



Glasgow City Region

Cabinet

Item 11

6th April 2021

**Report by Councillor Jonathan McColl, Leader of West
Dunbartonshire Council, and Housing & Equalities Portfolio
Lead**

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Economic Recovery Plan: Home Energy Retrofit

Purpose of Report:

This report provides an update to the Cabinet on the work undertaken by the Housing and Equalities Portfolio, led by West Dunbartonshire Council, and the Glasgow City Region (GCR) Programme Management Office (PMO) to develop a Feasibility Study for the home energy retrofit programme that was included in the Glasgow City Region Covid Economic Recovery Plan approved by Cabinet in December 2020.

Recommendation

The Cabinet is invited to note content of report.

- 1 Purpose** This report provides an update to the Cabinet on the work undertaken by the Housing and Equalities Portfolio, led by West Dunbartonshire Council, and the Glasgow City Region (GCR) Programme Management Office (PMO) to develop a Feasibility Study for the home energy retrofit programme that was included in the Glasgow City Region Covid Economic Recovery Plan approved by Cabinet in December 2020.

2. Background

- 2.1 Glasgow City Region Cabinet approved the regional Covid Economic Recovery Plan in December 2020. One of the most significant actions within the Plan was the for the retrofit programme:

“To create jobs, improve the quality of housing, and deliver on our shared commitment to net zero carbon emissions we will develop a proposal to deliver a housing energy efficiency retrofit programme. This will reduce fuel poverty, cut carbon emissions and create meaningful local jobs.”

3. Policy Objectives

- 3.1 A home energy retrofit programme, delivered at scale across Glasgow City Region, has the potential to deliver on a number of our local and national policy ambitions, including:
- support the economic recovery from the pandemic;
 - create a large number of meaningful, skilled jobs;
 - improve the quality of housing;
 - reduce fuel poverty;
 - deliver on the net zero carbon and climate mitigation of Glasgow City Region and Scotland.

4 The Feasibility Study

- 4.1 A Feasibility Study will help us set a clear route map to successfully deliver a large scale retrofit programme. The study will identify the different stages of activity that we will require to carry out, the indicative costs and benefits, as well as the potential barriers and how we can overcome them.
- 4.2 Delivering a successful energy retrofit programme will require the support and active participation of a wide range of different stakeholders. It will require expert technical knowledge, financial resources, market capacity to deliver, a skilled workforce, and be underpinned by appropriate national policies and regulations.
- 4.3 The Feasibility Study will provide a clear set of recommendations that take into account the function, role, and powers of a range of different partners such as local authorities, national government, Skills Development Scotland, Scottish Funding Council. Scottish Enterprise, Construction Industry Training Board (CITB), the Scottish Housing Regulator, UK Finance, Association of Local

Authority Chief Housing Officers, Scottish Federation of Housing Associations etc.

5 Scope

- 5.1 The development of the scope for the Feasibility Study was supported by the PMO and subsequently it has been discussed and agreed by the Housing and Equalities Portfolio Group, chaired by the Chief Executive of WDC.
- 5.2 The PMO has shared the draft scope for the Feasibility Study with members of the Regional Partnership, and other stakeholders, including the Scottish Government, academics, Skills Development Scotland, FE colleges, Construction Scotland Innovation Centre, Sustainable Glasgow, Climate Ready Clyde, and housing officers from the GCR member authorities. The feedback provided to the PMO has been fed into the development of the scope that will be included in the tender documents.
- 5.3 The retrofit programme will include both energy efficiency (home insulation) and low & zero emissions heating options within the scope.
- 5.4 The Feasibility Study will focus on those properties which have the lowest energy efficiency ratings, those with an Energy Performance Certificate of bands D-G (bands A-C being the most energy efficient). This is anticipated to deliver the best outcomes in terms of fuel poverty reduction and supports the UK Government and Scottish Government's ambitions to bring properties into band C energy efficiency or above.
- 5.5 The feasibility study should focus on all types of property and all tenures. An analysis of the housing stock in the Region, indicates that over 428,000 properties require to improve their home energy efficiency ratings in order to meet the national policy targets.
- 5.6 The timescale for delivering a large scale retrofit programme must be spread over the medium to long term in order to give the market certainty allow staff to be trained. It is anticipated that the proposed scheme would be delivered over at least 10 years.

6 Key Questions

- 6.1 There are a number of key questions that we want the Feasibility Study to address. Some of these are set out below:
 - (a) What are the range of appropriate technical solutions (home insulation, clean energy and/or low & zero emission heat technologies), reflecting the available funding, and property type, age and tenure that will be part of the study?
 - (b) How can the potential barriers of tenure be overcome, with particular consideration given to:
 - the challenges of mixed ownership in blocks of flats;

- how to ensure uptake among private landlords; and
 - owners unwilling or unable to participate?
- (c) What is the most feasible model for funding the retrofit programme at a regional level –identifying potential funding models, both public and private? What is the indicative cost of the programme?
- (d) What are appropriate delivery arrangement to ensure that the programme is delivered efficiently and effectively, maximising both economies of scale and local impact?
- (e) What is the current capacity of the supply chain within Glasgow City Region to deliver the programme at scale and how, if required, can we increase opportunities for local business?
- (f) Is the skilled workforce in place to deliver the programme and is training available to the local workforce to deliver the programme? Are there any particular skills gaps and how do we address them? Are there alternative approaches to recruitment/training that can be considered (e.g. an ALEO or social enterprise)?
- (g) What are the anticipated economic, social and environmental benefits arising from the programme?
- What size of economic stimulus will be created?
 - What is the job creation potential of the programme?
 - What would be the effect on residents' energy bills or on fuel poverty
 - How far can future climate risks be reduced? To what extent could wider community climate resilience be created through the project?

7 Funding

- 7.1 A total budget has been identified to deliver the feasibility study of £80,000. Of this, Skills Development Scotland has offered a contribution of £15,000. It is proposed that the Regional Recovery Renewal Funding from the Scottish Government is used to meet the remaining £65,000 required to deliver the Feasibility Study as set out in the application approved at Regional Partnership in February.

8 Timescales and Next Steps

- 8.1 The current indicative timescale and next steps for the retrofit proposal are set out in the table below:

| Date | Action/Milestone |
|--------------------------|--|
| 6 April 2021 | Cabinet - update report on the retrofit proposal. |
| 7/8 April 2021 | Tender documents issued. |
| End of April 2021 | Final Submission of tenders |
| Early May 2021 | Supplier appointed to carry out Feasibility Study. |
| Early September | Feasibility Study completed. |

- 9 **Recommendation** 9.1. The Cabinet is invited to note content of report.