GREATER MANCHESTER DOMESTIC RETROFIT PROGRAMME
RED BRICK TO GREEN BRICK

Decarbonising the city
Case study 3/5

For more information contact:
Greater Manchester Environment Commission
Telephone 0161 770 4089
Email environmentcommission@oldham.gov.uk
Decarbonising the city is funded by DECC’s Local Carbon Framework and NWIEP
SYNOPSIS
There are over one million homes within Greater Manchester. These present a unique economic opportunity for large scale low carbon domestic retrofit programmes - which is what this report will create a new industry and unlock major business opportunities.

Greater Manchester is committed to achieving a 30-50% CO2 reduction by 2020. 50% of carbon emissions come from the domestic sector and our aim is to reduce these emissions through a whole-building transformation process, including:

- Understanding and scaling Green Greater Manchester’s housing stock and assessing the associated technical, economic and social challenges and opportunities to provide a Greater Manchester Retrofit Strategy for 2010.
- Developing a practical retrofit programme to bring Green Manchester Housing stock up to required standards under the Building Regulations
- Developing enabling finance and delivery models to make retrofits affordable and feasible for the Greater Manchester’s households.
- Accelerating the Raising of Green Futures community and providing in-depth behaviour change energy advice on a one-to-one basis to individual customers.
- Undertaking research to deliver the initial reports and the business case for the Greater Manchester’s household activities.

WIDER BENEFITS
The Local Enterprise Partnership will work closely with the Greater Manchester Environment Commission to ensure the transition to a low carbon economy, creating Greater Manchester a world leader by 2020. We are building capacity by developing the skills base in housing, creating local and inward investment in energy infrastructure and retrofitting all sectors, applied innovation and skills exchange, building low carbon supply chains, and developing opportunities for manufacturing throughout the local sector. Further, it will save more than 100,000 tonnes of CO2 and will cut bills by £26 million from customers’ bills.

There are over one million homes within Greater Manchester. An innovative approach has been taken by Greater Manchester to accelerate the early activity will take place through the social housing sector. In particular:

- Developing a multi-faceted strategy to engage RSLs in more capital intensive retrofitting activity;
- Engaging with registered social landlords (RSLs) to develop a sustainable business case for social housing and the wider residential population.
- Providing in-depth behavioural change advice to all homes and householders.

The development of a retrofit supply chain and networks developed by the Tenant Services Authority’s (TSA) Energy Saving bid will be far better geared up to allow Green Deal to achieve its aims.

There are 875,000 properties within the Greater Manchester Environment Commission’s area. Of these, almost 625,000 are owned by the TSA and, through the foundation-laying work achieved through the Green Deal programme announced in October 2010 is expected to expand to 50,000 homes during 2011.

DELIVERY
Greater Manchester is confident that it can deliver a low carbon economic growth. Our building stock, much of which was built during the early 20th Century, presents one of our greatest challenges for tackling urban areas. It will deliver the greatest rewards and is a challenge we believe we can meet.

The size of the retrofit market is estimated to be over £3.5bn over the next 20 years. Much of this early activity will take place through the social housing sector. An innovative approach has been taken by Greater Manchester to accelerate the early activity will take place through the social housing sector. In particular:

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PARTNERS
The partners involved in the domestic retrofit programmes include:
- Registered Social Landlords (RSLs), the TSA, Greater Manchester local authorities through the Combined Authority, the Energy Saving Trust, and energy companies.
- Local authorities engaged in the programme in their local business (construction and design), energy service companies, the investment and finance sector, the construction sector by drawing in the RGF and public/ private sector.
- The Housing and Communities Agency (HCA) is keen to work with Greater Manchester to maximise the benefits of delivering on the Government’s Green Deal and with the National Housing Federation to help social housing providers.
- The TSA can draw on experience and networks developed by the Tenant Services Authority’s regulatory, good practice and functions which work with RSLs.

The most difficult sector of the market is commercial beyond social housing and the private finance market.

DELIVERY MARKET STATUS

<table>
<thead>
<tr>
<th>DESCRIPTION</th>
<th>EASY</th>
<th>MEDIUM</th>
<th>DIFFICULT</th>
</tr>
</thead>
<tbody>
<tr>
<td>Status</td>
<td>£124m +</td>
<td>£45m</td>
<td>£15m +</td>
</tr>
<tr>
<td>Average (per 10 years)</td>
<td>£175m</td>
<td>£720m</td>
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<tr>
<td>Units</td>
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<tr>
<td>Annual Market</td>
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<td>£357,000</td>
</tr>
<tr>
<td>Status</td>
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<td>35,500</td>
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</tr>
</tbody>
</table>

CROSS CUTTING
There exists further substantial market potential for retrofit in the traditional contractor’s market, particularly in the areas of micro-generation.

DIFFICULT
Solid wall properties in private sector housing, particularly when high levels of heat loss are prevalent, represents the most difficult sector of the market. There are more technical issues associated with the installation of measures, coupled with the difficulties of engagement with private homeowners and the risks of resolving multiple investments through a single ownership. In Greater Manchester, the market readiness and supply chain capacity will be far better geared up to allow Green Deal to achieve its aims.

EASY
Light and cavity wall insulation (across all tenures) covers the well developed and easy to deliver end of the market. The market for this part of the market is well understood with good sector knowledge, fund retrofit programmes and delivery programmes in place to complete the remaining potential (around £30,000 measures) in Greater Manchester.

MEDIUM
The next stage of delivery occupies the hard to treat social housing sector. This is the sector that holds the potential to develop the market and supply chains.

The ability to work with large numbers of housing stock controlled by single landlords overcomes some of the technical difficulties associated with retrofit. Through utilising the opportunities of scale and relatively straightforward delivery presented in this sector and the drawing on a RGF catalytic support, pay by saved energy can be proven and the Greater Manchester supply chain can be developed in advance of the Green Deal in readiness to tackle the far more difficult final few dep forging on a large scale.

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