

Manchester City Council Report for Information

Report to: Environment, Climate Change and Neighbourhoods Scrutiny Committee – 7 March 2024

Subject: Housing Retrofit

Report of: Strategic Director, Growth and Development

Summary

This report provides an update to Scrutiny Committee on the Council's proposals to decarbonise the city's housing, incorporating an update on Green Skills, and providing an opportunity for members to contribute to and influence these policy areas.

Recommendations

The Committee is recommended to consider and comment on the report.

Wards Affected: All

Environmental Impact Assessment -the impact of the issues addressed in this report on achieving the zero-carbon target for the city.	According to the Climate Change Framework 2022 Update [1], Manchester homes make up approximately a quarter of the city's total carbon emissions. This report details progress and ongoing and new activity to achieve delivery of zero carbon objectives in existing housing cross tenure.
Equality, Diversity and Inclusion - the impact of the issues addressed in this report in meeting our Public Sector Equality Duty and broader equality commitments.	An Equality Impact Assessment (EqIA) has been completed and describes how a programme of large-scale retrofit can positively impact some disadvantaged individuals and groups. The assessment outlines our work on the Resident Engagement Plan which considers the needs of people from different protected and disadvantaged groups and how our future engagement plans and activities will address these.

Manchester Strategy outcomes	Summary of how this report aligns to the Our Manchester Strategy/Contribution to the Strategy
A thriving and sustainable city: supporting a diverse and distinctive economy that creates jobs and opportunities	Retrofit provides long term employment opportunities to Manchester businesses and residents.
A highly skilled city: world class and home grown talent sustaining the city's economic success	Demand for highly skilled retrofit skills will provide opportunities for training and upskilling both new and existing operators.
A progressive and equitable city: making a positive contribution by unlocking the potential of our communities	We will be taking an approach of a just and fair pathway to net zero as far as possible. Retrofitting the city's housing stock will ensure healthier, more comfortable homes and in many cases provide for more affordable energy costs. This will result in improved health and wellbeing for Manchester residents.
A liveable and low carbon city: a destination of choice to live, visit, work	The Retrofit Plan will address the transition of Manchester's existing housing stock to zero carbon, and ensure the available housing meets the needs of the city's residents and visitors.
A connected city: world class infrastructure and connectivity to drive growth	N/A

Financial Consequences – Revenue

The activity described in this report has staffing and other revenue resource implications and where possible has been detailed in this report. As also described, most of the government funding schemes come with an element of financial resources to support these costs.

Financial Consequences – Capital

Capital resources will be required to deliver the programme of work to our council housing. Presently until September 2025, zero carbon investment in our owned and managed properties will largely be through any projects we have which are supported by grant through Social Housing Decarbonisation Fund (SHDF) and is referred to as our SHDF Programme. Our current investment in this respect is a combined programme of retrofit, decent homes and fire/building safety works. All funding for our SHDF Programme has now been approved, with a proportion (£11.6m) being sourced from grant from the government's national SHDF and the remainder from the Housing Revenue Account (HRA).

In relation to the Councils PFI managed properties, resources to deliver our emerging Sustainability Strategies and our zero carbon objectives will be identified in due course.

In relation to private sector housing, as described in Section 4, the Council has secured £10.4m capital resources to fully fund the retrofitting of up to 500 properties as part of the governments national Home Upgrade Grant 2 (HUG2).

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Background documents (available for public inspection):

The following documents disclose important facts on which the report is based and have been relied upon in preparing the report. Copies of the background documents are available up to 4 years after the date of the meeting. If you would like a copy, please contact one of the contact officers above.

