Fund Wave 2 bid preparation**

15. A new bid round of the SHDF (Wave 2: SHDF W2) is expected to be announced by the Business, Energy and Industrial Strategy Department (BEIS) late August 2022, open to submissions until October 2022.
16. BEIS have expressed the intent to increase the pace of decarbonisation in this sector and accordingly have given additional forward guidance on the likely details of SHDF W2, although this remains open to change until the prospectus is formally released.
17. The delivery window has been extended for 2 years, from April 2023 to March 2025. Bids must include a minimum of 100 properties, either from an individual provider or over a consortia bid. CYC is looking to support partners in the sector with a consortia arrangement, taking into account factors such as location of stock and planned works programmes.
18. Properties will be expected to be at EPC D or below, with potentially only 10% infill at EPC C eligible for inclusion. Alongside a continued focus on “fabric first” improvements, there is a welcome recognition of the need to

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<sup>1</sup> <https://gov.wales/optimised-retrofit-programme>

upgrade non-gas heating systems which can be high cost, with separate funding available for this in addition to fabric measures.

19. Successful providers will be required to fund a minimum of 50% of project costs. BEIS has set out likely funding limits of £5,000 per cavity wall property and £10,000 per solid wall property, for EPC D homes. This gives a typical project cost of £10,000/£20,000 per property, including the council's contribution. Further guidance is anticipated on more complex non-traditional build types which do not fall solely in either category, which would include some likely CYC properties.
20. For low carbon heating upgrades in eligible non-gas heated properties, the funding cap is expected to be £6,500 per property, with the same requirement for providers funding at least 50% of the total costs of £13,000 per property.
21. Using the recently received Parity Projects Portfolio software alongside our EPC records puts us in a better position than previously to identify appropriate measures for inclusion in a bid. We have greater understanding of property types and areas with higher numbers of EPC D rated homes, which can provide the basis for an SHDF Wave 2 bid. A business case will be brought forward for the bid to an Executive Member Decision Session, including identification of neighbourhoods where these properties are located. The type breakdowns are summarised in the table below:

<b>Typology</b>	<b>Estimated D and below</b>	<b>Further details</b>
Bungalows	219 (47%)	Largely insulated cavity wall homes
System build	327 (74%)	Priority is Dennis Wild type (primarily around Tang Hall)
Solid wall houses	42 (44%)	Most are "Pepper potted" throughout a number of neighbourhoods
Storage heaters	90 (54%)	Eligible for additional heating upgrade funding stream
<b>Total of identified priority intervention types</b>	<b>678</b>	
<b>All 7,424 properties in HRA stock</b>	<b>1,642 (22%)</b>	<b>Other priority types will be identified for future programmes</b>

22. By improving EPC D rated properties, we can make a tangible impact on the thermal comfort of a home, fuel bills and carbon emissions. A formal bid options appraisal including financial implications will be set out for member decision later this summer. There remains capacity within the £2m HRA retrofit investment programme which could be utilised to match fund a grant application, with £0.57m of CYC budget being committed for the LAD2 & SHDF Wave 1 scheme, leaving £1.43m for the SHDF Wave 2 and future schemes.
23. The development of a Retrofit Action Plan across all tenures is complex and is taking place at a time of great change, in terms of funding opportunities, costs, and the availability of contractors with the right skills to undertake works. However, it is important that an action plan is considered by Executive to create a well-defined strategic approach to activities over the coming years. It is highly likely that the action plan will need to remain a live document, to respond to changes in technology, costs, and funding opportunities. The summary timetable below sets out activities taken place so far this year and forthcoming activity planning to deliver the retrofit action plan.

Time period	Action/notes
January-February 2022: complete	Stakeholder consultation carried on action plan direction The consultees were local community stakeholders and larger stock-holding Registered Providers
April 2022: complete	Parity Projects Portfolio commissioned and received
March-May 2022: complete	Action plan options reviewed incorporating consultation responses, energy bill increases and modelling results
June 2022	BRE modelling work for all tenures commenced
May-August 2022	SHDF W2 bid plans under preparation
July EMDS 2022	Update on HRA elements of retrofit action plan development
July-August 2022	Initial BRE datasets received
Summer 2022	Final consultation with stakeholders, tenants and residents and preparation of action plan
August-September 2022	Final BRE datasets received

Time period	Action/notes
Late August 2022	SHDF W2 bid round announcement expected
Summer 2022	CYC draft Strategy suite (including climate change) final documents in consultation
July or September 2022	Pre-decision Scrutiny of Retrofit Action Plan
October 2022	SHDF W2 submission deadline expected
Autumn 2022	Retrofit Action Plan taken forward for Executive approval – setting direction for coming years including financial implications of delivery options  Delegated authority will also be sought for finance and procurement for the SHDF W2 programme if bid is successful.

## Consultation

24. The York Building Retrofit Roundtable event of July 2021 held with local stakeholders provided a foundation for strategic retrofit planning in the City. A smaller group including community organisations followed for consultation on the direction of this work.
25. A draft of the Retrofit Action Plan (then the Housing Energy Efficiency Strategy) was presented to the Housing and Community Safety Policy and Scrutiny Committee in October 2021, with insights from that committee subsequently incorporated into the Plan.
26. An informal consultation was carried out via e-mail with local community stakeholders and Registered Providers with stock in York, during January-February 2022, which provided valuable direction for aspects of the Plan.
27. Further discussion took place in the April 2022 Registered Provider (RP) forum, with representation from holders of the overwhelming majority of RP stock within the City. In particular an overview of RP plans both short- and long-term was provided which informed the development of the Retrofit Action Plan.
28. In accordance with the timetable set out above, consultation will be carried out in the coming months on the latest version of the Retrofit Action Plan. This will incorporate engagement with council tenants and



residents of other tenures, and consultation with key community stakeholders and Registered Providers.

29. Over August-September it is intended to make the Retrofit Action Plan document available on the council's website for residents to review and provide feedback as part of the consultation process.

### **Council Plan**

30. Retrofit delivery and an action plan aligns with a number of key objectives within the Council Plan:

**Well-paid jobs and an inclusive economy** – retrofit of existing homes requires a skilled workforce and is labour intensive by the nature of the work involved. People working in the construction industry are typically paid above the national average. Utilising central government grant funding alongside HRA capital to deliver works creates opportunities for work with the supply chain to create opportunities for further training and skills development locally.

**A greener and cleaner city** – our housing stock is a major source of carbon emissions. Retrofit improves the thermal performance of existing dwellings, reduces heating demand and thus reduces the amount of gas/electricity required to heat a dwelling.

**Good health and wellbeing** – Exposure of residents to excess cold exacerbates a range of health conditions and contributes to increased hospital admissions during the winter months. The elderly are particularly at risk from excess cold. Retrofitting homes will make tangible improvements to the energy performance of dwellings thereby reducing incidents of excess cold and associated ill health.

31. **Implications** – Responses from colleagues for relevant aspects will be included below.

- **Financial** – The HRA has an agreed budget of £2m for energy efficiency measures across the council dwelling stock. This funding is being maximised with match funding from several Government initiatives, with £0.57m of CYC budget being committed for the LAD2 & SHDF Wave 1 scheme, leaving £1.43m for the SHDF Wave 2 and future schemes.

- **Human Resources (HR)** – There are no HR implications to this report.
- **Equalities** – The Council is mindful of the Public Sector Equality Duty under Section 149 of the Equality Act 2010 (to have due regard to the need to eliminate discrimination, harassment, victimisation and any other prohibited conduct; advance equality of opportunity between persons who share a relevant protected characteristic and persons who do not share it and foster good relations between persons who share a relevant protected characteristic and persons who do not share it in the exercise of a public authority's functions). An equalities impact assessment was completed when this programme was launched and approved by Executive in December 2020. There is no adverse impact expected in terms of equalities.
- **Legal** – Legal Services will carry out a review of any proposed grant funding agreement and in respect of the UK Subsidy Control Rules (previously State aid) to confirm whether any mitigating actions need to be taken prior to entering into the funding agreement. Legal Services have provided advice to the Housing Energy Efficiency team throughout the project.
- **Crime and Disorder** – There are no Crime and Disorder implications.
- **Information Technology (IT)** – There are no IT implications.
- **Property** – There are no Property implications.

## **Risk Management**

32. Retrofit works are complex. They require careful design and implementation in order to ensure improvements in the home in the long term. Detailed engagement is taking place at all stages of the development of the Retrofit Action Plan alongside consideration of emerging good practice and the experience of other authorities. We have procured and received further data analysis of our council homes to ensure we are able to make more informed decisions regarding suitable works and likely costs. The intended use of technology to monitor the performance of the home before and after works can help increase our knowledge, identify any issues early, and improve future investment decisions. All risks are monitored through project risk registers for each programme of works with governance in place to ensure these risks are continually reviewed and appropriate decisions are made in response.

## Contact Details

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### Chief Officer Responsible for the report:

#### Chief Officer's name

Tracey Carter  
Director of Housing, Economy and  
Regeneration

Report Approved ✓      Date 4/7/22

## Specialist Implications Officer(s)

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Cathryn Moore  
Corporate Business Partner (Legal)  
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**For further information please contact the author of the report**

## Background Papers:

- Council Housing Energy Retrofit Programme – December 2020 – Executive  
<https://democracy.york.gov.uk/ieListDocuments.aspx?CIId=733&MIId=12428&Ver=4>
- Update on the Housing Energy Retrofit Programme – March 2021 – Decision Session: Executive Member for Housing and Safer Neighbourhoods  
<https://democracy.york.gov.uk/ieListDocuments.aspx?CIId=932&MIId=12599&Ver=4>

- Update on the Housing Energy Efficiency Programme and Grant Application for the Sustainable Warmth Competition – August 2021 - Decision Session: Executive Member for Housing and Safer Neighbourhoods  
<https://democracy.york.gov.uk/ieListDocuments.aspx?CId=932&MId=13137&Ver=4>
- Housing Energy Efficiency Programme Update - Utilising Grant Funding to Deliver Additional Retrofit Works – December 2021 – Executive  
<https://democracy.york.gov.uk/ieListDocuments.aspx?CId=733&MId=12798&Ver=4>
- Update on the Housing Energy Retrofit Programme – March 2022 – Decision Session: Executive Member for Housing and Safer Neighbourhoods  
<https://democracy.york.gov.uk/ieListDocuments.aspx?CId=932&MId=12750&Ver=4>

**Annexes:**

Annex 1: Draft Retrofit Action Plan (HRA sections)

Annex 2: Housing Energy Efficiency Funding Sources

**Abbreviations:**

BEIS: Department for Business, Energy and Industrial Strategy

CYC: City of York Council

EPC: Energy Performance Certificate

HRA: Housing Revenue Account

LAD2: Local Authority Delivery Phase 2

RP: Registered Provider

SHDF W1: Social Housing Decarbonisation Fund Wave 1

SHDF W2: Social Housing Decarbonisation Fund Wave 2

**Annex 1: Housing Revenue Account Housing Retrofit Action Plan****DRAFT: June 2022****1. Context**

In December 2019, Executive approved the recommendations of a report that sought to both begin retrofit works and to undertake strategic planning to embed carbon neutrality into housing asset management as well as considering our role in supporting retrofit works across all tenures. This draft focuses on council-owned Housing Revenue Account stock for the 14 July Decision Session of the Executive Member for Housing and Safer Neighbourhoods. The final Action Plan will be fully cross-tenure.

Since this report significant progress has been made. The council has successfully attracted grant funding under the Social Housing Decarbonisation Fund and LAD 1, 2 and 3 programmes for energy upgrades to several hundred properties across all tenures. This approach has brought millions of pounds into the authority to support retrofit works on council homes as well as for low income families in the private rented and homeowner sectors. We have also developed a small team leading on this delivery work. Grant funding has been crucial in supporting this ambition but it is clear that if we are to make a significant impact on carbon emissions in the residential sector that we need to have a clarity of approach and ambition. As such, alongside this work we have been developing a Retrofit Action Plan. This strategy will link with the Carbon Reduction, Economic and Skills strategies which are all under development and provide a coherent and wider city level approach which touches upon all areas.

