

Signed off by	Head of Corporate Policy
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To	Executive
Date	Thursday, 23 June 2022
Executive Member	Portfolio Holder for Corporate Policy and Resources

Key Decision Required	N
Wards Affected	(All Wards);

Subject	Council motion: Retrofitting Insulation
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Recommendations
<p>It is recommended that the Executive:</p> <ul style="list-style-type: none"> i) Notes the motion as presented to Full Council on 7th April 2022 ii) Agrees the importance of retrofitting insulation to domestic properties in the borough, both because of the reductions in carbon emissions that this brings and its ability to improve living conditions and reduce energy bills for residents iii) Notes the work that is currently underway by officers in relation to domestic retrofit (including in relation to areas of activity covered in the Council motion) and the progress that has been made to date, but also the scale of the challenge associated with domestic retrofit, and the need for Government action to help enable activity to be scaled up both nationally and locally to achieve carbon reduction targets iv) Agrees that the Leader of the Council writes to the Prime Minister, Chancellor of the Exchequer and COP26 President requesting government support to address the domestic retrofit challenges faced by local government generally and in Reigate & Banstead specifically

- v) **Requests that the Head of Corporate Policy keeps the need for a local retrofit task force and local training and delivery partnerships under review and that any additional actions required are proposed via the annual Environmental Sustainability Strategy progress report.**

Reasons for Recommendations

To acknowledge the contribution that domestic energy efficiency measures can make to reducing energy bills, carbon emissions and improving resident's quality of life; and to recognise the work that the Council is doing, and has planned, to contribute to the uptake of these and other domestic retrofit measures.

Executive Summary

At its meeting on 7 April 2022, the Council resolved to refer a motion to the Executive for consideration. The motion, moved by Cllr Booton, and seconded by Cllr Essex, called on the Council to commit to a number of specific proposals related to retrofitting insulation into domestic properties, in recognition of both the climate crisis and rising energy bills for residents.

This report explains the importance of domestic retrofit in reducing the borough's carbon emissions, as well as the important 'co-benefits' that it can bring – for example, reducing residents' energy bills and improving their living conditions. In doing so it reflects on the scale of the challenge facing the borough (with more than half of homes in the borough - 30,000 dwellings plus - performing poorly when it comes to energy efficiency, and residents facing rising energy bills which will push more into fuel poverty in the coming year).

The report sets out the work that the Council is already undertaking in relation to domestic retrofit (including insulation) following the agreement of the Executive in November 2021 to add two specific actions about retrofit into the Council's Environmental Sustainability Strategy action plan.

It then considers the specific proposals put forward in the motion. It confirms that:

- The Council works closely with Surrey County Council, Raven Housing Trust and a range of other partners to promote and support the retrofit of homes across the borough and improve the local skills base, and uses map-based and other data to inform its activity
- A construction skills audit has been carried out recently by Coast to Capital and the Council continues to work with this organisation and East Surrey College to address skills shortages in the construction sector
- The Council already part funds (jointly with other Surrey authorities) the Action Surrey energy advice service which provides web and phone advice to residents about energy efficiency.

Reflecting the limited resources available to the Council, and the powers at our disposal, our activity now and into the future will need to prioritise partnership working, and focus on providing information, advice and support to residents and landlords, and assisting them to access local supply chains and any third party funding that is available. It has to be acknowledged, however, that this activity alone will not be sufficient to deliver against national carbon reduction targets locally. As such, the report concludes:

- That **Proposal 1** (to set up a local retrofit task force in Reigate and Banstead) should not be accepted at this point in time as existing partnerships and relationships are

already operating effectively. However, the need for any such task force in the future will be kept under review.

- That **Proposal 2** (to sign up to the Great Homes Upgrade Campaign) should not be accepted as it is more appropriate for the Council to lobby Government specifically in relation to its own position and requirements rather than sign up to a generic campaign; and therefore:
- That in respect of **Proposal 3** (to write to Boris Johnson MP, Rishi Sunak MP and the COP26 President Alok Sharma) the Leader of the Council should write to the listed politicians requesting government support (both in terms of policy and finance) to address the domestic retrofit challenges that local government faces generally and that the Council faces locally.