- Manchester Housing Strategy (June 2022)
- Report to Economy Scrutiny Committee (9th March 2023 Housing Retrofit)
- Manchester Climate Change Framework (2020-25) – 2022 Update
- Manchester City Council's Climate Change Action Plan 2020-2025 (Refreshed plan 2022-2025)
- Report to Scrutiny Environment, Climate Change and Neighbourhoods Scrutiny Committee – 7 September 2023

Housing Retrofit

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1.0 Introduction

- 1.1 Manchester remains committed to becoming a zero carbon city by 2038, with a reduction of 50% in emissions from a 2019 baseline by 2025. As a quarter of all emissions within the city are from residential properties [1], we must make urgent improvements to the condition and performance of all our properties by increasing energy efficiency and moving away from fossil fuel heating. The levels of fuel poverty, exacerbated by the ongoing cost of living crisis, add another imperative to act. To reach the 50% reduction we will need to retrofit 84,000 homes in the city by the end of 2025, and this must be done in a fair and equitable way.
- 1.2 As part of the Housing Strategy there is a requirement to create a cross tenure retrofit plan to tackle the scale of the challenge, working with Manchester Housing Providers Partnership (MHPP) and GMCA to achieve this.
- 1.3 This report aims to provide an update on progress on projects within the wider programme since September 2023. As such, detailed information about the eligibility criteria for each scheme will not be repeated, and Members are referred to the September 2023 report for more detailed information is required.

2.0 Background

- 2.1 The scale and complex nature of the challenges in meeting our housing retrofit targets is recognised and well understood, as is the significant role that the Council can play in this area – both directly and through partnership, influencing and enabling activity in the city. Over the last 12 months, our focus has largely been on strengthening and developing:
 - Expansion of the team and embedding new team members
 - Movement from feasibility and pre contract negotiations into delivery in some projects and continued development in others
 - Sustaining existing and developing new relationships with key stakeholders
- 2.2 Our activity and capacity has been largely focused on mobilising the two largest funding programmes, SHDF 2.1 and HUG2 and has remained constrained by staffing pressures and a range of other challenges. However, with progress in these areas, coupled with further funding successes, we are in a strong position for 24/25 to build on our achievements so far.

3.0 Social Housing Including Council Owned Properties

3.1 Council Owned and Managed Properties

3.1.1 Social Housing Decarbonisation Fund (SHDF) programme

Background

- 3.1.1 In November 2022 Manchester City Council submitted a bid to the Social Housing Decarbonisation Fund. Seven projects were included in the bid, selected on the basis that decent Homes and other works to these properties were included in the existing capital programme and that proposed SHDF works would therefore complement works already planned, maximising benefits to the properties and to tenants, whilst minimising disruption.
- 3.1.2 £11,601,851 of SHDF was secured, matched with £38,106,184 of HRA funding to deliver a programme of improvements within an overall budget of £49,708,034, benefitting 1,603 properties.
- 3.1.3 The deadline for spending the SHDF monies is 31 March 2025, with match funding for the grant eligible works to be deployed by September 2025.
- 3.1.4 The Social Housing Decarbonisation Fund (SHDF) programme relates mainly to energy improvement works and renewable heating technologies. This will improve the energy performance certificate (EPC) rating of Council properties and help meet the zero carbon housing objectives and targets, including a transition away from gas heating sources. Most of this work generates a grant contribution from the Department for Energy Security and Net Zero (DESNZ) via Greater Manchester Combined Authority (GMCA). There are other works included in the programme for most of the projects, consisting of various Decent Homes and Fire and Building Safety works.
- 3.1.5 The SHDF programme is in effect the investment the Council is delivering in terms of our zero carbon ambitions in relation to our managed and owned housing over the next 18 months.

Progress to date

- 3.1.6 Following notification that our bid was successful; work began to mobilise the programme. However, several issues have been encountered, including:
- Significant cost inflation since submission of the bid.
 - Further cost increases, due to additional essential works being required - made apparent by detailed retrofit assessments and other surveys.
 - A requirement for emergency works to the Newton Heath high rises, following incidences of cladding falling from the building in high winds and the identification of additional essential works being required – leading to increased complexities, delays, and cost increases.
 - Other factors being identified following these surveys that make the delivery of the programme as originally planned more complex or introducing other scope limitations.
 - A shortage of staff (both internally and through agency) with the skills and experience required to undertake either the necessary retrofit assessments or the work itself.
- 3.1.7 The above factors are having a significant impact on delivery of the programme within budget and deadlines and have led to a review of the programme.