**2. Introduction and key priorities**

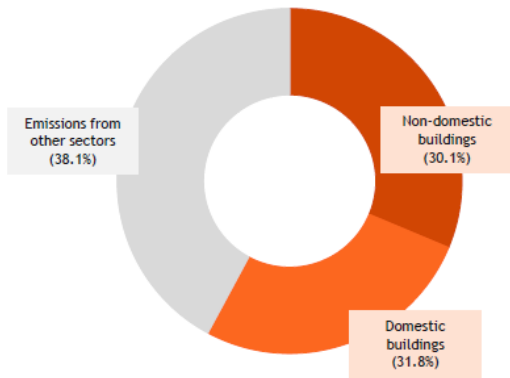
In 2019 City of York Council formally recognised the Climate Emergency and set the ambition for York to be a net-zero carbon city by 2030<sup>1</sup>.

Domestic buildings are the single largest carbon producing sector locally, accounting for an estimated 31.8% of locally derived emissions.

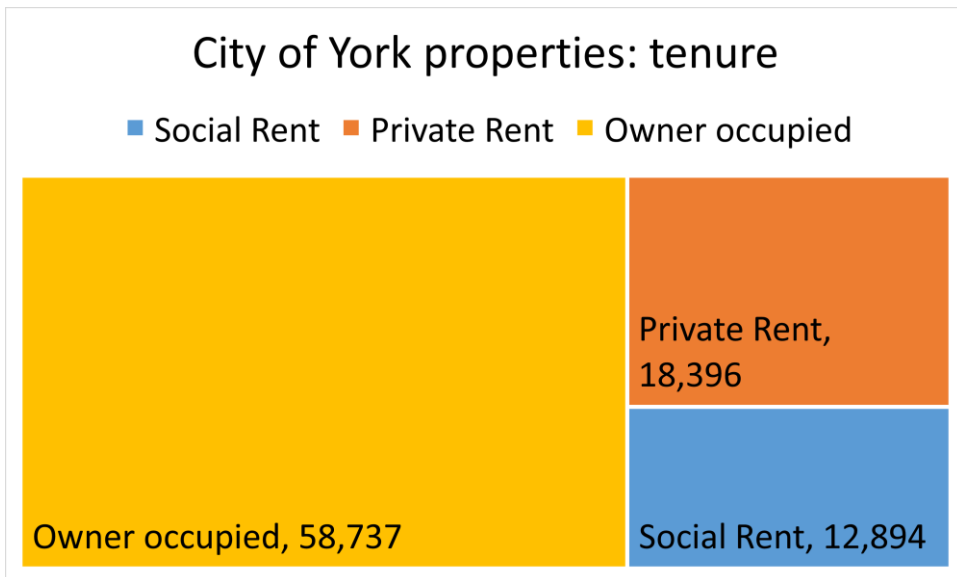
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<sup>1</sup> <https://www.york.gov.uk/ClimateChange>

Figure 5.1.1: SCATTER 2018 inventory for the buildings sector in the City of York.



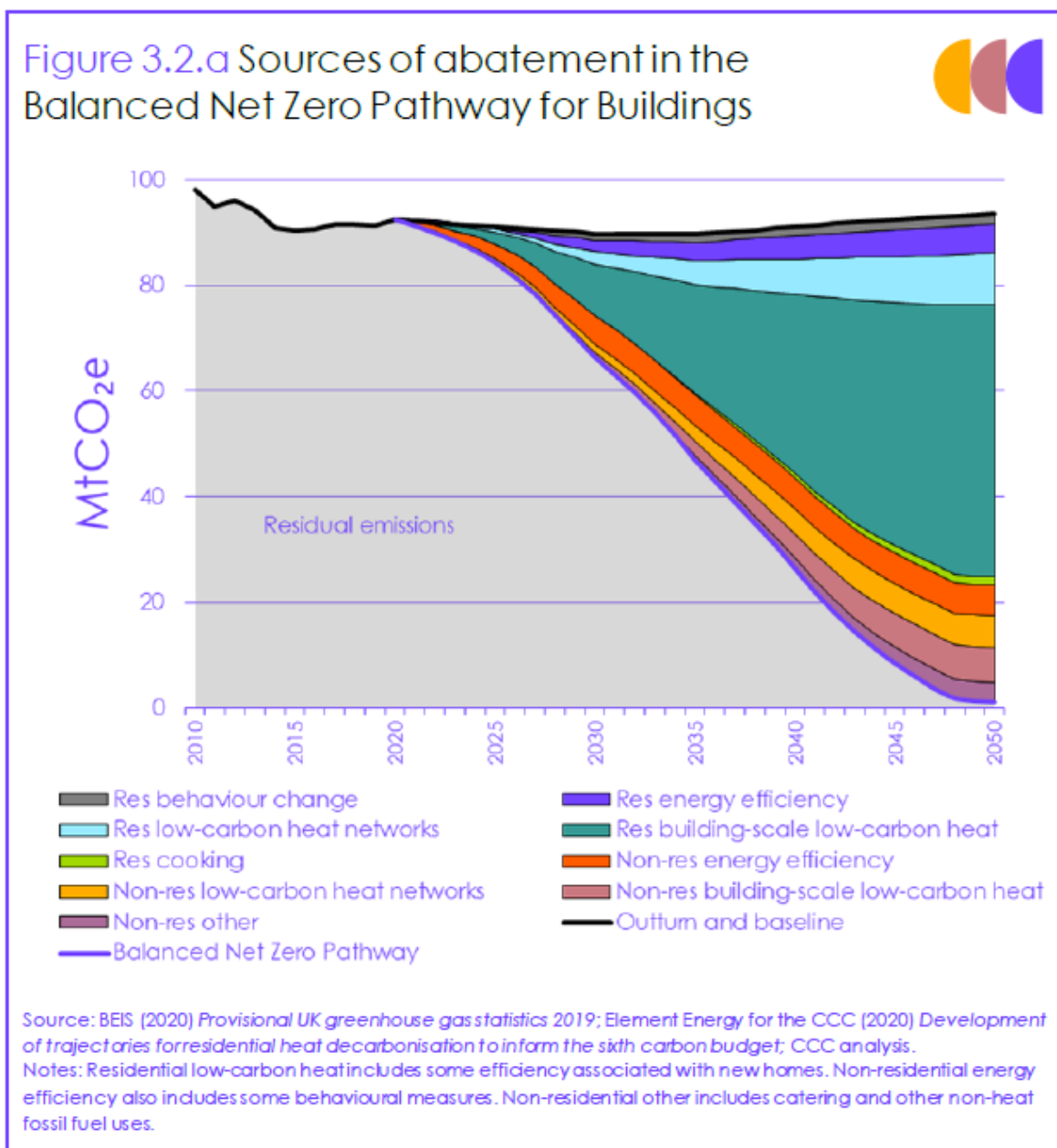
The Retrofit Action Plan will cover all tenures, with strategies needed for decarbonisation of council, Registered Provider, owner occupied and Private Rented Sector stock. The distribution of the estimated 90,587 properties within the council area is shown below.



Source: MHCLG data

Domestic buildings are amongst the most significant contributors to emission reductions pathways, as shown in the Climate Change Committee’s “*Sixth Carbon Budget; The UK’s Path to Net Zero*”<sup>2</sup> below. It should be noted that the council’s ambitions are for a more rapid decarbonisation route than the UK, but the figure illustrates the scale of residential energy use reductions needed.

<sup>2</sup> <https://www.theccc.org.uk/publication/sixth-carbon-budget/>

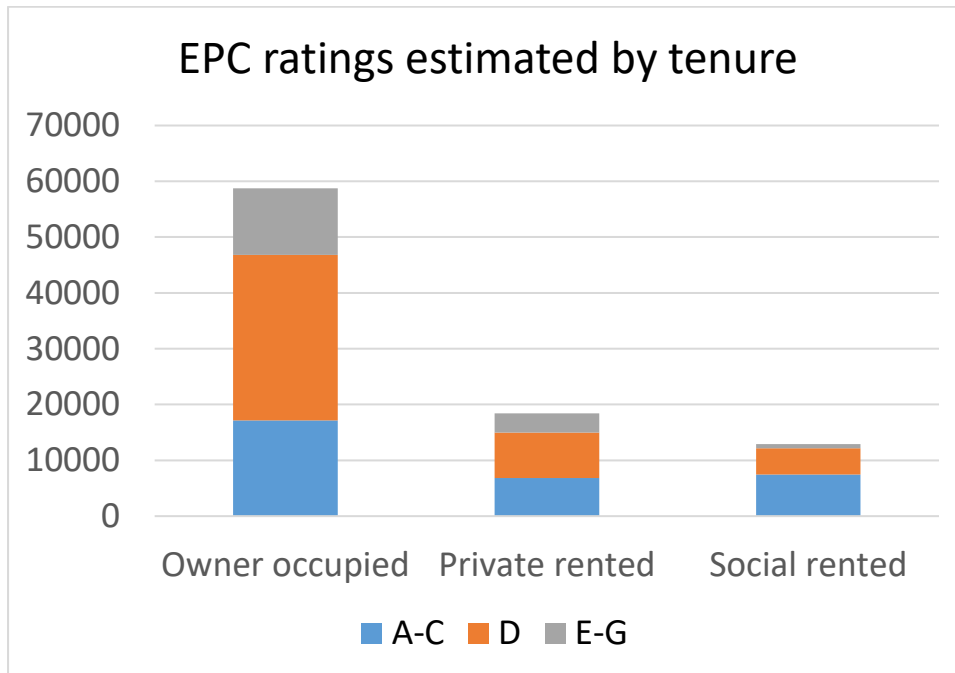


**Note on data and mapping:**

A cross-tenure energy modelling and mapping product is being provided by sector leaders Building Research Establishment Ltd (BRE), which will provide high quality dwelling-level estimates of the local housing stock. This will replace the estimates and mapping below derived from lodged EPC surveys across the City.

Analysis of EPC data highlights the extent of the challenge across all sectors. The government have established EPC C rating as the intended acceptable level through the mid-2020s, for example through the terms of grant applications and through minimum energy efficiency requirements coming into the private

rented sector market in future years. As the figure below demonstrates, many homes within York are outside of an A-C rating.



Source: MHCLG data and Open Communities EPC records

## 2.1 Why retrofit?

The overwhelming majority of domestic carbon emissions are produced by currently existing properties with a pathway to reducing this to net zero in coming years through improved fabric energy efficiency and low carbon heating solutions such as heat pumps. Furthermore with households facing unprecedented increases in energy bills in excess of 70%<sup>3</sup> from April 2021 to April 2022, improving energy efficiency is essential to protect the health and wellbeing of lower income residents who are now disproportionately in fuel poverty. Even prior to the bill rises, the King's Fund concluded that "Every £1 spent on improving warmth in homes occupied by 'vulnerable' households can result in £4 of health benefits"<sup>4</sup>

The Office for National Statistics (ONS) highlights the potential benefits of improving existing stock energy performance, shown on the following two pages. It is important that the quality of new build properties are driven up as it is most feasible to do this at the construction stage, however new build development but will typically fall within a bound of 0.5%-1.5% of total stock.

