

**GREATER MANCHESTER DOMESTIC  
RETROFIT PROGRAMME  
RED BRICK TO GREEN BRICK**

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**CONTACT**

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## 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 in itself will create a new industry and unlock massive business opportunities.

Greater Manchester is committed to achieving a 30-50% CO2 reduction by 2020. 34% of carbon emissions come from the domestic sector and our aim is to reduce these emissions through a wholesale transformation process, including:

**Understanding and scoping** Greater Manchester’s housing stock and assessing the associated technical constraints, challenges and opportunities to provide a Greater Manchester **Retrofit Strategy to 2050**.

**Developing** practical retrofit programmes to bring Greater Manchester’s housing stock up to required standards under a co-ordinated and prioritised action plan.

**Develop enabling finance and delivery models** to make retrofit affordable and practical for Greater Manchester’s householders.

**Accelerating the fitting of Smart Meters** to all homes and providing in-depth behavioural change energy advice on a face-to-face basis in residents’ homes.

## SCALE OF INVESTMENT

Over half a million homes in Greater Manchester are still in need of basic insulation. The retrofit programme will save more than 100,000 tonnes of CO2 and will cut £26 million from customers’ bills.

The size of the Greater Manchester retrofit market is estimated to be over £8bn over the next 30 to 40 years. Much of the early activity will take place through the social housing sector. An innovative approach has been taken by Greater Manchester’s key social housing providers who are working towards greater joint planning and investment to progress retrofit on a large scale.

## WIDER BENEFITS

The Local Enterprise Partnership will work closely with the Greater Manchester Environment Commission to oversee the transition to a low carbon economy, making Greater Manchester a world leading green city by 2020. We are building capacity by developing the skills base; increasing local and inward investment in energy infrastructure and retrofitting in all sectors; applied innovation and skills exchange; building low carbon supply chains; and developing opportunities for manufacturing throughout the business sector.

Greater Manchester has secured £5 million from the European Regional Development Fund (ERDF) for the Greater Manchester Energy Smart Homes (GMESH) Social Housing Retrofit Programme. The overall direct value of the programme is £10.07 million with 50% of this being provided through ERDF. The match funding has been secured from a number of sources including Energy Company CESP funds and other private sector investment.

As part of the retrofit project, a mix of solar thermal, biomass fuel, external insulation and updated boilers will be installed to almost 3,000 homes in five social housing projects across Greater Manchester.

**Householders bills will be cut** by £26 million over the next 25 years.

**More than 122 jobs will be created or retained** in the low carbon industry.

**Carbon emissions will be reduced** by 100,000 tonnes. **The development of a retrofit supply chain** will be accelerated in advance of the Green Deal.

## PARTNERS

The partners involved in the domestic retrofit programmes include Registered Social Landlords (RSLs), the ten AGMA local authorities through the Combined Authority, the Energy Saving Trust and energy companies.

Sectors engaged in the programme include small business (construction and design), university research centres, the investment and finance sector, the communities served by social housing and the wider residential population.

The Housing and Communities Agency (HCA) is keen to work with Greater Manchester to explore how best to engage RSLs in more capital intensive retrofitting activity; such as solid wall insulation, installation of micro-generation technology and exploring potential for communal heating and power systems. The HCA can draw on experience and networks developed by the Tenant Services Authority’s regulatory, good practice and investment functions in their work with RSLs

## DELIVERY

Greater Manchester is confident that it can deliver on 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 carbon reduction. It also delivers the greatest rewards and is a challenge we believe we can meet.

Of the over one million houses, around 75% are under-insulated. An initial £10 million social housing retrofit programme announced in October 2010 is expected to expand to £30 million during 2011.

Domestic programmes are already well underway. Alongside the Energy Saving Trust, the ten local authorities have kicked off successful ‘Get Me Toasty’ campaign in early 2011. This aims to get free and reduced rate loft and cavity wall insulation installed in thousands of under-insulated homes.

Higher specification ‘GM Retrofit Standard’ will also be developed, along with the new financial models and delivery vehicles to start delivering these more advanced ‘eco-upgrades’.

Greater Manchester is a social housing Green Deal ‘Trailblazer’ working with energy companies to test the principle of a Pay As You Save (PAYS) model being introduced alongside social housing retrofit. We are also working with the Department for Energy and Climate Change’s local authority advisory panel for Green Deal and identifying investment and funding opportunities to accelerate the market, including bids to the Regional Growth Fund, Europe and the private finance market.

### RETROFIT MARKET STATUS

#### *Easy*

### DESCRIPTION

Loft and cavity wall insulation (across all tenures) covers the well developed and easy to deliver end of the market. The supply chain for this part of the market is well established with good co-ordination, funding instruments and delivery programmes in place to complete the remaining potential (around 500,000 measures) in Greater Manchester.

### ANNUAL MARKET

*Units*

*£*

### OVERALL MARKET

*Units*

*£*

Average

71,400 homes pa (over 5 years)

£35m

357,000

£175m

#### *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 straight-forward delivery presented in this sector and by drawing in RGF catalytic support, Pay As You Save models 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 hard-to-treat private sector.

Average

4,300pa (over 10 years)

£72m

43,000

£720m

#### *Difficult*

Solid wall properties in private sector housing, particularly where high levels of fuel poverty are prevalent, represent the most difficult sector of the market. There are the technical issues associated with the installation of measures, coupled with the difficulties of engagement with private homeowners and the problems of making retrofit financially attractive to individuals. This is what Green Deal will attempt to achieve and, through the foundation-laying work achieved through this RGF proposal in the social housing sector in Greater Manchester, the market readiness and supply chain capacity will be far better geared up to allow Green Deal to achieve early traction in the region and quickly become self-sustaining with the associated economic and employment benefits that this brings.

Average

7,100pa (over 29 years)

£124m

205,900

£3.5bn

#### *Cross cutting*

There exists further substantial market potential for retrofit in the ‘traditional construction’ market, particularly in the areas of micro generation.

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£3.6bn +