Executive has authority to approve the above recommendations

Statutory Powers

1. Under the Local Government Act 2000, the Council has a duty to promote the social, economic and environmental wellbeing of its area. The Council also has related statutory duties around environmental health and planning.

Background

2. At the Council meeting on 7 April 2022, Cllr Booton moved a motion in respect of Retrofitting Insulation. The motion was seconded by Cllr Essex. The full text of the motion is available on the Committees section of the [Council website](#). In summary, the motion calls on the Council to:
*“(1) Set up a local retrofit task force in Reigate and Banstead to accelerate plans and actions needed to retrofit homes across the borough...
(2) Sign up to the Great Homes Upgrade Campaign, which already enjoys the support of fellow councils such as Bristol, Leeds, Cambridge, Liverpool, Newcastle and Glasgow (greathomesupgrade.org)
(3) Write to Boris Johnson MP, Rishi Sunak MP and the COP26 President Alok Sharma highlighting the need to urgently retrofit millions of homes of all tenure types by 2030, in order to stay on track with Government legal commitments, and calling for the finance from HM Treasury to unlock this.”*
3. In doing so, the motion reflects on the fact that millions of families across the UK are already struggling with rising energy prices and unhealthy homes as a result of poor insulation, and that - with energy bills forecast to rise further - more households are being pushed into fuel poverty.
4. The motion also highlights that housing is responsible for around 28% of direct greenhouse gas emissions that occur in Surrey, and that retrofitting insulation will help contribute to meeting the Government’s climate targets whilst also improving people’s lives, finances, health and creating new jobs locally. At the same time, rising energy prices mean that investment in home insulation measures now has a shorter ‘payback’ period.
5. Finally, the motion notes that the opportunity for more domestic insulation retrofit is set in the context of a Government funding regime has been found lacking by the UK

Climate Change Committee, which concluded that ‘the lack of an integrated offer on home retrofit for the majority of households remains a real source of concern’.

Key Information

What is ‘domestic retrofit’?

6. The term ‘domestic retrofit’ is widely used to refer to the process of making changes to existing homes so that energy consumption and carbon emissions are reduced. It includes two main components: firstly increasing the energy efficiency of homes (through measures such as draughtproofing, double glazing and the installation of insulation); and secondly introducing technological solutions to reduce reliance on carbon-emitting forms of energy generation (for example, installation of solar panels to provide electricity, or heat pumps to replace gas boilers).
7. Both these components need to be rolled out widely across the country’s housing stock to meet net zero carbon targets (along with changes in behaviour to reduce inherent demand); however the more straightforward energy efficiency measures (eg draft-proofing, loft insulation) are often more affordable, deliver additional benefits to otherwise poorly insulated properties (such as improved living conditions due a reduction in drafts and damp). Having an energy efficient home is also important to be able to secure maximum benefits from the introduction of low carbon technologies such as heat pumps. This sequential approach is therefore often referred to as ‘fabric first’.

The national policy context

8. In October 2021 the Government published its [Net Zero Strategy](#), setting out policies and proposals for decarbonising all sectors of the UK to meet its target of net zero by 2050. This was supported by a [Heat and Buildings Strategy](#), including more information about Government plans to decarbonise homes, (and commercial, industrial and public sector buildings) by the 2050 target date.
9. To make progress towards the nationwide domestic retrofit challenge that the motion describes, the Government has also introduced various grants and funding opportunities, targeted both at assisting with the installation of energy efficiency measures and with the installation of renewable / low carbon technologies. Many of these are focused on tackling the worst performing properties first, with others open to all. These have included:
 - The Energy Company Obligation, where energy companies fund and coordinate the installation of energy-saving measures in low income homes
 - Until March 2022, the Renewable Heat Incentive scheme which provided payments to householders to help cover the cost of installing renewable heating systems
 - The Green Homes Grant (Local Authority Delivery) (LAD) scheme phases 1a, 1b and 2, providing grants for low income and low energy performance rated properties
 - The Social Housing Decarbonisation Fund, providing funding to support the installation of energy efficiency and low carbon measures across social housing