<sup>3</sup> <https://www.ofgem.gov.uk/publications/price-cap-increase-ps693-april>

<sup>4</sup> p4 of report available at <https://www.kingsfund.org.uk/blog/2020/09/poor-housing-covid-19>



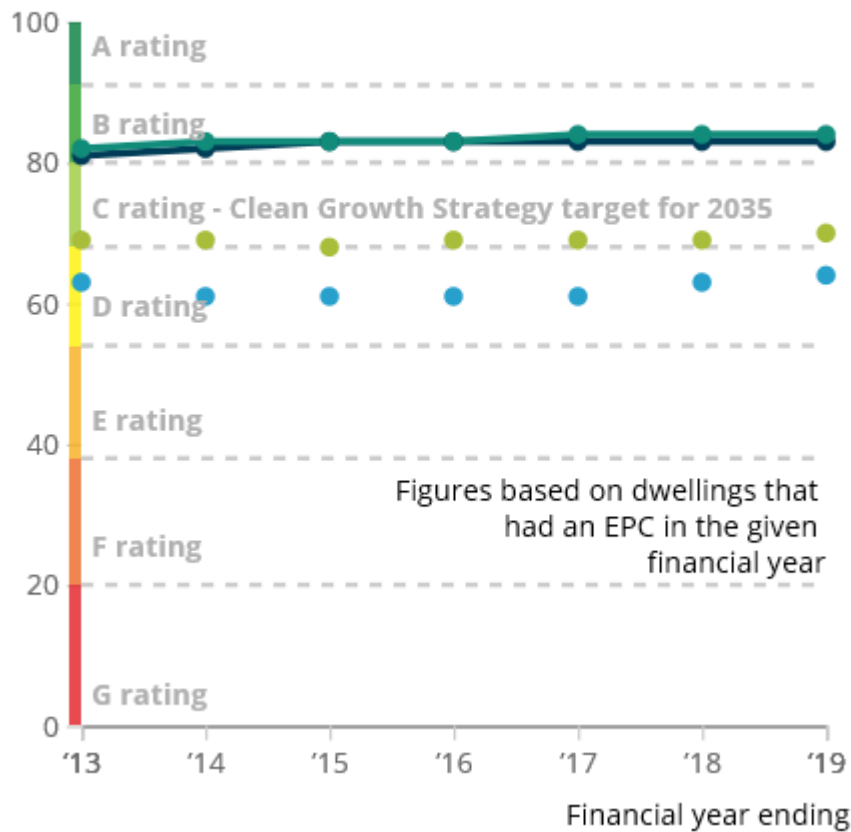
While this fluctuates dependent on market conditions and land availability, the urgent need to improve energy performance of existing homes is clear.

Median energy efficiency scores for new and existing flats and houses, financial year ending 2013 to financial year ending 2019<sup>5</sup>

- New houses
- Existing houses (subset of all existing houses)
- New flats
- Existing flats (subset of all existing flats)

## England

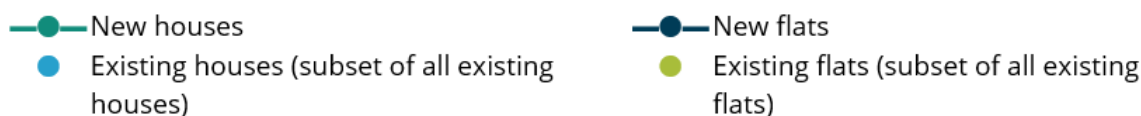
Median energy efficiency score



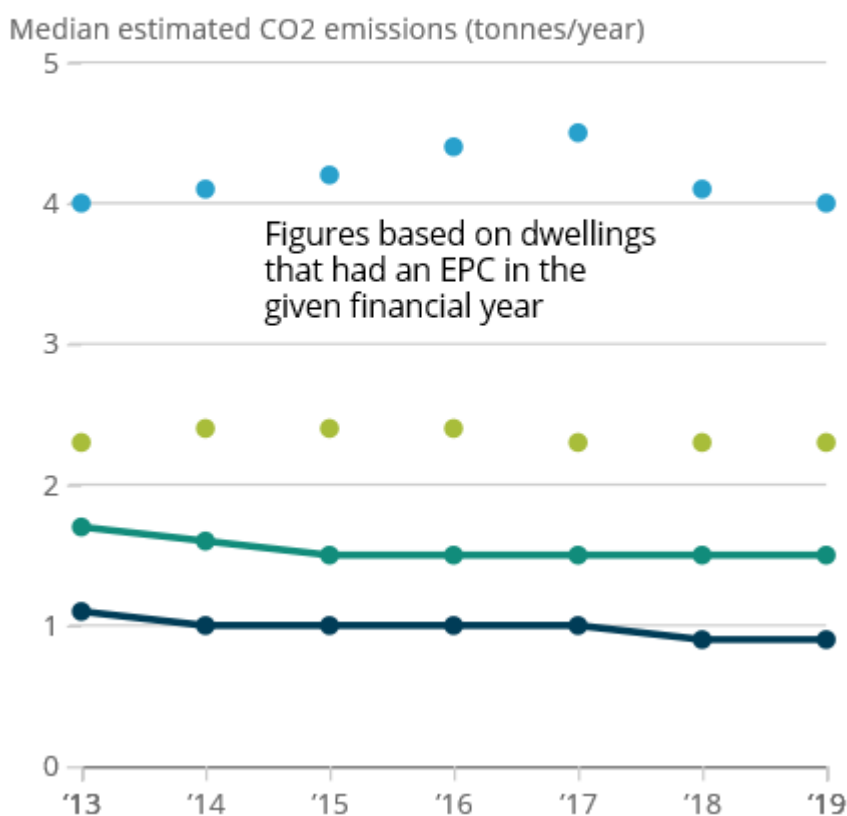
<sup>5</sup>

<https://www.ons.gov.uk/peoplepopulationandcommunity/housing/articles/energyefficiencyofhousinginenglandandwales/2020-09-23#energy-efficiency-of-new-and-existing-dwellings>

Median estimated Carbon Dioxide (CO<sub>2</sub>) emissions (tonnes/year) for new and existing flats and houses, financial year ending 2013 to financial year ending 2019



## England



## 2.2 Energy price rises 2021-22

The economic and social welfare value of energy saving work is particularly heightened by the current context of escalating energy costs, driven by rises in the wholesale price of natural gas. From April 2021 to April 2022 the price cap rise has brought typical bills<sup>6</sup> from £1,138 to £1,971 (direct debit payments) and £1,156 to £2,017 (prepayment): an extraordinary rise of over 70%. Measures to reduce domestic energy use can benefit residents greatly in this context, with the New Economics Foundation estimating that the lowest income households may lose 5-10% of income due to the current inflation

<sup>6</sup> <https://www.ofgem.gov.uk/publications/energy-price-cap-increase-april-consumers-should-switch-save-money>  
<https://www.ofgem.gov.uk/publications/price-cap-increase-ps693-april>

levels – significantly more than other households, and potentially pushing residents who may have been struggling already into crisis<sup>7</sup>.

With energy bills constituting a substantial driver in the level of inflation, well-targeted retrofit measures across all tenures have the potential to significantly improve health and welfare for some of the City’s most vulnerable residents.

### **2.3 How can retrofit achieve domestic decarbonisation?**

Key elements of an effective approach to decarbonising homes are:

- Fabric improvements as part of a ‘pathway’ to domestic decarbonisation
- Use of energy efficient appliances, including switching from gas to electric
- Behaviour change

Replacement of gas boilers with electric heat pumps offering 250-400% efficiency<sup>8</sup> is essential to decarbonise the housing stock. Fabric improvements reduce bills, increase comfort and support the electrification of home heating, facilitating efficient operation of heat pumps: this can be in individual properties and across district heating and ground or water source ‘shared loop’ heat networks<sup>9</sup>. On site energy generation (e.g. Solar PV) can also make an important contribution to achieving net zero, with new storage technologies providing further opportunities.

Where financial savings from retrofit can be predicted with confidence then models such as “comfort as a service” may become possible, with households billed at a fixed rate for a warm and comfortable home from a service provider or social landlord. This would replace billing by energy usage and incentivises the provider to deliver home efficiency improvements, while bringing in larger finance options such as institutional lending by providing a reliable return<sup>10</sup>.

The same principles can be applied across all tenures, and building the supply chain, enhancing local skills and increasing the number of high quality jobs in the sector are opportunities for the retrofit programme. However, the resourcing and delivery challenges are distinct between tenures. Development of energy efficiency knowledge and supply chain capacity is also an important

<sup>7</sup> <https://neweconomics.org/2022/05/losing-the-inflation-race>

<sup>8</sup> <https://www.gov.uk/government/publications/cost-optimal-domestic-electrification-code>

<sup>9</sup> <https://heatthestreets.co.uk/shared-ground-loop-array/>

<sup>10</sup> <https://www.greenfinanceinstitute.co.uk/wp-content/uploads/2020/06/Financing-energy-efficient-buildings-the-path-to-retrofit-at-scale.pdf>

area of interconnection between strategies for domestic and non-domestic buildings, with shared challenges and opportunities.

Key measures are summarised below – the fabric upgrades are all considered by the Climate Change Committee as part of its decarbonisation scenario modelling<sup>11</sup>.

Fabric measures	Type of property suitable	Programme considerations
<b>External or internal wall insulation</b>	Solid brick, pre-1980s system build, “hard to treat” cavity wall homes	External wall insulation involves lower disruption levels for the occupant, however may face planning challenges due to aesthetic impact
<b>Cavity wall insulation</b>	Cavity wall homes: frequently 1920s onwards in York	Highly cost effective for suitable properties, around a quarter may still have uninsulated cavity walls <sup>12 13</sup>
<b>Loft and roof insulation</b>	All homes with a loft/roof	Another highly cost effective measure, with a large majority of lofts now insulated. Roof insulation such as form “room in roof” properties is more expensive and causes additional disruption to occupants, but with significant energy savings.
<b>Draught proofing and air tightness improvement with associated ventilation</b>	All homes although some types may see restricted ventilation options limiting potential extent of air tightness	Air infiltration is a complex source of heat loss which needs a property-specific response, sealing gaps while ensuring ventilation is adequate e.g. through installation of Mechanical Ventilation with Heat Recovery
<b>Replacement doors and windows</b>	Minority of homes would see benefit, may be heritage challenges	Over 90% of homes nationally now have double glazing, and a large proportion of the remainder are likely to be heritage properties where glazing upgrades are constrained, complex and/or expensive. However where possible benefit may be significant.

<sup>11</sup> <https://www.theccc.org.uk/publication/analysis-work-to-refine-fabric-energy-efficiency-assumptions-for-use-in-developing-the-sixth-carbon-budget-university-college-london/>

<sup>12</sup> <https://www.gov.uk/government/statistical-data-sets/energy-performance>

<sup>13</sup>

[https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment\\_data/file/335152/Chapter\\_2\\_Hard\\_to\\_treat\\_properties.pdf](https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/335152/Chapter_2_Hard_to_treat_properties.pdf)

Heating option	Type of property suitable	Programme considerations
<b>Individual property heating system upgrades</b>	All homes subject to household costs consideration	Households with existing low efficiency gas or electric heater systems can benefit greatly from air source heat pump installation. Homes with modern combi boiler based systems will need more careful consideration because electricity is currently around 4x more expensive than gas per kWh.
<b>Low carbon district heating such as “ambient loop” networks</b>	All homes where infrastructure is provided on appropriate scale	<p>Opportunities for these to be explored within the City of York to deliver scale benefits from use of heat pump sources such as ground or river ambient warmth, and possibly thermal storage. Smaller networks of e.g. a single apartment block are also possible.</p> <p>Mixed use areas can offer additional benefit by reducing demand variability and peaks, or even by incorporating waste heat such as from IT equipment or supermarket freezers into the loop.</p>

## 2.4 Links to other strategies and policies

The central government strategy **Sustainable warmth: protecting vulnerable households in England**<sup>14</sup> adds:

- The “worst first principle”, which is tackling the lowest energy performing properties first – improving EPC rated D and especially E/F/G properties to Band C
- A strong emphasis on fuel poverty, defined using the “Low Income Low Energy Efficiency” (LILEE) measure of households that:
  - Have a residual income below the poverty line (after accounting for required fuel costs) and
  - Live in a home that has an energy efficiency rating below Band C
- It may be noted that this measure is likely to significantly under-estimate the numbers of people facing hardship due to energy bills, which could now frequently be unaffordable in EPC C and above properties

<sup>14</sup> <https://www.gov.uk/government/publications/sustainable-warmth-protecting-vulnerable-households-in-england>

These goals are important, and additionally are built into the government's funded programme design. However, as explored below, they can create additional challenges to decarbonising York's housing stock and in particular the private rented and owner occupation tenures.

