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In last month's **RE:NEW** newsletter my colleague, Keith Von Tersch, emphasised the importance of engaging early with ECO providers to secure funding for energy efficiency projects. The availability of external funding remains an important consideration when building the case for investing in energy efficiency, even if funding levels have declined. In a world of shrinking budgets and reduced funding, it's not easy to justify investment in energy efficiency, particularly as many perceive retrofit as providing mainly social and environmental, as opposed to financial, benefits.

With this in mind, I am delighted that new research from **RE:NEW** demonstrates how improving the energy performance of housing can also generate substantial savings for social landlords. These savings, in the form of reduced management and repair costs, can help offset the required investment. The key findings of this research are available in [Positive Energy – The Business Case for Retrofit](#), and implications of the work require consideration.

First and foremost, the savings identified in Positive Energy show that it pays to invest in better energy performance in housing. When we factor these savings in alongside existing maintenance budgets, external funding and revenue generation, the business case for retrofit becomes much more compelling. In many cases, the financial benefits of investing in retrofit can outweigh the costs, as the case study on page 5 of the report illustrates. We recommend that any social landlord contemplating a retrofit programme should consider carefully where these cost savings are likely to occur, in addition to thinking about how retrofit can help reduce fuel poverty and CO₂ emissions.

Secondly, the research emphasises that housing costs are driven by a complex range of factors; some related to the characteristics of the building, and some to the building's occupants. If we look at EPC data in isolation, we can learn a limited amount about a housing portfolio. By looking at a broader combination of factors, using established statistical techniques, we can generate

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much greater insight into how energy performance and other variables affect costs.

The good news is that the data we analysed is information which most social landlords have to hand, even if it is not all in one place.

One example of how we have made use of a wider data set is the development of a fuel poverty risk factor, whereby we use multiple criteria (in addition to EPC ratings) to identify households that are more likely to be at risk of fuel poverty. Positive Energy – The Business Case for Retrofit shows how households with a high fuel poverty risk factor also tend to have higher than average repair and management costs. This insight is important as it not only strengthens the link between energy efficiency and housing costs, but also demonstrates the value in considering both the building and its occupants when prioritising retrofit action.

Ultimately, retrofit needs to work for people by making their homes warmer and more pleasant to live in. Our research shows how buildings with lower energy performance are more likely to require repairs relating to damp, mould growth and condensation. Whilst this highlights some of the impacts of colder homes on building occupants as well as maintenance budgets, it is also a timely reminder of the importance of considering ventilation when undertaking retrofit projects. Following completion of this research, we will be working with Orbit Group to develop a retrofit programme for them informed by our findings. A key element of this will involve helping to identify and manage the potential unintended consequences of the works, using the [RE:NEW Technical Risk Toolkit](#). Providing adequate ventilation is a critical part of the retrofit process and will ensure that any damp, mould and condensation problems are prevented the building is a more

comfortable place to live, and running and management costs are lower.

We already knew that, done right, investment in retrofit created comfortable, affordable and healthy homes and the sort of homes where people want to live. Thanks to this research we can now show that investment in retrofit represents excellent value for money.