- The new Boiler Upgrade Scheme, providing discounts on new heat pumps
 - The removal of VAT from energy-saving materials and technologies
 - The Sustainable Warmth Fund, which will provide further grants for low income, poor energy efficiency properties and off-gas grid properties.
10. When the Government published its Net Zero Strategy in October 2021, the UK's independent Climate Change Committee also published its [review of the Strategy](#). While this review was supportive of the Net Zero Strategy in many ways, it concluded that “significant delivery risks remain, notably for energy efficiency in the 60% of UK homes which are owner-occupied but not fuel poor”.

The local context

11. The Council agreed its [Environmental Sustainability \(ES\) Strategy](#) in July 2020. Alongside the first annual ES Strategy progress review in November 2021, the Executive [also agreed](#) two new actions specifically related to domestic retrofit as follows:
- “Work with partner organisations, residents, businesses and communities throughout the borough to encourage and facilitate the retrofit of homes to become more energy efficient”;* and
- “Work with partner organisation, residents, businesses and communities to encourage and facilitate the retrofit of homes with low carbon technologies”*
- This reflects the position that, based on the [latest published information from the Department of Business, Energy and Industrial Strategy](#), approximately one third of direct carbon emissions in the borough are from the homes in which our residents live.
12. There are around 62,000 residential dwellings in the borough, the vast majority of which are private sector owned (approx. 84%), and primarily (approx. 73%) owner occupied. As of March 2021, it was estimated that around 53% of all dwellings in the borough have an energy efficiency rating of D or lower (28% of socially rented housing, 55% of private rented housing, rising to 70% of owner occupied housing). At the same time, we know that many of our residents are already facing challenges associated with rising energy bills and that this number will only rise in the future.
13. Unfortunately, the Council only has limited powers to mandate domestic retrofit to homes within the borough, be they social rent, private rent or owner occupied:
- Our [Environmental Health powers](#) only enable us to intervene in relation to energy efficiency in limited circumstances and in respect of the most energy inefficient properties
 - Our ability to secure upgrades via the planning process is limited to new developments or developments where larger extensions (requiring planning permission) are proposed. It is also constrained by national planning policy, however the Council does have planning policy and guidance about energy efficiency in place (in the [Development Management Plan](#) and [Climate Change and Sustainable Construction Supplementary Planning Document](#))
 - The Council itself directly owns only a very small number of residential properties, having transferred its social housing stock to Raven Housing Trust.

14. This means that our ability to effect change is limited (notwithstanding the above) to providing information, advice and support to residents and landlords, and assisting them to access local supply chains and any third party funding that is available.

15. That our powers are limited is recognised by the UK's independent Climate Change Committee, which has concluded that the existing levers available to local government:

"...are unlikely to be sufficient to deliver ... Net Zero ambitions, due to gaps in powers, policy and funding barriers, and a lack of capacity and skills at a local level. Additionally, without some level of coordination from Government, the UK risks pursuing a fragmented strategy towards Net Zero."

Progress in Reigate & Banstead to date

16. In light of the agreed actions in the ES Strategy, officers have developed a programme of work to tackle both the insulation/fabric and low carbon technology elements of domestic retrofit. This is based around the overall objectives of:

- Increasing residents' access to grants
- Increasing residents' knowledge of retrofit
- Accessing grants to support domestic retrofit in the borough, including working with social housing partners
- Delivering some 'easy wins' for residents; and
- Positively affecting the supply chain locally.