Other linked strategies include:

- Council Plan
- Climate Change Strategy
- Local Plan climate change policies CC1 and CC2
- York Economic Development and Skills Strategy

## **2.5 Meeting the scale required: key challenges**

Challenges highlighted below are explored further in tenure-based themes in this paper.

- Responding to the challenge by developing a team with the right knowledge and skills
- Supply chain and local skills development – there are opportunities within the council, in procurement and for working with local education providers
- Leveraging funding opportunities with indication that programmes such as the Social Housing Decarbonisation Fund are to be set on a longer-term footing by the government
- Embedding a whole-house retrofit pathway approach to EPC Band C and then a net-zero end point
- Understanding local stock profiles and setting out a path to net zero
- Partnership working for a sector that is 'more than the sum of its parts'
- Awareness raising, resident engagement and behaviour change
- Identifying 'fuel poor' households and targeting interventions
- Tackling the poorest performing Private Rented Sector (PRS) homes

## **2.6 PAS 2035**

PAS 2035 is a national standard aiming to achieve uniformly high quality retrofit work and sponsored by the central government Department for Business, Energy and Industrial Strategy:

The standard drives the 'whole house approach' including the 'fabric first' methodology. It defines the qualifications and responsibilities of individual retrofit roles and respective activities required prior to and post EEM [Energy Efficiency

Measures] installation. It also includes a risk assessment process that builds incrementally robust requirements depending on what requirement path (A, B, or C) the retrofit project is assessed to fall within<sup>15</sup>.

The standard specifies a higher level of skills and a certified process to avoid issues that have been experienced in past retrofit work, such as defects, poor design, and a lower level of energy savings than expected (known as the 'performance gap'). This introduces additional cost and complexity to projects in the short term, and is undergoing continuous review and improvement as further experience of the protocol is developed. However, it is a requirement of government funding programmes and it is proposed to utilize PAS 2035 in council retrofit works where practicable.

## 2.7 Fuel Poverty

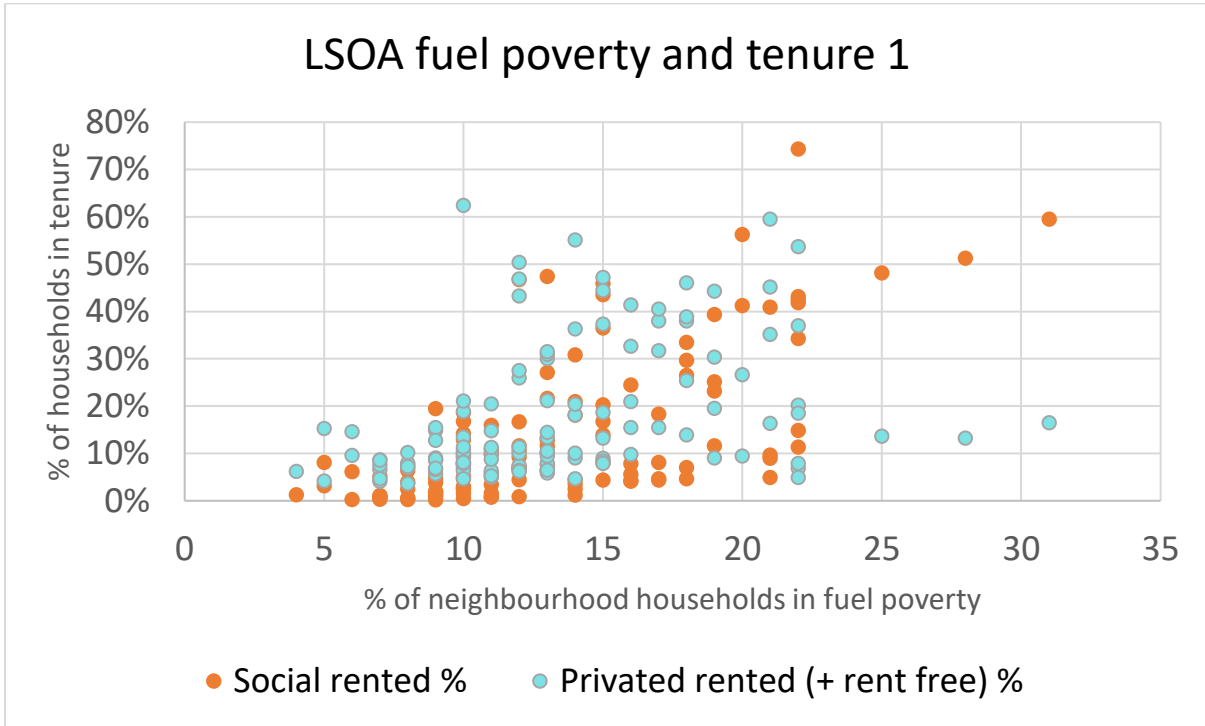
The tenure-specific context of fuel poverty in York is explored spatially in later sections. BEIS and other central government programmes are largely operated around eligibility criteria prioritizing households in fuel poverty, consequently this is an important factor in targeting delivery of programmes including Local Authority Delivery rounds 1b, 2 and 3 (LAD1b/2/3), Social Housing Decarbonisation Fund (SHDF) and the Energy Company Obligation (ECO).

Whilst fuel poverty exists across all tenures in York, the relatively high average incomes amongst home owners and private renters, and the needs-based social housing allocation policies create a distinctive pattern. It is also important to note that, as highlighted above, costs of home energy has become an urgent issue for many households outside the formal fuel poverty definition as prices rise over 2021-22.

Using Lower Super Output Area (LSOA) neighbourhood-level data shows that fuel poverty is significantly correlated with social rented tenure homes (over page):

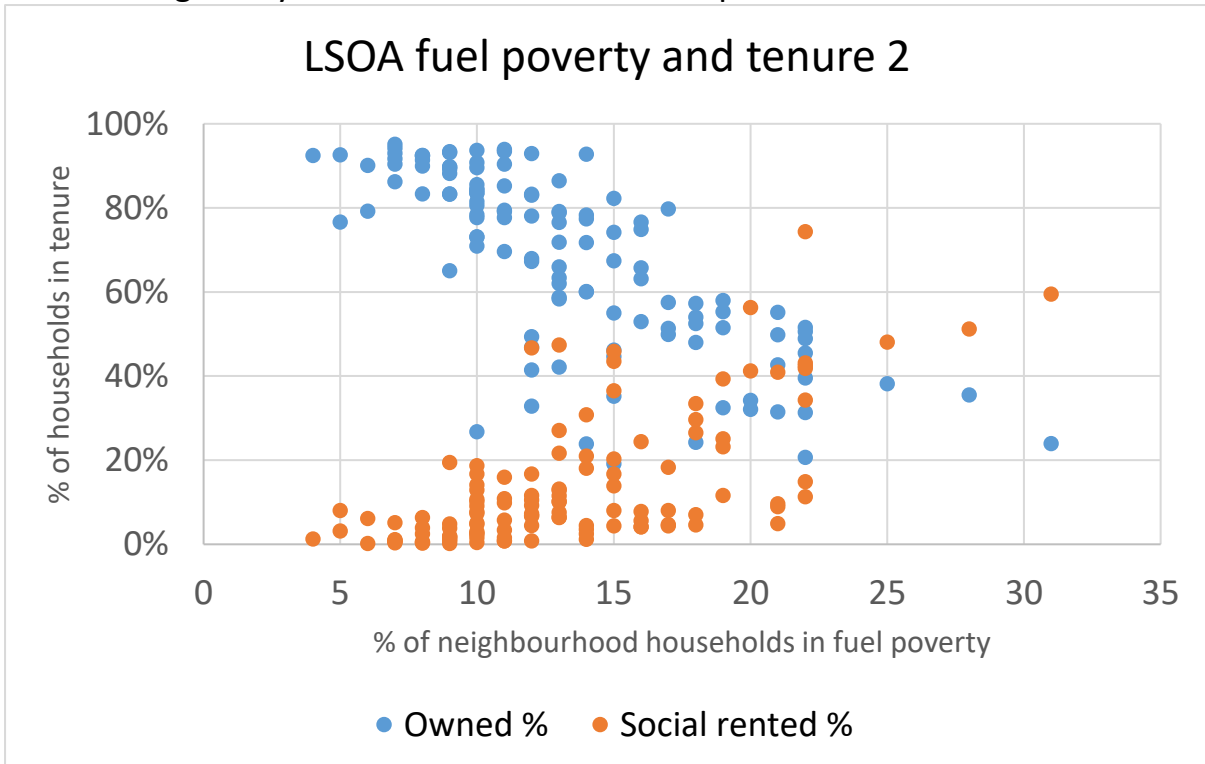
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<sup>15</sup> <https://www.trustmark.org.uk/tradespeople/pas-2035>



Source: MHCLG, analysis of central government fuel poverty modelling

It is also negatively correlated with owner occupied home incidence:



Source: MHCLG, analysis of central government fuel poverty modelling



## 2.8 Actions and future timescale

It is expected that the Retrofit Action Plan will be taken to an Executive Committee meeting during autumn 2022. This is anticipated to follow the adoption of the Climate Change Strategy later this year, which will set the overall pathway and inform the details and targets of the Retrofit Action Plan. It is intended that further detail on the pathways to net zero will be included, the document will also be maintained for updates to guide investment planning and strategic approaches in this fast moving sector. A summary of current actions is shown below.

### **Social rented sector**

- SHDF and LAD2 programme delivery for over 70 properties across both the council's own stock and through a Registered Provider partner
- Preparation and project selection for the large SHDF Wave 2 programme with a delivery window of April 2023 to March 2025, likely including over 100 HRA properties in addition to partner Registered Providers
- Use of Parity Projects Portfolio energy modelling analytics to produce archetype specific plans for CYC homes and identify the range of works needed for the pathway from current level to EPC C and on to net zero carbon
- Identification of "business as usual" retrofit opportunities in planned capital works, voids and vulnerable tenant support
- Deployment of innovative building performance monitoring technologies to maximise benefit from all retrofit projects and understand "shared benefits payments" or "comfort as a service" bill savings potential
- The approach to new strategic delivery partner procurement will be established
- Ongoing skills programme for Building Services staff to build capacity
- Determine target for all properties to reach EPC C minimum as part of pathway to whole-stock net zero ambition by 2030
- 

### **Private rented sector**

- Delivery of LAD1B, LAD2 and LAD3 programmes by March 2023
- Proactive engagement with landlords around current and future regulatory obligations, including work with partners towards a "one stop shop" energy advice centre service
- Explore regional loans opportunities with other partners engaged in the sector
- Incorporate PRS properties within HRA stock programmes where possible on a neighbourhood basis
- Explore procurement/direct labour opportunities to build consumer provider market through council programmes
- Set pathway to 2030 with annual EPC-based targets of homes to be improved where this aligns with government funding programmes and regulatory

expectations, and as part of decarbonisation plan to net zero using SAP-based modelling projections

### **Owner occupied sector**

- Delivery of LAD1B, LAD2 and LAD3 programmes by March 2023
- Explore innovative financing and services provision opportunities with other partners engaged in the sector
- Incorporate owner occupied properties within HRA stock programmes where possible on a neighbourhood basis
- Support community of residents motivated to improve the efficiency of their home despite challenges faced in a rapidly innovating, still maturing sector through development of advice and project management support services and work with local contractors who will be delivering the work
- Work with partners towards a “one stop shop” energy advice centre service which incorporates support for householder project management of retrofit improvement works
- Explore procurement/direct labour opportunities to build consumer provider market through council programmes
- Set pathway to 2030 with annual EPC-based targets of homes to be improved where this aligns with government funding programmes and regulatory expectations, and as part of decarbonisation plan to net zero using SAP-based modelling projections

