



David Orr, Chief executive of NHF

*“The POWER HOUSE project is proving invaluable in assisting the UK with meeting our European, and national carbon reduction targets. It offers us unique insight into the workings of other countries and allows us to share experiences, visit other projects, and most importantly, give our members the opportunity to access detailed and up-to date information, as well as get involved in projects with European partners, on projects such as developing*

*Energy Saving Companies (ESCos). The UK has also proven very successful in European funding, and Powerhouse allows us to feed back on the funding mechanisms to ensure that they are simple and accessible, providing best value for money. “*

## ENERGY EFFICIENCY IN SOCIAL HOUSING IN THE UK

The new UK Government has introduced a new Energy Bill to make provision for the arrangement and financing of energy efficiency improvements to all existing



homes (the Green Deal). The Green Deal is designed to enable accredited energy efficiency improvements to be carried out without up-front costs to residents and for a charge to be collected via their home's energy bill. The Government has stated that it will be a new and radical way to improve the energy efficiency of people's homes. However, to ensure the Green Deal work for all existing homes there are changes that need to be made to issues of consent, funding (via the energy company obligation) and assessment of works to be carried out.

## Condition of Social Housing in England

- There are 3.9 million (18%) socially rented homes in England - of these 2.5 million homes are owned or managed by 1200 housing associations representing around 11% of total housing stock.
- A higher proportion of homes are flats, therefore proportionately more households live in multi-occupancy buildings, where individual residents have limited autonomy to take action affecting the fabric of the building.
- There are a large number of multi-occupancy buildings owned by social landlords with a mix of tenures and leaseholders
- Social housing (including local authority housing) currently outperforms the private sector in terms of energy efficiency -with an average SAP rating of 59 compared to a national average of 50 - but there still remains much work to be done.
- Up to 2 million social homes could still benefit from improved loft and cavity wall insulation, (about 300,000 homes are F or G rated).
- About 300,000 homes (205,000 council and 95,000 housing association) will not meet the Decent Homes standard by the end of this year of which 88,000 are estimated to fail the 'reasonable thermal comfort' criterion.
- 1.4 million social homes are classified as 'hard-to-treat' meaning measures to improve their energy efficiency will be expensive

## THE FEDERATION INFLUENCES THE GREEN DEQL AND ASSISTS HOUSING ASSOCIATIONS IN ACCESSING £100m EIB FUNDING

The Federation has a Green Deal working group to examine the role housing associations can play in delivering and ensuring tenants benefit from Green Deal. It will also examine the barriers to Green Deal for social housing tenants and leaseholders. It is anticipated that the work from this group will feed into the DECC housing advisory group on Green Deal.

The meetings have looked at how Green Deal will be financed and how housing associations might work with contractors to identify and unblock some of the potential barriers. It is essential that housing associations are a central part of this delivery and ensure that

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tenants benefit from the proposals. Some of the major barriers are around ensuring take-up of Green Deal, ensuring it is both affordable and feasible for tenants, targets tenants in fuel poverty and is deliverable in flat-ted accommodation. The role of the future supplier obligation (ECO) will be crucial in ensuring future retrofit work is possible in social housing. The Federation is making amendments to the Energy Bill and has written a report to identify the barriers to Green Deal.

### Financing Retrofit

The National Housing Federation and EEPH Social Housing Group jointly commissioned this work to examine the potential for accessing funding from the European Investment Bank (EIB) to support low carbon refurbishment of social housing. In particular, it considers the immediate opportunities for using EIB funds to invest in solar photovoltaic installations so that registered providers (housing associations) can benefit directly from revenues associated with the Feed-in Tariff.

One of the aims was to begin to understand how retrofit models in social housing can develop supply chain capacities for wider roll out. The report is a useful reference point for future analysis. The underlying modelling and stakeholder engagement has catalysed the development of



of £ 1 0 0 m s e c t o r - w i d e E I B i n v e s t m e n t.

For more information and to see the report, visit our website at: [www.housing.org.uk/environment](http://www.housing.org.uk/environment)

### NETWORKING

We are working with the tenants union to identify common interests etc e.g we have collaborated with local authorities e.g we work with member organisations . we build their capacity by holding joint meetings with ministry /private sector. We need to work more with financial institutions and ESCOS /with energy suppliers. We raise awareness of our activities through coverage/meeting with politicians

### FEDERATION ARRANGES FEED-IN TARIFF AUCTION

The Federation organised a free event on 18 October 2010. The event had very informative presentations from KPMG (tax advice) and Trowers & Hamlins (legal advice) and also presentations from a number of organisations (OMNI and CES, Eaga, Solartech, SIP, Norton, EcoMerchant, Camco and British Gas) offering housing associations a range of opportunities to access renewable technologies via Feed-in Tariffs.



The event was very well attended and highlighted that there are a whole range of options and a lot still to learn on how to make best use of feed-in tariffs. To see the slides from the day, please visit the Federation website.