17. These were identified in consultation with the Cross Party Member Sustainability Group. A number of workstreams associated with these objectives are now being progressed. These include:

- The provision of improved information and advice on our website about how people can reduce domestic carbon emissions, access grants, and save money on their energy bills
- The publication of planning guidance for new development
- Inclusion of questions about domestic energy efficiency in the Council's Resident Sustainability Survey to help us understand how the Council can continue to support residents in this area
- Social media campaigns and coverage in the borough's printed magazine (Borough News) and e-Newsletter
- Working with social housing partners (Raven Housing Trust and Accent Housing) to secure £1.5m of Government funding for our partners to deliver retrofit to 28 affordable homes in the borough as well as to homes in Surrey Heath borough
- Supporting Action Surrey (the county's energy advice portal) and working with them to promote the GHG LAD-funded Green Jump Surrey. Phase 1 of this scheme resulted in 111 installations in the borough worth £840,000, and Phase 2 has seen more referrals from RBBC than any other Surrey borough or district.

- Working with SCC to promote the Solar Together collective purchasing scheme, which will result in 157 properties in the borough installing solar panels with a total value of £1m
 - Promoting the new Boiler Upgrade Scheme to residents
 - Working with other teams across the Council to align support and information provision to residents who are facing fuel poverty, particularly in the face of steeply rising energy bills.
18. Future work planned includes attendance at community events to promote domestic improvements, more work to promote other new and emerging grant funding for residents (including to assist residents on low income to access Sustainable Warmth grants, and for owner occupiers to access solar technology), engagement with a wider range of social housing partners as part of future Social Housing Decarbonisation Fund bidding rounds, and working with East Surrey College and Coast to Capital in relation to construction skills.
19. More information about some of these elements is provided in the sections that follow. Reflecting the limited resources available to the Council, and the powers at our disposal, our activity will continue to prioritise partnership working, and focus on providing information, advice and support to residents and landlords, and assisting them to access local supply chains and any third party funding that is available. It has to be acknowledged, however, that this activity alone will not be sufficient to deliver against national carbon reduction targets locally.

Responding to the motion recommendations

20. The motion to Full Council makes a number of detailed suggestions as to activities that the Council should undertake. Each of these is reviewed below.

Proposal 1: Set up a local retrofit task force in Reigate and Banstead to accelerate plans and actions needed to retrofit homes across the borough.

21. The Council already has a range of activities underway in relation to domestic retrofit, as described above. In delivering these, we engage with a range of partner agencies and organisations, including Surrey County Council, Action Surrey, Net Zero Hub South East (previously Greater South East Energy Hub), social housing providers, training providers and community groups in the borough.
22. At the moment, the engagement that takes place is considered to operate effectively both at a strategic level (with partner organisations committed to aligned objectives) and at a project level.
23. It is not therefore considered necessary to establish a further layer of engagement via a separate task force at this time. However, it is recommended that the Head of Corporate Policy, Projects & Performance keeps the need for any such task force under review and reports to the Executive on any additional action required via the annual ES Strategy progress report.
24. To inform this conclusion, we have also considered the examples that the motion provides about the sort of work a retrofit task force should undertake:

Proposal to work with Surrey County Council, as part of their energy assessment of housing, to map different categories & identify appropriate energy efficiency retrofit interventions locally:

25. The Council already works closely with Surrey County Council on a range of topics and activities that align with both county and borough level sustainability/climate strategies. This engagement takes place via monthly officer meetings and the Greener Futures Partnership Steering Group which is held every two months. These mechanisms will allow us to work with SCC on any energy assessment of housing that they undertake.
26. It is also worth noting that the Council already uses map-based (and other) data to identify and target domestic retrofit activities locally, both in relation to energy efficiency and low carbon technologies. We used this information to target the LAD phases 1 and 2 funding, and we will continue to use this information to target future rounds of funding and other opportunities (such as solar), and share it with partners where appropriate, to help promote and roll out energy efficiency interventions locally.
27. As this work is already happening, and there are mechanisms in place for it to continue, no further Executive decision is considered necessary.