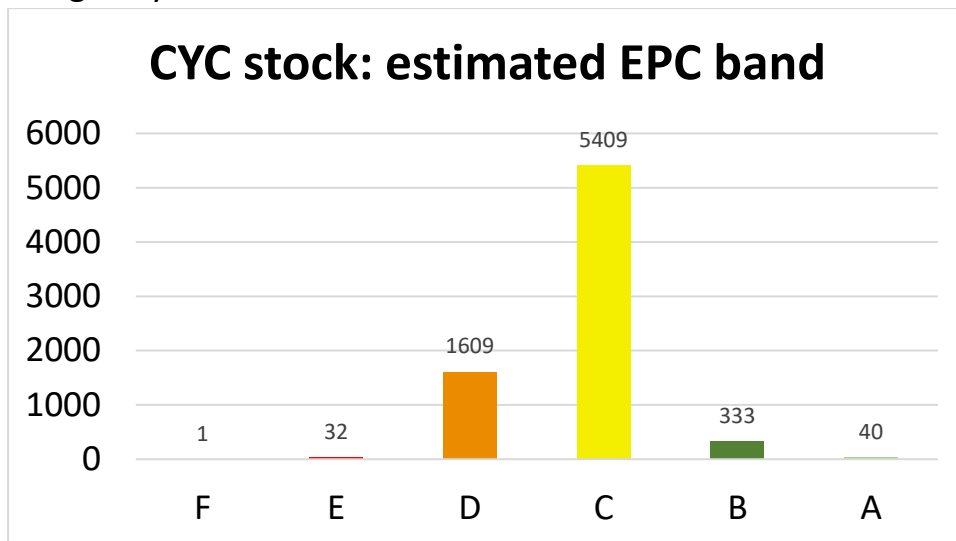
### **Cross-tenure responses**

- Alongside the Economic Development team, extend existing links with local colleges in addition to other training providers to develop a retrofit skills pathway whether in Further Education or new decarbonisation competencies of existing suppliers and workers, also supporting apprenticeships and new market entrants
- Local Area Energy Planning exercise is already underway, this will inform spatial based responses including potential heat network options which can accelerate low carbon heating solutions

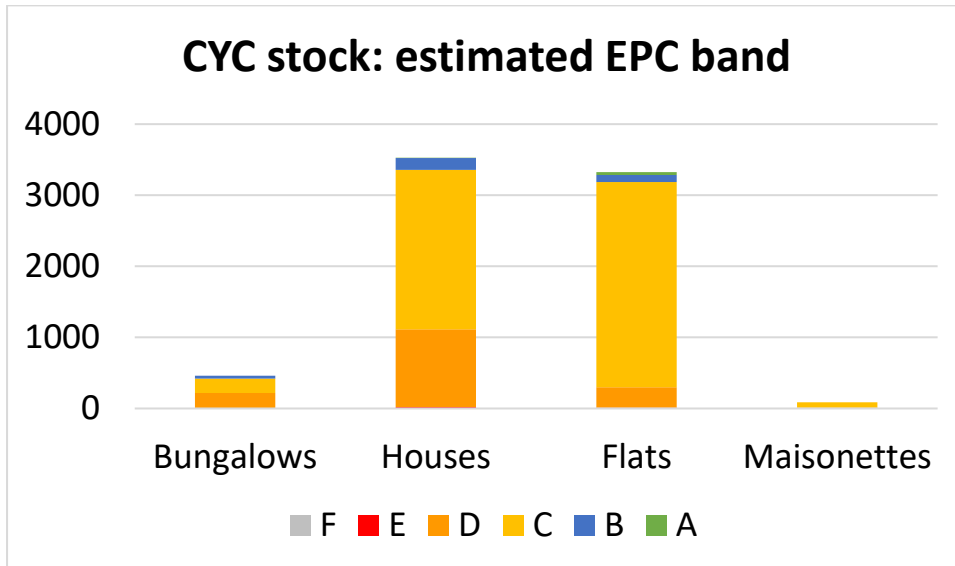
### 3. City of York Council Housing Revenue Account and Registered Provider Stock

EPC survey data shows that the council's HRA stock is better performing than the City's residential stock as a whole, due to higher quality maintenance standards and additionally a greater proportion of cavity wall properties, and apartments in the stock. Apartments benefit from high density conserving shared heat from neighbouring properties due to a lower ratio of external surface area to habitable space, reducing average heat loss.

Use of Parity Projects Portfolio industry-leading modelling provides an estimate of around 78% of HRA properties at C or above, however it is important to note modelling uncertainty with plausible estimates in the range of 65-75%, taking into account that more complex property types will tend to score lower and a high proportion of EPC C estimated homes have ratings marginally above the threshold.



Broad property types are shown below:



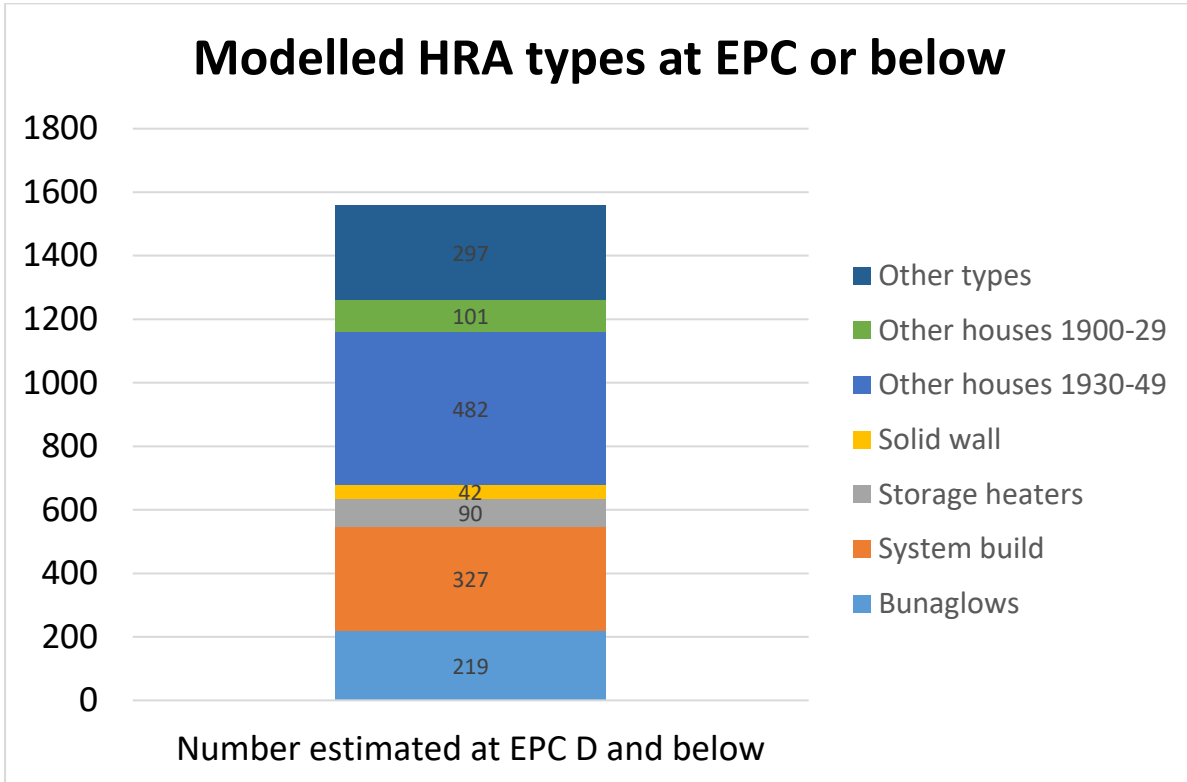
The council's 2019 HRA stock modelling exercise identified the following key archetypes as retrofit investment priorities (the relevant section from the report is contained in the Annex):

- Pre-1945 small terrace house, 522 properties
- All other pre-1945 houses, 937 properties
- Non-traditional houses, 577 properties
- Bungalows, 474 properties

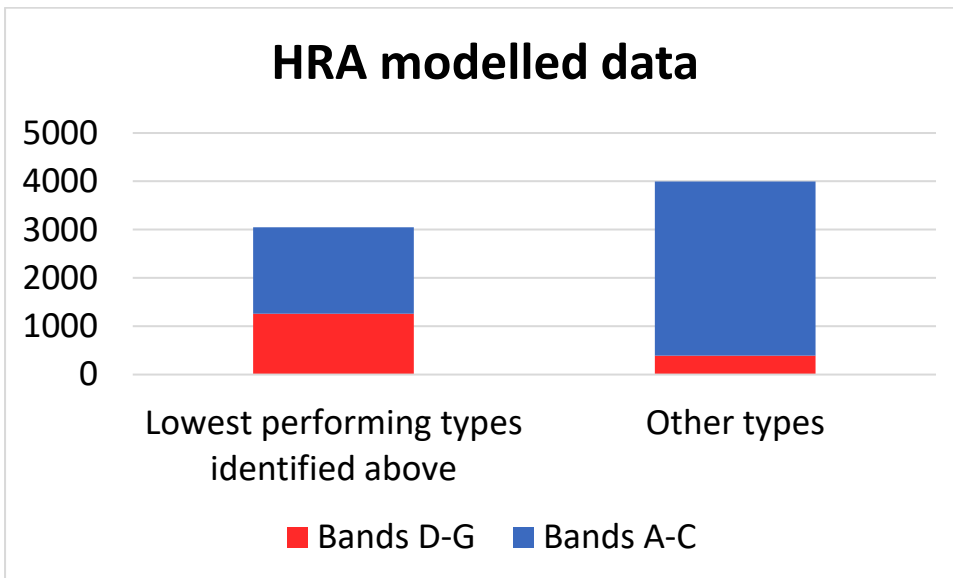
These priority stock types constitute around 1/3 of the total HRA properties, but a large majority of the lowest energy efficiency performing homes. As explored below, properties across the social rented sector in York are more likely to have a good EPC rating than properties in other tenures.

It is important to note that blocks of flats are generally not exclusively rated D or below, where there are D banded properties this is generally with a mix of properties that are C or above – creating some additional challenges for delivery at speed and scale with funding targeted towards lower EPC rated properties.

The concentration of lower performance within certain types is illustrated in the modelled data:



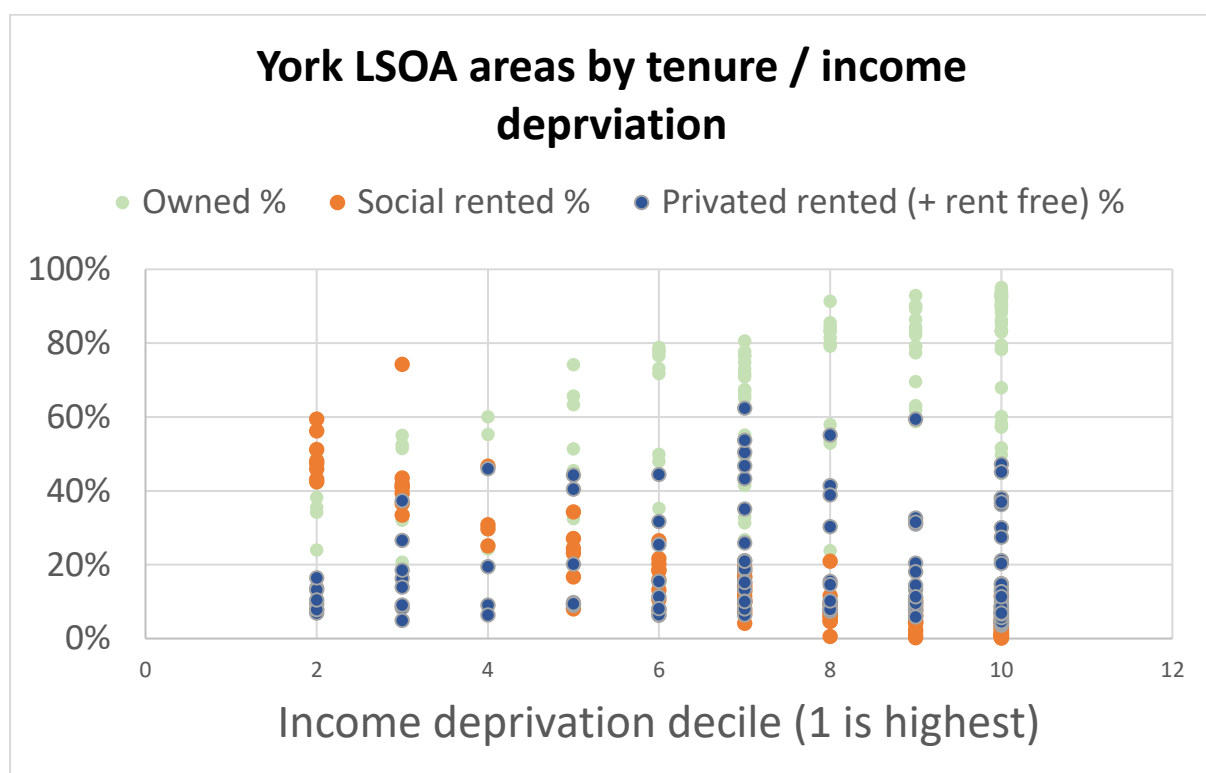
A comparison of the types shown above with higher thermal performance types such as post-1950 traditional build houses and apartments highlights the potential for use of modelled data to prioritise typologies and areas for investment and funding bids.



