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Version of item: Presented version
Housing Quality Network

Making the most of ‘Green’ deals: other strategic funds for ‘housing retrofit’

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Content of presentation:

- thoughts on strategic routes to finance
- Homes & Communities and other ‘housing’ funds
- using EU funds
- using procurement partnerships
- funding a framework for ‘retrofit’ skills development
- building longer-term LEP capacities
Key issues:

- What other funds can help cover future retrofit costs besides tariff-based revenues?
- How can the ‘green economy’ best help retrofit works in the medium to long-term?
- How can retrofit work secure the potential to repeat the intended carbon reductions?
Setting a strategic context (cf. ‘Matrix’):

- **Baseline** : Partnership / Governance / Leadership
  : Evidence and Monitoring Base
- **Resources** : Finances & Investment
  : Planning/Development/Regulat. Control
  : Skills & knowledge
- **Activities** : Industry & Business Development
  : Procurement
  : Social Factors
### Retrofit ‘Maturity Matrix’ (1)

<table>
<thead>
<tr>
<th>Theme Description</th>
<th>Partnership, Governance &amp; Leadership Enable</th>
<th>Evidence &amp; Monitoring base Evidence</th>
<th>Finance &amp; Investment Enable</th>
<th>Planning, Development &amp; Regulatory Control Encourage/Enforce</th>
<th>Skills &amp; Knowledge Enable/Educate</th>
<th>Industry &amp; Business Development Enable/Educate</th>
<th>Procurement Encourage/Enforce</th>
<th>Cultural &amp; Social Factors Encourage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Maturity Level</td>
<td>Unaware and lacking knowledge, plan or activity Level 1</td>
<td>Aware and gathering knowledge no delivery plan Level 2</td>
<td>Implementing plan and making good measurable progress Level 3</td>
<td>Acknowledged as leader in this theme/aspect Level 5</td>
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<tr>
<td>Theme 2 En</td>
<td>The extent to which a partnership approach to retrofit is in place and the capacity and leadership strength of</td>
<td>The use made of a robust evidence base and / or management measurement approaches to monitor progress of building stock improvement measures</td>
<td>The availability of financial and investment resources to deliver</td>
<td>Activity which is focused on using planning, development &amp; regulatory control powers to deliver retrofit outcomes</td>
<td>The development of an adequate supply of people with the right skills and knowledge to deliver retrofit outcomes whether in the existing workforce or as new entrants</td>
<td>The degree to which activity is aiding the growth of existing businesses or the creation of new businesses that are focussed upon carbon reduction achievements</td>
<td>The use of existing and new public and private sector procurement to deliver retrofit outcomes – buying power.</td>
<td>The degree to which social and cultural factors are addressed through the partnership’s activity</td>
</tr>
</tbody>
</table>
Retrofit ‘Maturity Matrix’ (2)

• Level 1
  Unaware and lacking knowledge, plan or activity

• Level 2
  Aware and gathering knowledge no delivery plan

• Level 3
  Have knowledge and a time-bound plan to progress

• Level 4
  Implementing plan and making good measurable progress

• Level 5
  Acknowledged as leader in this theme/aspect
= A strategic context for raising finances

= Bids for available funds + other revenue

= Maximising partnerships and procurements
Homes & Communities and other ‘housing’ funds:

- ‘Empty Homes’ as option for new affordable supply
- Flexibilities for renovation / retrofit standards
- 10-unit pilot acquisitions in Meden Valley
- Partnerships to explore with 2011-15 grant bidders
- Consider Decent Homes+ contracts (£2.1bn) ....
- Consider Las’ post-HRA self-financing business plans
Using EU funds:

- Focus upon energy efficiency / renewable regeneration / demand reduction / ‘environment’ / and water quality & supplies
- Primary focus upon market capacities & development
- Papers & case studies, Radion conference May 2011
  http://www.radian.co.uk/retrofit/
- Perspective on EU funds for retrofit (NHF & CECODHAS) – note use of ERDF around the regions
Intelligent Energy Europe: “the period 2011–2013 should support and facilitate this transition ... existing building stock into nearly zero energy buildings” (also REQUEST/TRAINREBUILD energy performance contracts)

EU FP7 Energy Programme: Research into energy efficiency & energy savings schemes (list in Key Info)

Forthcoming call July 2011 under FP7: “Energy Efficient Buildings, Public Private Partnership PPP ..... energy saving technologies for...envelope retrofitting’

European Local Energy Assistance (ELENA) : support for sustainable energy supply at local levels
Using procurement partnerships:

- Challenge to ‘costs’ by procurement groups (& SPVs) and pooling of resources
- Efficiency East Midlands proposed ‘retrofit model’
  - Fund installation of PVs
  - 25-year FiT income
  - Match-fund (ECO / EU / etc.) to create equity
  - Use equity to attract long-term loans
  - Create long-term revolving loan
Funding a framework for ‘retrofit’ skills development:

- Baseline assessments
- Design of ‘retrofit’ intervention(s)
- Selection of materials & processes
- Technological application / installation
- Monitoring of impact(s)
- Partnership & Project Management

- UK sources: Local Investment Plans; Construction Skills grant; Growth Investment/Innovation Fund Prospectus
- EU sources: Intelligent Energy Europe (IEE)
Building LEP capacities to champion retrofit:

- Coalition policy for the ‘green economy’[Oct 2010]:
  - low carbon, green innovation
  - green infrastructure
  - stimulation of supply chains
  - green ‘Low Carbon Clusters’
- Only in 23% of LAs current local econ. devel. plans
- Need for LEPs to adopt strategic role & promote bids
- Greater Manchester Low Carbon Economic Area
Concluding remarks (1)

- The role for retrofit ‘strategies’ and self-assessments
- Accessing funds via key partnerships
- Developing market capacities to deliver VFM
- Demonstrating the carbon savings achieved....
Concluding remarks (2)

- Good strategies support winning bids
- Winning bids require strong partnerships
- Strong partners can shape market capacities
- Market capacities will shape the carbon saved
• Sources of EU information:
  http://ec.europa.eu/research/industrial_technologies/fp7-information-day-for-ppp-2011_en.html

General EU Funding Guide:
http://www.welcomeurope.com/default.asp?id=53&gp=y&gclid=CMuTqou7makCFVJX4QodHgpptg

National Refurbishment Centre (supporting the practical delivery of green refurbishment and retrofit):
http://www.rethinkingrefurbishment.com/