- 3.1.8 Discussions have been held with GMCA in relation to a potential extension of the delivery timescales for our SHDF programme. This would require negotiation and agreement with DESNZ. GMCA are open to requesting an extension which provides for a completion of all the grant eligible works to March 2026. It has been agreed that we will conclude this discussion with GMCA by the end of this financial year.
- 3.1.9 The review of the programme has identified a cost increase of c. £10.5m, largely due to building cost inflation and there is a need to undertake more detailed surveys on properties before work can commence. A budget increase for the programme was requested and approved by the Executive on 14th February 2025. Subject to approval at Council on 1st March 2024, this additional budget will be available. As noted above, the Council is working with the GMCA to seek approval to amend the completion dates, we are reviewing the delivery timescales, approach, and costs of each project.
- 3.1.10 Generally, across the programme, the projects have faced longer mobilisation timescales than anticipated which has meant start on site has been pushed back. Spend on pre-works activity has and will continue, but the majority of spend will now take place in the following 2 financial years. The project team continue to work through issues arising as a result of surveys which also impacts on progress, and there are challenges in relation to the technical feasibility and potential costs of the works required to meet the SHDF grant requirements.

Risk Management and Mitigation

- 3.1.11 One of the significant risks for these projects relates to the challenging delivery timescales required by the funders to maximise the grant. Early informal discussions have been held with officers at the GMCA responsible for managing the programme. The GMCA is keen to work with the Council to minimise the impact on the programme and any reallocation of grant and discussions have focused on the likelihood of securing a programme extension as this would enable more of the grant to be retained and more of the programme to be delivered.
- 3.1.12 It has been jointly agreed that it is premature to return grant funding to the GMCA at this stage. MCC will undertake further work to set out a revised delivery programme and will have continued engagement/provide ongoing updates with GMCA.

3.2 General approach and investment for the future

- 3.2.1 We have made significant zero carbon related investment in our owned and managed housing over the last few years and through the SHDF programme will make additional investment over the next 18 months.
- 3.2.2 One of the biggest challenges we face in meeting our zero carbon targets in relation to our owned and managed housing is funding and affordability. Whilst the external funding opportunities are, of course, crucial, they are in no way at

the scale that is required to meet our zero carbon targets. Most of the funding for this will need to be from the Housing revenue Account. The current 30-year HRA Business Plan does not include most works required to enable the Council to achieve its zero carbon targets by 2038.

- 3.2.3 Based on previous technical work, the cost of retrofitting this housing stock was estimated to be an additional £211m or £16.5k per property. As this estimate was undertaken almost 4 years ago the costs are likely to have increased significantly due to inflation, new quality standards and higher demand for retrofit services, technologies, and materials. Costs are now more likely to be in the region £25k per property and more work is currently being done on this.
- 3.2.4 This is the cost over and above the works already planned. The cost of this will not be achievable from within the ringfenced HRA without government support and/or changes to the current HRA regulations. Whilst there will be government funding available to support this investment, largely via the GMCA devolution trailblazer agreement, this will be limited in scale and nature and will require match funding, potentially at 50%, as per current SHDF requirements.
- 3.2.5 Given the increasing requirements and expectations on housing providers in relation to stock condition and responsive asset and repairs services, our zero-carbon programme inevitably sits amongst other competing priorities for the HRA and other resources, including in relation to Decent Homes, Building and Fire Safety and Damp and Mould issues.
- 3.2.6 It is important that we take a strategic view and deliver the programme to meet our zero carbon targets in manageable phases. Housing Services (formerly Northwards Housing ALMO) are in the process of delivering a full stock condition survey for the 12,000+ properties managed by them. This will include capturing information that can help better understand energy performance of homes. It will also ensure full understanding of the overall stock investment requirements. Alongside this, we are undertaking some more specific technical work to understand our baseline and the opportunities/options (including costs) of meeting our targets.
- 3.2.7 This more specific energy focused technical work, together with the condition survey results and other data and intelligence, will help underpin our housing retrofit plan and the emerging Housing Services' Asset Management Strategy (AMS) and assist with establishing a future capital programme and investment plan for our housing stock.
- 3.2.8 We are also looking to develop a new Void Standard. This will be underpinned by other technical work and a voids pilot (as part of the SHDF Programme). It will essentially consider the opportunities for energy works and new technologies when a property becomes void, whilst balancing off the implications of increased void turnaround times and managing void rent loss.