Futher review of the HRA stock data is ongoing, with potential for improvement in the accuracy of the modelled performance data for some more complex property types. Site surveys will be used to inform this where necessary.

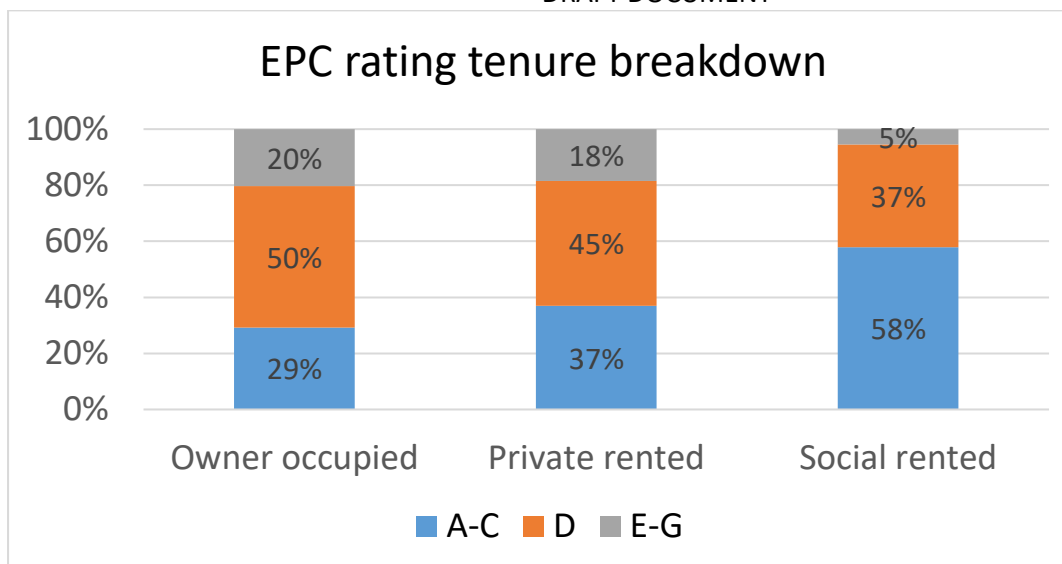
### 3.1 Tackling fuel poverty

A significant proportion of fuel poor residents in the City of York are social rented tenants, with the majority of social rented properties being HRA homes. In neighbouring cities where incomes are lower, fuel poverty may be widespread across all tenures, however in York low income residents are disproportionately likely to live in social rented homes. This is illustrated in the figure below showing strong correlation between neighbourhood income deprivation and social rented tenure properties at the Lower Super Output Area (LSOA) level:



Fuel poverty is also an important consideration for other tenures, as examined elsewhere in this paper. However, due to the essential role of social rented tenure in meeting the most urgent housing needs, the lowest income households are predominantly resident in this tenure. It is also important to note that a far lower proportion of EPC D and below rated properties are found in this sector, which itself reduces fuel poverty levels and enables more low income residents to live in homes with affordable energy bills.

*[note: this will be updated and improved using BRE modelled data when available, due to methodological differences the social rented data is not directly comparison to HRA data shown above]*

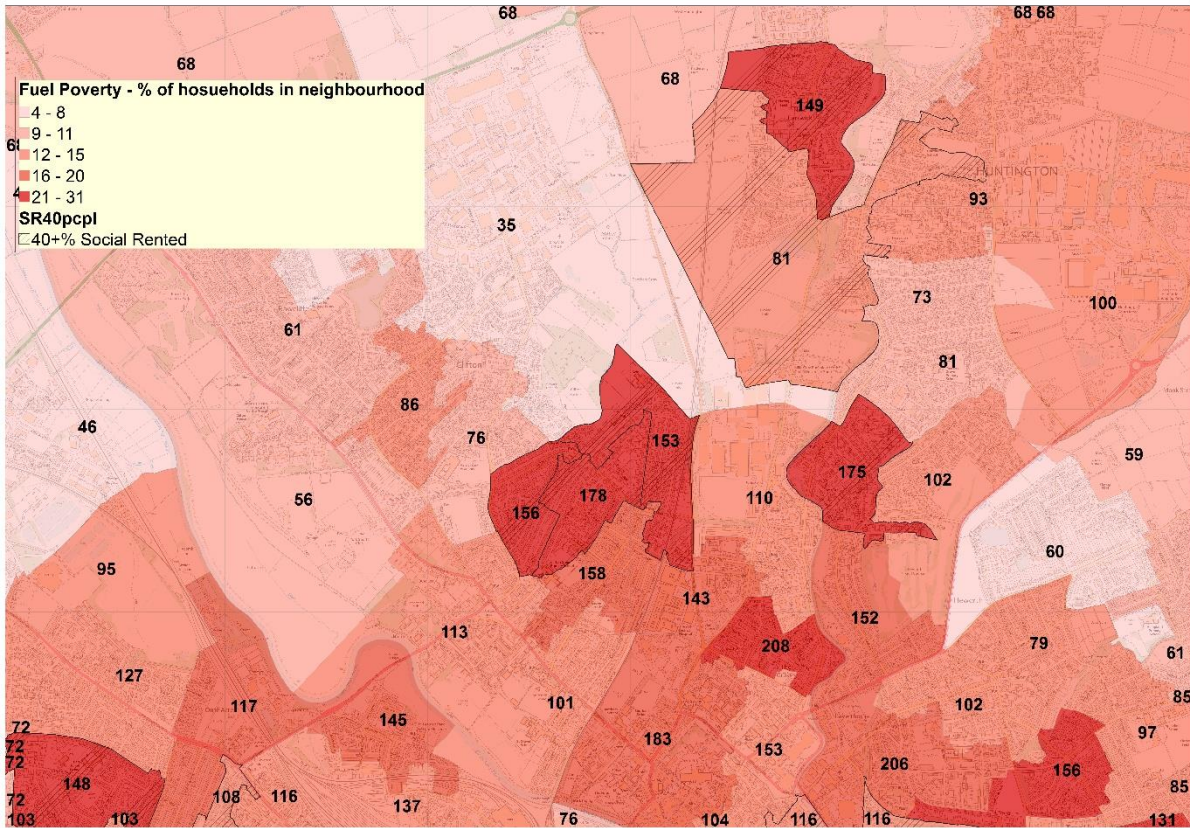


This is highlighted in a comparison of neighbourhood areas in York with high levels of fuel poverty identified in government statistics<sup>16</sup>. Fuel poor households are concentrated in areas of high social housing or student-oriented private rental tenure such as Acomb, Clifton, New Earswick and Tang Hall.

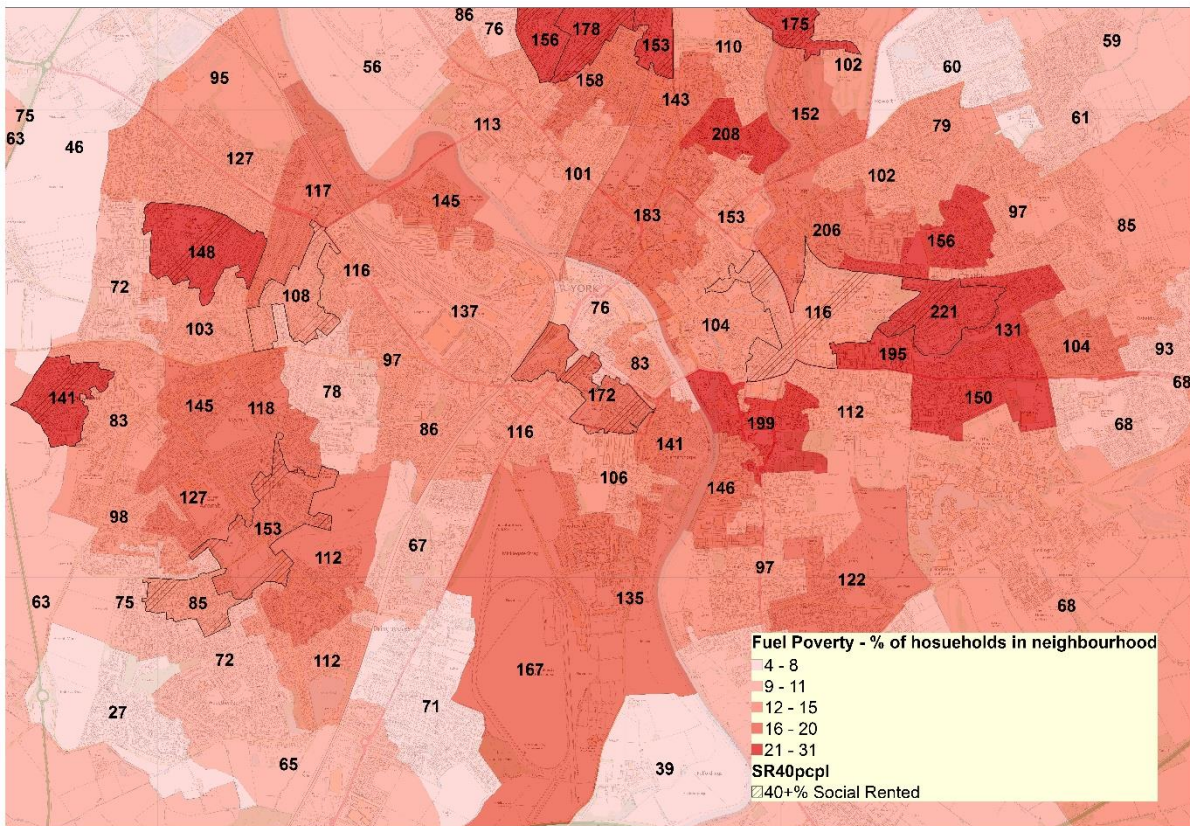
The numbers shown are the number of estimated fuel poor households in each neighbourhood area, the colour intensity indicates the proportion of the total properties this represents. Shaded and outlined areas have 40% of more social rented stock in total.

<sup>16</sup> <https://www.gov.uk/government/collections/fuel-poverty-statistics>

Fuel poverty and social rented sector concentration map: **North York**



Fuel poverty and social rented sector concentration map: **South York**





### 3.2 HRA Investment Programme

Using an estimate of £5,000 per property, the cost to bring the approximately 2,000-2,750 HRA homes currently at EPC D-F up to a C rating, would be £10-13.75m at current cost. This takes into account the potential for match funding as well as savings from incorporating work into other capital programmes. Potential greenhouse gas emissions savings from bringing these homes up to an EPC C rating are in excess of 1,500 tonnes of CO<sub>2</sub> equivalent annually. This could bring a combined total annual energy savings in the region of £712,500, at an estimated average of £300/year per home – much of which is likely to be spent in York's local economy.