Proposals to conduct a 'skills audit' to identify the jobs & skills gaps to implementing energy efficiency retrofitting locally:

28. The need to develop capacity and skills within the construction industry to help deliver domestic retrofit is recognised as a national issue, but also an issue across the south east. It is also recognised in this Council's work objectives, as set out at paragraph 15 above. It is clear that there is already a skills shortage to deliver existing domestic retrofit initiatives from Government, let alone the scale of activity that would be required to retrofit all energy inefficient homes in the borough to an acceptable standard.
29. A construction sector skills audit was recently carried out by the [Coast to Capital LEP](#), which concludes that the skills required to deliver net zero in the region are diverse and in short supply, and therefore that a plan to deliver skills for net zero is a priority. Given that skills is a broader than borough-level issue, it is not recommended to the Executive that that there would be particular value in carrying out a separate audit at additional cost to the Council.
30. It should also be noted that skills are not the only constraint to delivering retrofit activity, with the materials supply chain also currently being insufficiently well established to accommodate current and project future demand.

Proposal to establish a one-stop energy advice portal for homeowners such as cosyhomesoxfordshire.org:

31. The Council already provides funding (£3,000 per year) to [Action Surrey](#) which is an impartial energy advice service set up by local councils across Surrey. In addition there are a range of other trusted nationally provided energy advice portals, such as the Government's [Simple Energy Advice](#) service and the [Energy Saving Trust](#) website. As such, it is not recommended to the Executive that it is necessary (or indeed cost effective) to establish an additional advice portal. Opportunities to enhance this offer further to support residents across the County to access tailored support and trusted traders are currently being explored with Surrey County Council.

Proposal to establish local training and delivery partnerships and agreements that can upskill and deliver energy efficiency retrofitting of homes through

local institutions, such as Coast to Capital LEP, Raven Housing and East Surrey College:

32. A number of such training and delivery partnerships already exist that the Council has an active role in. The Council is represented on the Coast to Capital [Skills 360 Board](#), which provides direction and strategic support for skills activity in the region and brings together employers and skills providers to understand and address local skills challenges including in relation to 'net zero' construction skills.
33. The Council is also represented on the Surrey Greener Futures Partnership Steering Group at senior officer and member level which works to ensure that countywide Greener Futures objectives (including in relation to skills and supply chain) are progressed.
34. Council officers have a strong working relationship with East Surrey College and are actively engaging with them on plans for a Construction Skills Academy. Similarly, we are working in close partnership with Raven Housing Trust with respect of improvements to their housing stock following the Council's successful bid for £1.5m of funding from the Social Housing Decarbonisation Fund. Upskilling is not an issue that the Council can tackle alone, but there are opportunities within the borough to make progress if we continue to work with partners such as the LEP and East Surrey College.
35. Taking existing arrangements into account, it is not considered necessary for the Council to establish any additional, separate partnerships at this time. However, it is recommended that the Head of Corporate Policy, Projects & Performance keeps the need for any additional partnerships or agreements under review and reports to the Executive on any additional action required via the annual ES Strategy progress report.
36. Within the organisation, to maximise the Council's access to skills to support residents access to support for domestic retrofit, staff are supported to undertake training and access professional development opportunities, and we work collaboratively with partners such as SCC and Raven to share knowledge and expertise. It will be increasingly important that we continue to do this as financial constraints on the council increase at a time when the Council will need to provide enhanced local support for residents.

Proposal 2: Sign up to the Great Homes Upgrade Campaign (greathomesupgrade.org) and

Proposal 3: Write to Boris Johnson MP, Rishi Sunak MP and the COP26 President Alok Sharma highlighting the need to urgently retrofit millions of homes of all tenure types by 2030, in order to stay on track with Government legal commitments, and calling for the finance from HM Treasury to unlock this

37. Both these proposals relate to lobbying for more action at a national Government level to support the roll out of energy efficiency (and other domestic retrofit) measures.
38. One of the Environmental Sustainability Strategy actions, agreed by the Executive in November 2021, is:

"Alone and in partnership with other organisations, continue to lobby government to ensure local authorities have the powers and resources to facilitate change"

39. Rather than to sign up to a generic campaign (as suggested at Proposal 2), it is recommended that the Executive supports Proposal 3; that is that the Leader of the Council writes to the Prime Minister, Chancellor of the Exchequer and COP26 President requesting government support (both in terms of policy and finance) to address the domestic retrofit challenges that local government faces generally and that the Council faces locally and expedite action.