3.3 Council owned properties managed via PFI Contracts

- 3.3.1 Our previous reports to this Scrutiny Panel have described in some detail the position in relation to the three PFI contracts and zero carbon objectives. As indicated, we have been working towards having sustainability strategies completed for these properties by the end of March 2024. We have been working collaboratively with all key stakeholders within the SPVs, focusing mainly on the housing stock but also considering carbon reduction on a broader basis. The work in relation to our housing stock has included additional data and intelligence (through for instance detailed Retrofit Assessments of the main property archetypes) and the use of specialist software, to get to a baseline of the performance for our properties and to consider options (and costs) of meeting our various targets (including the net zero 2038 target) and being mindful of the end date for these contracts.
- 3.3.2 We have made significant progress, have draft strategies which we are working through in a collaborative way, and have agreed a revised deadline of June 2024 for these strategies.
- 3.3.3 The key challenge to delivery of these strategies relate to affordability and availability of funding for this investment. As previously described, the original PFI contracts did not include specific sustainability requirements. In addition, this investment must be factored alongside what has also become an unprecedented environment of increased investment requirements in social housing. There are inevitable competing priorities for the investment capital available (in particular following the Grenfell fire and the inquest into the death of Awaab Ishak) , with the potential for operational savings as a source of funding being relatively limited in the context of the likely scale of investment required and the limitations on the HRA as a funding source (as described above). Additionally, the potential for external government funding is restricted, largely because most of the properties will not qualify for current and future funding given the majority are performing at or above EPC C.

3.4 Investing in Heat Networks

- 3.4.1 The importance of Heat Networks as part of delivering sustainable energy solutions is recognised by central government and the latest funding package, launched prior to Christmas 2023, includes additional £530million for heat networks which are split into two funding streams; one for the creation of new heat networks, and one to improve existing networks.
- 3.4.2 We have been successful in securing revenue funding under the Heat Network Efficiency Scheme (HNES) to undertake optimisation studies of two heat networks at Grove Village and Newton Heath. The intention of the studies is to review the current function of these heat networks and identify areas where their efficiency can be improved and as a result reduce their emissions. The outcome report will provide cost-effective interventions that could be implemented and against which we will have the opportunity to bid for HNES capital funding which will support 50% of the costs of work.

- 3.4.3 The optimisation study for Grove Village concluded in mid-February and at the point of writing, discussions are ongoing with the PFI managing agent about budgets to implement the capital works as, although we can bid for grant, 50% match funding is required. In relation to the Newton Heath project, we are about to commence this feasibility study which will be carried out over the next couple of months. This will progress alongside the evaluation of heating options and decision making which is being undertaken as part of the SHDF programme.
- 3.4.4 Another government initiative and funding source is the Green Heat Network Fund (GHNF). This fund forms part of a wider consultation exercise being run by DESNZ into Green Network Zoning (GNZ). We have worked with the central zero carbon team in providing a response for the impact in Manchester within the context of the Local Area Energy Plan (LAEP) and this was submitted at the end of February.