EPC C is considered a key milestone on the pathway to net zero, with an estimated saving representing around 10-15% of the estimated emissions from HRA homes, dependent on the set of measures carried out. But it is essential that works are designed with a decarbonised end point in mind beyond EPC C.

In July 2019, the Executive's Interim Budget established a £1m budget to kick-start a council retrofit programme of increasing the energy efficiency of our housing stock. The February 2020 Budget allocated a further £250k pa in the HRA capital budget for 20/21, 21/22, 22/23, 23/24 bringing the total budget for the Council Housing Energy Retrofit Programme to £2m.

To scale up the works and leverage the council's investments other routes could include:

- The primary route for investment is likely to be Band D properties eligible for 50% funding through the government's Social Housing Decarbonisation Fund programme, with a Wave 2 delivery window running from April 2023 to March 2025
- Use of service charges to generate a revenue stream via "comfort charge", sharing the benefits of energy bill savings with tenants
- Planned capital maintenance and voids works incorporated into "business as usual" energy upgrades, explored below
- Opportunities to increase the scale of retrofit improvements across the City by boosting supply chains through either procurement or direct delivery, with neighbourhood-based work across all tenures

### 3.3 Planned capital maintenance and other investment opportunities

The stock modelling report also identified significant opportunities to improve energy performance of HRA homes through integrating energy efficiency works with other ongoing maintenance and capital works. For example, 5-year boiler capital costs are estimated at £4.2m to 2026/27, with similar costs for future 5-year periods.

Capital investment items	5-year investment sum (to 2026/27)
Heating system	£4.2m
Kitchen/bathroom Tenants Choice	£10.4m
Standing water project	£3.9m
Roof replacements	£1.2m
Windows	£1.1m
Structural works	£0.96m
<b>Total</b>	<b>£21.8m</b>

Key energy efficiency enhancement opportunities in delivery of these works include:

- improvements to insulation, including potential combination of external wall insulation and/or solar PV with roof and/or window works
- draught proofing and increased air tightness when carrying out a wide range of works, provided that ventilation is assessed with an appropriate response as part of the measures
- installation of energy efficient heat pumps and building performance monitoring technology to optimise value of measures undertaken
  - This can include various forms of heat network, potentially reducing costs for residents by delivery of a larger, cross-tenure network, and by innovations such as use of waste heat from commercial sources and long-duration thermal storage
- resident engagement to raise awareness of potential individual and community benefits from other improvements to capital work processes building in energy efficiency enhancements to roofing, windows, flooring and upgrades to kitchens/bathrooms
- Supporting behavioural change

It may be possible to identify a minimum fabric standard that would be achieved in every void property let and other works carried out with measures

detailed for the more prevalent property types owned by the council, or targeted to priority property types.

### 3.4 National good practice examples: social housing

Leeds Council is currently replacing electric heating systems in council-owned apartment blocks with Ground Source Heat Pumps (GSHP)<sup>17</sup>, using a mix of HRA and central government funding sources. Similar approaches have been carried out in Sunderland<sup>18</sup> and Adur and Worthing<sup>19</sup>. While there are no comparable large blocks in York to the Leeds and Sunderland schemes, GSHP or Air Source Heat Pumps (ASHP) may be incorporated into capital investment programmes in York's local context, with property-specific solutions identified.

Nottingham City Homes<sup>20</sup> and Sutton Council<sup>21</sup> are delivering retrofit projects using the Energiesprong model. This uses components that are largely manufactured offsite and require less internal installation work. Consequently, the model is intended to avoid much of the disruption of other retrofitting methods. The capital costs of the works may be paid back over a number of years through a resident comfort plan, which functions as a service charge while guaranteeing lower bills than before the retrofit works as well as enhanced comfort and home health.

The Scottish Government has created a Fund managed by the Scottish Federation of Housing Associations to provide the following in response to the energy bill rises:<sup>22</sup>

- specialist energy advice services
- financial support to allow tenants to clear debts and switch to a cheaper energy tariff
- fuel vouchers to allow tenants to top-up their prepayment meters

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<sup>17</sup> <https://news.leeds.gov.uk/news/thousands-of-leeds-tenants-to-enjoy-cheaper-energy-bills-as-council-appoints-contractor-to-deliver-gbp-24m-heating-upgrades>

<sup>18</sup> <https://www.kensaheatpumps.com/social-housing/the-uks-largest-ground-source-heat-pump-gas-replacement-programme-in-tower-blocks/>

<sup>19</sup> <https://www.adur-worthing.gov.uk/news/archive/pr21-155.html>

<sup>20</sup> <https://www.nottinghamcityhomes.org.uk/news/news/more-ultra-low-energy-homes-on-the-way/>

<sup>21</sup>

[https://www.sutton.gov.uk/info/200670/environmental\\_sustainability/2291/sutton\\_s\\_zero\\_carbon\\_retrofit\\_pilot\\_project](https://www.sutton.gov.uk/info/200670/environmental_sustainability/2291/sutton_s_zero_carbon_retrofit_pilot_project)

<sup>22</sup> <https://www.sfha.co.uk/news/news-category/sfha-news/news-article/housing-associations-support-tenants-struggling-with-energy-costs>

- energy efficiency measures such as radiator panels, draft excluders, thermal curtains, smart thermostats, energy-efficient lightbulbs, and carpets.

Fuel vouchers and some forms of financial support, in addition to the services offered by York Energy Advice are already available. Work is underway to investigate options for a rapid-response offer of the kinds of measures included in the Scottish programme, where tenants especially vulnerable to heating costs during 2022-23 are identified.

### Social rented sector: key actions and targets

Action	Progress / notes
Retrofit works to 60 HRA phase 1 properties, informing the phase 2 programme	A minimum of 70 properties will be delivered by March 2023 through LAD2 and Social Housing Decarbonisation Fund Wave 1 – further to follow in Wave 2
Prepare Social Housing Decarbonisation Fund (SHDF) Wave 2 bid, including other Registered Provider partners in a consortium bid where possible	Significant £800m programme expected nationally, with minimum bids of 100 properties requested and delivery April 2023-March 2025. The 100 minimum can include consortium partners.
LAD2 programme delivery across both the council's own stock and through a Registered Provider partner	Installation of 45-50 Solar PV panels on CYC properties by Summer 2022 (included in retrofit phase 1 total figure)
"Rapid response" smaller efficiency measures programme for council tenants who are identified as vulnerable to high heating costs during 2022-23	Working group set up, reviewing budgets and options
Identification of planned capital works opportunities for example potential for heat pump installation, roofing, windows and other cyclical maintenance programmes	This will be incorporated into SHDF Wave 2 bid, and works during 2022 where possible
Procurement of strategic delivery partner during 2022-3	This will reflect the council's ambitions and learning from programmes to date, for delivery of

	SHDF Wave 2 if succesful alongside other programmes
Ongoing skills programme for Building Services staff to build capacity	To date, 4 Building Services engineers have attended the BPEC Air and Ground Source Heat Pump Systems Training; Passivhaus tradesperson training also provided
Develop archetype specific plans for CYC homes to identify the range of works needed for the pathway from current level to EPC C and on to net zero carbon	Potential measures for archetypes have been idetnified, work with delivery partner on costs underway
Build existing relationships with Registered Providers to accelerate delivery, share skills and maximise benefits to tenatns across the City	Registered Provider forum established with retrofit and decarbonisation a key topic, including attendance from asset managers
Determine target for all CYC properties to reach EPC C minimum as part of pathway to whole-stock net zero ambition by 2030	This will be informed by ongoing work and analysis

#### **4. Strategy consultation**

The strategy development process to date has been informed by discussion across the council and with key partners such as Registered Providers and energy efficiency social enterprises. In addition the Building Retrofit Roundtable event as part of the Climate Change Strategy has provided important insights.

The draft Housing Energy Efficiency Strategy briefing note to Scrutiny of October 2021 has been circulated to partners in the sector to organise further consultation with partners and residents. Responses have informed this draft document. Further consultation with partners, stakeholders and residents will be carried out through a variety of events over Summer 2022 with documents also made available on the council's web page for resident responses.

## 5. Housing energy efficiency summary: key actions and targets by tenure

The common themes and distinct tenure-specific actions are highlighted below.

### **Social rented sector**

- SHDF and LAD2 programme delivery for over 70 properties across both the council's own stock and through a Registered Provider partner
- Preparation and project selection for the large SHDF Wave 2 programme with a delivery window of April 2023 to March 2025, likely including over 100 HRA properties in addition to partner Registered Providers
- Use of Parity Projects Portfolio energy modelling analytics to produce archetype specific plans for CYC homes and identify the range of works needed for the pathway from current level to EPC C and on to net zero carbon
- Identification of "business as usual" retrofit opportunities in planned capital works, voids and vulnerable tenant support
- Deployment of innovative building performance monitoring technologies to maximise benefit from all retrofit projects and understand "shared benefits payments" or "comfort as a service" bill savings potential
- The approach to new strategic delivery partner procurement will be established
- Ongoing skills programme for Building Services staff to build capacity
- Determine target for all properties to reach EPC C minimum as part of pathway to whole-stock net zero ambition by 2030

### **Private rented sector**

- Delivery of LAD1B, LAD2 and LAD3 programmes by March 2023
- Proactive engagement with landlords around current and future regulatory obligations, including work with partners towards a "one stop shop" energy advice centre service
- Explore regional loans opportunities with other partners engaged in the sector
- Incorporate PRS properties within HRA stock programmes where possible on a neighbourhood basis
- Explore procurement/direct labour opportunities to build consumer provider market through council programmes
- Set pathway to 2030 with annual EPC-based targets of homes to be improved where this aligns with government funding programmes and regulatory expectations, and as part of decarbonisation plan to net zero using SAP-based modelling projections

**Owner occupied sector**

- Delivery of LAD1B, LAD2 and LAD3 programmes by March 2023
- Explore innovative financing and services provision opportunities with other partners engaged in the sector
- Incorporate owner occupied properties within HRA stock programmes where possible on a neighbourhood basis
- Support community of residents motivated to improve the efficiency of their home despite challenges faced in a rapidly innovating, still maturing sector through development of advice and project management support services and work with local contractors who will be delivering the work
- Work with partners towards a “one stop shop” energy advice centre service which incorporates support for householder project management of retrofit improvement works
- Explore procurement/direct labour opportunities to build consumer provider market through council programmes
- Set pathway to 2030 with annual EPC-based targets of homes to be improved where this aligns with government funding programmes and regulatory expectations, and as part of decarbonisation plan to net zero using SAP-based modelling projections

**Cross-tenure responses**

- Alongside the Economic Development team, extend existing links with local colleges in addition to other training providers to develop a retrofit skills pathway whether in Further Education or new decarbonisation competencies of existing suppliers and workers, also supporting apprenticeships and new market entrants
- Local Area Energy Planning exercise is already underway, this will inform spatial based responses including potential heat network options which can accelerate low carbon heating solutions



## Annex: Stock Condition Survey Energy Profiling

### 8. Energy Profiling

As part of this survey MDA were asked to collect energy data to provide an accurate assessment of the average energy rating for the stock. MDA carried out RdSAP surveys to all properties where a stock condition survey was completed.

The SAP ratings appear consistent with our expectations, with the overall average SAP rating for the stock being 70.6.

CYC is required to submit annual regulatory statutory returns to 'Housemark', (an organisation designed to help the social housing sector to improve performance and improve value for money).

Currently, the reported average SAP at 'Housemark' rating for social landlords within the UK is 73.2. Therefore, the average noted in the table above is slightly below the 'Housemark' average.