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### EXCHANGE

The UK has been able to learn from our European partners about their experience of feed-in tariffs. This has been particularly useful in terms of understanding the market and predicting likely trends in terms of degeneration. We have also benefited from understanding the large-scale retrofit programmes that have been undertaken in Austria and Germany and used these experiences to lobby the UK government on the requirements for England.

### TOOLKITS

The UK is making considerable progress in planning future retrofit programmes on a national scale. The government is set to introduce the Green Deal in 2012. Investors, providers, installers, homeowners and tenants are all developing an interest in how they can get involved.

The UK also saw the launch of Feed-in Tariffs in 2010 and is anticipating the launch of a Renewable Heat Incentive in 2011 – this has offered another opportunity for large-scale take-up of renewable electricity and hopefully heat.

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To this end, in addition to all the resources available in English on the Powerhouse website – the National Housing Federation has focused efforts on assisting housing associations to fund retrofit and renewable energy and reports, guides and data on the social housing stock, guide to financing PV through the European Investment Bank and the Green Deal are all available on the National Housing Federation website at: [www.housing.org.uk/environment](http://www.housing.org.uk/environment).

## FINANCE

The Federation has been very successful in mobilising access to £100m of ERDF funds:

London: £11m energy fund via JESSICA mechanism, a UDF manager is being procured

South East: £840,000 all funds have been allocated in two rounds to Radian

South West: £22m still in commissioning process, made up of £18m convergence and £4m competitiveness. Federation involved in one of the two bids.

East: £4m all allocated

East Midlands: £10m not allocated yet. Federation is putting pressure with EEM, HCA and East Midlands SPV

West Midlands: £16m all allocated through funding round worth £8.8m. The RDA allocated the remaining money to existing project.

North West: £27m - all allocated

North East: £6m in negotiation out of a possible £14m. £8m still available.

Yorkshire: £20m the last round of £13m went through in October 2010. Still in negotiations.

Wales: £30m in negotiations

Scotland: Setting up a JESSICA mechanism which will include an energy fund

Northern Ireland: Refusing to redirect any money

The Federation has also assisted housing associations in potentially accessing £100m European Investment Bank funding for photo-voltaics.

## THE PRIVATE RENTED STOCK

There are 3.1 million private rented homes in England – nearly 15% of the housing stock. Properties in the sector are in worse overall condition than in other sectors (social housing or owner occupied), are poorly insulated and often house vulnerable families.

The problem of making energy efficiency improvements in the private rented sector is well established but to date policies designed at overcoming the barrier posed by the tenant/landlord split-incentive (i.e. the

landlord has to pay for the investment in the property but it is the tenant that will get the benefit in reduced energy bills), reducing the cost of measures to landlords and giving them reliable information, increasing the impact of Energy Performance Certificates and incentivising action have not been given nearly enough attention.

If the UK is to tackle climate change and fuel poverty then a new focus on the private rented sector is needed. This is being explored in the current Energy Bill. Social Landlords could help to solve this problem if they can deliver Green Deal on a neighbourhood basis – as this could encompass private rented sector homes.

## FORTHCOMING EVENTS

Date	Title of Event	Venue
1 February 2011	Retrofit Strategies to cut Carbon and Energy - CEN	Croydon
7 February 2011	W Yorkshire housing associations briefing	Leeds
16 February 2011	New Energy Economy for EAGA	London
March 2011	National Housing Federation Finance Conference	Warwick
April 2011	RHI event	London
20 May 2011	Radian Conference	Winchester

## CONTACT

**POWER  
HOUSE  
EUROPE**



# POWER HOUSE England

**THE BIG GREEN HOUSING EXCHANGE**

## THE PROJECT

With the support of the European Commission's "Intelligent Energy - Europe" programme, POWER HOUSE EUROPE will serve to accelerate empowerment of residents and up-skilling of professionals working to reduce the carbon footprint of the social housing sector. This will be done by drawing on the existing European pool of know-how and resources and facilitating the exchange of success stories and lessons learned.

POWER HOUSE EUROPE is a gateway to:

- Resources for social and cooperative housing professionals to support the develop their energy efficiency strategies;
- An on-line forum for information and knowledge exchange between professionals in the social housing sector;
- Information on strategies, legal, institutional and financial measures which have proved successful around the EU and the CECODHAS-Housing Europe Energy Policy work;
- Examples of both retrofitting of older properties and low energy new construction, effective partnerships with residents, ICT applications for empowering residents and more;
- Updates on development and policy discussions on EU legislation related to energy efficiency and renewables in housing;
- Updates on EU project funding and structural funds;
- Partnerships between local social and cooperative housing providers;
- POWER HOUSE National/Regional Platform which gather enablers of the energy transition from all sectors to work in partnership.

**NATIONAL  
HOUSING  
FEDERATION**

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