Options

40. The following options are available to the Executive:

- **Option 1:** Support the motion as presented to Full Council in April 2022 in full. This option is not recommended as a number of the proposals included within the motion are not considered to be cost effective or necessary taking into account work that is already underway to achieve the Council's identified environmental sustainability objectives.
- **Option 2:** Support the recommendations as set out in this report, that is, agree to progress / keep under review some of the proposals set out in the motion. This option is recommended as it commits the Council to progressing activities that would complement the work that is already underway to deliver the Environmental Sustainability Strategy actions relating to domestic retrofit and can be delivered within currently allocated resources.
- **Option 3:** Do not support any of the proposals set out within the motion. This option is not supported as recommendations have been identified in this report based on the motion that can usefully complement activity that is already underway.

Legal Implications

41. There are no legal implications arising from the recommendations within this report.

Financial Implications

42. There are no financial implications arising from the recommendations within this report. The activities proposed can be delivered within existing agreed budgets.

Equalities Implications

43. No direct equality implications have been identified as arising from the recommendations within this report.

44. However, there are equality issues in relation to domestic retrofit and it is important that the Council has regard to these. This includes the ability of people from differing backgrounds and different equality groups to access information about the support that is available on domestic retrofit, which will be taken into account in our communications and engagement activity.

45. More vulnerable residents, including those with protected equality characteristics, are likely to be more exposed to both poor quality, less energy efficient living environments (drafty, damp etc) and higher and rising electricity and gas bills (for example, residents using pre-payment meters). Domestic retrofit can therefore be a

tool to help tackle inequality, along with other Council activity (for example our community development and money support activities), and more activity in this area will benefit a greater number of residents. Most recently, government funding for domestic retrofit has had a particular focus on residents on low or no incomes and on the least energy efficient properties – this reflects both the higher costs associated with retrofitting such properties and residents’ reduced ability to fund these directly.

Communication Implications

46. Communication and engagement is a central element to all of the Council’s sustainability activity, and is identified in the ES Strategy as essential for the effective implementation of the action plan. Specifically in relation to energy efficiency and domestic retrofit, we have and will continue to provide advice and information to residents (for example via our website, print and email publications and social media campaigns) and utilise other forms of outreach such as via our Residents’ Sustainability Survey and face to face engagement.

Environmental Sustainability Implications

47. As noted above, the Executive has already committed to take action in respect of domestic retrofit (both energy efficiency measures and low carbon technology). The recommendations set out in this report relate to activities that will complement the work already underway and as described at paragraphs 11, 15 and 16 above.

Risk Management Considerations

48. No specific risk management considerations have been identified.

Consultation

49. The Portfolio Holder for Corporate Policy & Resources and other members of the Executive have been consulted on the content of this report. This report has also been shared and discussed with the motion proposer and seconder.

Policy Framework

50. The Council’s Corporate Plan, Reigate & Banstead 2025 includes an objective about Environmental Sustainability, which is to “Reduce our own environmental impact, support local residents and businesses to do the same, and make sure our activities increase the borough’s resilience to the effects of climate change.
51. The recommendations in this report relate to activities that will complement the work already underway to support residents to make changes to the homes in which they live to reduce their environmental impact. At the same time, these activities will help secure co-benefits including reduced energy usage, healthier living conditions, and supporting opportunities for skills and training. These co-benefits are relevant to other corporate plan objectives, including in relation to Vulnerable People and Economic Prosperity.

Background Powers

1. Corporate Plan 2025 - www.reigate-banstead.gov.uk/rbbc2025
2. Environmental Sustainability Strategy - https://www.reigate-banstead.gov.uk/info/20065/environmental_sustainability_and_climate_change/1220/our_approach_to_environmental_sustainability
3. Council motion, 7 April 2022 - <https://reigate-banstead.moderngov.co.uk/documents/s19607/Motion%20-%20Retrofitting%20insulation.pdf>