MR A Ref	Archetype	Average SAP Value	Average CO2 Rate (tons)	Average Energy Usage (kj)	Average Lighting Costs (£)	Average Space Heating Costs (£)	Average Water Heating Costs (£)
1	Pre 1945 small terrace houses (small: less than 70 square metres)	68.59	41.07	234.06	61.19	522.46	111.36
2	Pre 1945 semi-detached houses	69.48	39.66	225.66	60.11	524.15	109.72
3	All other pre 1945 houses	68.80	39.22	224.02	66.85	579.41	115.18
4	1945-64 small terrace	70.66	38.08	216.58	57.43	493.53	110.06
5	1945-64 large terrace/semi-detached/detached houses	71.17	36.31	206.60	67.98	542.07	114.41
6	1965-74 houses	69.52	40.51	230.39	59.43	501.13	102.85
7	Post 1974 houses	73.95	32.35	183.74	57.66	475.35	117.12
8	Non-traditional houses	68.69	39.30	224.09	70.43	585.16	114.45
9	Pre 1945 low rise (1-2 storeys) flats	70.10	44.33	253.24	36.63	357.99	90.21
10	Post 1945 low rise (1-2 storeys) flats	71.11	39.78	227.33	47.70	356.88	102.30
11	Medium rise (3-5 storeys) flats	72.84	37.69	214.81	44.87	333.91	95.96
13	Bungalows	67.61	46.59	266.29	45.37	486.12	95.39
	<b>Overall</b>	70.61	39.41	224.82	54.00	444.73	104.86

Bungalows, Non-Traditional houses and the oldest (pre-1945) houses achieve the lowest SAP rating with 67.6, 68.6 and 68.8 respectively.

Post 1974 houses achieves the highest SAP rating with just 73.95.

It should be noted that the overall energy cost is £603.59 per year but this only accounts for heating and lighting costs. Domestic costs such as TVs, cookers, fridges etc are not accounted for in these figures.

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## Annex 2: Housing energy efficiency funding sources June 2022

\* Please note: LAD1B, LAD2 and LAD3 programmes cover York, Harrogate, Selby and Craven Local Authority areas under the Better Homes York agreement.

### Acronyms note:

- BEIS: Central Government Department for Business, Energy and Industry Strategy
- LAD: Local Authority Delivery
- ECO: Energy Company Obligation
- SHDF: Social Housing Decarbonisation Fund
- HRA retrofit: Housing Revenue Account / CYC stock investment
- MEES: Minimum Energy Efficiency Standard for the private rented sector

### 1. Scheme summary and background

A high proportion of domestic energy efficiency funding is through competitive or other grant bidding opportunities led by the Department for Business, Energy & Industrial Strategy, particularly in tenures outside of CYC stock. Building on experience of successful delivery and maximising local impact of these schemes in a fast-changing context is a key issue for the council's strategy, over both the short- and long-term.

Scheme	CYC access to funding?	Funded by	Beneficiary group	Amounts/other considerations
Social Housing Decarbonisation	Bid under preparation	BEIS (central government)	Local Authorities / Registered Providers and their tenants	Wave 1: £300k successful CYC bid for delivery by March 2023 Wave 2: significant scale up to £800m expected national programme with delivery April 2023-March

Scheme	CYC access to funding?	Funded by	Beneficiary group	Amounts/other considerations
				2025. Bids for a minimum of 100 properties, though this can be on consortia basis. Bidding open from August 2022, CYC planning to maximise this opportunity underway.
LAD1B	Yes £535,000 Consortia bid led by CYC on behalf of York Craven, Selby and Harrogate	BEIS	Low income residents	EPC E or below properties, with some D permitted
LAD2	Yes £2.1million Consortia bid led by CYC on behalf of York Craven, Selby and Harrogate	BEIS via North East and Yorkshire Energy Hub	Low income residents	EPC E or below properties, some D permitted
LAD3	Yes £2.38million Consortia bid led by CYC	BEIS	Low income residents	Aimed at properties on the gas grid. EPC D to G, however number of D properties is limited.

Scheme	CYC access to funding?	Funded by	Beneficiary group	Amounts/other considerations
				Successful £2.38m bid for around 200 property improvements, delivery by March 2023
ECO 4	New programme awaiting full details but potentially	Energy companies	The 2022-26 round “will be designed to align with other domestic energy efficiency policies in social housing and the private rented sector. In England, we intend for ECO to primarily focus on insulating the worst-quality homes and improving them as close to an EPC C as is cost effective and suitable for the property.” (England’s Fuel Poverty Strategy)	
CYC HRA programme	Yes	CYC/HRA	CYC tenants, CYC as asset owner	£1million phase 1 £1million phase 2 May be predominantly used to match BEIS programmes e.g. LAD2, SHDF Waves 1 and 2
Home Upgrade Grant (HUG1)	Consortia bid led by CYC on behalf of York Craven, Selby and Harrogate	BEIS	Off-gas-grid homes only.	EPC D to G. Tapered levels of funding depending on EPC rating and type of heating.

## 2. Current CYC delivery plans

Scheme	CYC delivery details
Social Housing Decarbonisation Wave 1	<p>CYC successful bid for £300k with delivery by March 2023, minimum 28 properties  Maximum grant funding for retrofit works: EPC D = £10k, EPC E = £12k, EPC F/G = £16k.  RPs must contribute at least a third of total eligible costs</p>
Social Housing Decarbonisation Wave 2	<p>Bidding open from August 2022. CYC preparation of properties' and areas currently underway to maximise opportunity and benefit to tenants. Full details not yet released.  Expected grant funding for retrofit works up to: Cavity wall property = £5k, solid wall = £10k, additional planned for heating upgrades to properties without gas central heating  RPs must contribute at least half of total eligible costs and bids must be for 100+ properties, may be made as consortium</p>
LAD1B	<p>£535,000 LAD1B successful consortium bid of which the majority is spent in York for private sector housing only</p> <ul style="list-style-type: none"> <li>• Being delivered by Better Homes Yorkshire/Equans with delivery deadline by end of August 2022.</li> <li>• The overall project seeks to retrofit 136 properties with a total of 157 measures throughout the consortium area, 46 of which will be CWI, 89 of which will be LI and 22 of which will be RiR.</li> <li>• Currently, 58 of these 136 properties are currently in York (subject to cancellations and completed applications).</li> <li>• 16 York Properties are having or have had Cavity wall Insulation (subject to any cancellations or further completed applications)</li> <li>• 35 York Properties are having or have had Loft Insulation (subject to any cancellations or further completed applications)</li> <li>• 15 York properties are having or have had Room in Roof insulation. (subject to any cancellations or further completed applications)</li> </ul>

Scheme	CYC delivery details
	<ul style="list-style-type: none"> <li>The grant has paid/ is paying for the full cost of works for homeowners and up to 66% of works for private landlords.</li> </ul>
LAD2	<p>£2.1 million has been secured for a consortium project. Of which just over £1million is for York, of which:</p> <p>£550,000 for council homes £420,000 for private sector housing £30,000 for JRHT project £32,000 to commission housing stock data and research £30,000 for project admin and staffing costs (York's allocation)</p> <p>Being delivered by Better Homes Yorkshire/Engie with completion by September 2022:</p> <ul style="list-style-type: none"> <li>Insulate a further 81 homes with poorly insulated "rooms in roof" in York, Harrogate and Selby;</li> <li>Provide loft insulation and draught proofing to 100 homes across all four local authority areas; and</li> <li>Provide cavity wall insulation to 60 homes across all four local authority areas.</li> <li>The installation of solar PV panels on 44 council owned homes in York with an EPC rating of D or less. Measures such as loft and/or cavity wall insulation will be carried out at the same time if possible.</li> <li>An external wall insulation (EWI) scheme to improve 10 homes owned by Yorkshire Housing which have an EPC E rating</li> <li>An air source heat pumps (ASHPs) scheme to improve 6 homes occupied by fuel poor households identified by Joseph Rowntree Housing Trust (JRHT).</li> </ul>

Scheme	CYC delivery details
LAD3 including HUG	Successful consortia bid led for £2.38m by CYC on behalf of York Craven, Selby and Harrogate – competitive bid placed for around 200 property improvements including external wall insulation and hybrid Air Source Heat Pump heating system upgrades
ECO	Better Homes Yorkshire had access to ECO funding via Engie towards central heating and low cost insulation measures however this funded arrangement ended in May 2021. Some ECO resource is planned to support aspects of LAD3 scheme delivery
CYC HRA programme	£1million phase 1 £1million phase 2 May be predominantly used to match BEIS programmes e.g. LAD2, SHDF Waves 1 and 2

#### Other delivery programmes

MEES project Round 1	£100k Funding from BEIS July 2020 to July 2021 to participate in a national project (12 councils in total took part) to commence the enforcement of Minimum Energy Efficiency standards (MEES) in the PRS and to contribute to the development of a national toolkit to aid other councils in England and Wales in enforcing the MEES Regulations in the future. The outcome of the project was considered by the Executive Member for Housing and Safer Communities in July 2021.
MEES project Round 2	£300k funding March 2022 from BEIS to work with regional colleagues to enforce MEES in private rented sector and to enable us to continue working jointly with other regional councils to share experience and best practice and to develop a Northern MEES Forum to facilitate this work and add value to future energy efficiency work in the Region
HMO Licensing	Requirement for Landlords to install low level insulation measures in line with their EPC





Decent Homes Standard	Social housing (owned by councils or RPs)	Not fixed – referred to in Social Housing White Paper 2020	“The review will consider how the standard can work to better support energy efficiency and the decarbonisation of social homes.”
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## 5. Note on decarbonisation standards measurement

The Fuel Poverty strategy introduces a new measure, Low Income Low Energy Efficiency (LILEE), which “finds a household to be fuel poor if it:

- Has a residual income below the poverty line (after accounting for required fuel costs) and
- Lives in a home that has an energy efficiency rating below Band C.”

This is important as it is likely to form a basis for BEIS-led work. However separate analysis is needed to identify metrics to understand investment priorities and measure impact.

Term	Explanation	Units
SAP	SAP is the Standard Assessment Procedure. This is the government approved method for calculating energy use in homes to demonstrate compliance with Building Regulations Part L. SAP is used for new build and retrofit where Building Control sign off is required.	Main outputs measured in Kilowatt Hours per square meter per year (kWh/m <sup>2</sup> /year)
RdSAP	Rd SAP is Reduced Data Standard Assessment Procedure. This is the government approved method for estimating energy consumption and for producing Energy Performance Certificates in existing homes that are not undergoing major retrofit.	Main output is an EPC Energy Efficiency Rating on a scale of A to G.

	<p>It is used to produce EPCs for lettings and sale of properties and for property benchmarking.</p> <p>Due to it being a simplified method, its accuracy is limited. It is primarily a benchmarking method not an energy performance modelling method.</p>	
PHPP	<p>PHPP is Passivhaus Planning Package.</p> <p>This is the energy modelling software that is required for Passivhaus, EnerPhit and AECB retrofit standards.</p> <p>It is regarded as being more accurate than SAP as more data inputs are required, and in addition it gives a better indication of summer overheating risk.</p>	Main outputs measured in Kilowatt Hours per square meter per year (kWh/m <sup>2</sup> /year)
Heating/cooling demand	Is a measure of the modelled or actual heating and cooling demand of a building. Typically expressed in m2 per annum	Kilowatt hours (kWh)
Regulated Energy	<p>This is energy that is covered by the Building Regulations Part L. When a home requires Building Control permission (i.e. major retrofit/refurbishment) SAP energy calculations must be produced to demonstrate compliance for regulated energy use. Regulated energy is energy used for: heating, cooling, ventilation, water heating and fixed lighting.</p>	Kilowatt hours (kWh)
Unregulated Energy	Unregulated energy is also shown in SAP calculations as an estimated figure. Unregulated energy is energy that falls outside of the above, such as energy for cooking, appliances and anything plugged into a 3 pin wall socket. In the Building Regulations there are no limitations on unregulated energy consumption.	Kilowatt hours (kWh)
Primary Energy Demand	Primary Energy Demand takes into account the initial energy source used to produce electricity or heat and the inefficiencies in	Kilowatt hours (kWh)

	<p>that process. For fossil fuels this takes account the energy required for of extraction of fuels, processing, transportation etc. It is argued that Primary Energy Demand become less relevant as the electricity grid decarbonises.</p>	
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