3.5 Other Social Rent

- 3.5.1 Most RPs (Registered Providers) with stock in Manchester are members of the Manchester Housing Providers Partnership (MHPP). MHPP members have worked collaboratively to baseline their housing emissions, with information covering 85% of members' stock having been completed. Work on an update and progress against baselines was completed since the last report to Scrutiny. This exercise highlighted the significant challenges around consistency of data collection and hence the ability to use this information comparatively. More work is being considered on this, led by MHPP.
- 3.5.2 We continue to be active members of the GM (Greater Manchester) Low Carbon Asset Management Group which is an effective and valuable group sharing best practice across the low carbon agenda.
- 3.5.3 We have also continued to work collaboratively with the three RPs with the largest numbers of stock in Manchester (Wythenshawe, One Manchester and Southway) through a MHPP zero carbon workstream to develop costed investment plans to zero carbon and to share learning. These 3 landlords have similar property types to the Council as they took over management of former council housing during the stock transfer programme. However, a recent decision has been taken to disband this group, mainly given the duplication with Greater Manchester Housing Provider's (GMHP) groups and the capacity challenges of effectively servicing this group. There is still the potential to use the GMHP arrangements to consider Manchester specific aspects and opportunities and this will be considered further.
- 3.5.4 In terms of the GM consortia wide SHDF programme, which involves 18 RPs including ourselves, this will deliver improvements in up to 5,400 properties. Just over 60% (3,400) of the properties (including the Councils SHDF programme) benefiting from this funding are within Manchester, Through the arrangements described above, and additionally through specific SHDF arrangements put in place by GMCA, we will ensure that we continue to

collaborate, share best practice, and keep track of this activity across the Manchester area.

4.0 Private Sector Housing

4.1 Introduction

4.1.1 In addition to developing and delivering programmes and initiatives directly, the Council works very closely with GMCA on several programmes targeted at private homeowners and the private rented sector.

4.1.2 Work has been ongoing to raise the profile of these programmes both internally and externally, which can be summarised as follows:

- A summary document on the main available funding streams with latest updates was collated and issued to all elected members before Christmas with the intention of providing a quick overview and a helpful document to refer to in the event of residents asking for help with their living situation at surgeries or otherwise. This document can be requested again if required.
- Training has been delivered to the Cost of Living team at the central call centre to further help direct residents to these available programmes.
- Information on the website has been updated with more information on eligibility and direct links to delivery partners.
- Work with the communications team to promote through social channels and other external routes.
- An internal promotion campaign to raise awareness of the schemes more widely across the council is being designed with primary activity between now and Easter.

4.1.3 As detailed elsewhere in the report, GMCA have developed an eligibility checker on their website. This portal allows residents or others assisting with resident consent to input information about their property and household circumstances, including income and receipt of any benefits, and the portal will direct residents to the scheme which can best support them. This ranges from 100% grant funded to 100% self-funded schemes. It should be noted that HUG2 is not currently included in this as only Rochdale and ourselves offer this programme, but it will feature in future updates to the system. The portal can be accessed at - <https://gmca.retrofitportal.org.uk/>

4.2 Activity Targeted at Vulnerable/Low Income

4.2.1 Home Upgrade Grant 2 (HUG2)

4.2.2 As a reminder, the Home Upgrade Grant Phase 2 (HUG2) is a scheme primarily targeted at properties which are off gas for their heating source and are a low income (less than £31,000) or live in an Indices of Multiple Deprivation (IMD) decile area 1-3. Since the last update we have been successful in our tender process to procure a contractor and contract administrator to support the delivery of HUG 2; Next Energy Solutions Ltd. (Next). Next have been appointed as a turnkey contractor, and Poole Dick Associates as the Contract Administrator. Next have an excellent track record

of delivering funding in the private sector in the North West, having worked with Liverpool City Region on the first wave of HUG and a similar scheme known as the Local Authority Delivery programme (LAD), and with GMCA to deliver ECO (Energy Company Obligation, see below) for other LAs (Local Authorities) within GM. Poole Dick also have extensive experience of delivering large scale retrofit projects, and have staff who are PAS2035 qualified, providing additional layers of scrutiny on processes being followed. Contracts for both were entered in late November, and pre-Christmas progress was focused on getting processes in place and mobilisation of resident contact.

4.2.3 As the programme has moved from feasibility to mobilisation in the last 6 months, it has been identified that delivery on a national level has been much more challenging than initially anticipated, which has resulted in overall lower delivery performance than DESNZ had anticipated – from project commencement in April 2023 to December 2023, only 243 properties had been completed nationally [2]. Challenges are varied but key items include:

- Poor quality national data (e.g. out of date EPC data, estimates of off gas properties)
- Cost caps being too low for actual costs of measures.
- Classification of measures restricting delivery
- Challenges of gaining landlord sign up (landlords must make a one third contribution to works)
- Challenges of completing meaningful work in flats
- Delays with DESNZ's property approval process, including the systems used.

4.2.4 We have worked hard to get a positive start to the programme and commissioned Faithful and Gould in the Summer of 2023 to undertake analysis of multiple sources of publicly available data to create a "long list" of potentially eligible properties. This identified over 5,500 potential eligible properties, however many of these are flats and a strategic decision was made to focus on the houses in 23/24 to try maximise delivery due to the complexities of delivering works to single flats within a building (landlord financial contribution requirements, and complexities around freeholders and managing agents). Next have utilised this piece of work and feel they have already exhausted the house outputs within the first 3 months, but there are plans to undertake detailed analysis with them on this.

4.2.5 Despite, and in the context of, the challenges, progress to date in the first part of the year has been reasonably positive, and our strategy going forward will involve a targeted marketing approach alongside wider promotion as appropriate. Work is ongoing to undertake assessment and overlay more and newer information from multiple significant data sources including newly released information from DESNZ relating to super low output areas and percentage of properties likely not serviced by gas to identify high probability areas of eligibility. Close working is also underway with neighbourhood colleagues to support this, and support from third parties is also being progressed.

- 4.2.6 One significant asset that is also now available is access to DESNZ's own referral portal on their website which will only refer residents who have been pre-screened and confirmed as eligible for the programme following execution of the Memorandum of Understanding and the Data Sharing Agreement in January. Promotion of the portal will also be undertaken with the internal communication team as part of the wider discussions.
- 4.2.7 Due to DESNZ's management of the project as two separate financial years, delivery profiles have changed which means at present we have had to reduce our forecast delivery from 500 to 329. We remain optimistic of recovering delivery figures up to the 500 level, however nationally LA's and consortia are struggling to deliver the project under the cost and measure parameters of the scheme. In response to the challenges DESNZ have announced a number of changes to the delivery model for 24/25 as detailed below, but feedback from LAs across the country is that these don't go far enough to unlock the challenges of delivery.
- 4.2.8 Next are also working with Groundwork NW to support with resident engagement through door knocking and promotion of the scheme at events. Next have also procured the services of a number of lead generating companies to find suitable customers, however outcomes are currently limited.
- 4.2.9 Guidance from central government on how best to deliver in the difficult private rented and apartment sectors is limited, and work is ongoing to engage with other northern LAs with similar archetypes and tenures to share best practice. In addition, work is ongoing with neighbourhood colleagues to identify to street level houses with high likelihood of eligibility to focus promotional efforts.
- 4.2.10 As indicated above on a national basis delivery has been very slow due to challenges in the delivery model. As a result of these issues DESNZ have announced policy changes to try unlock some of the challenges and increase delivery numbers. These will come into effect from 2nd April 2024 and are summarised as follows:
- Household income threshold raised from £31k to £36k
 - High Heat Retention Storage heaters have been moved from a "Grade C" measure (of which only 10% of the programme can be delivered under) to a "Grade B" measure which has fewer restrictions. However, this is only for flats and not houses.
 - Modification of cost caps in relation to flats
 - Modification in calculation of buffers and tolerances to allow more flexibility in archetype and measure delivery.
 - NDA to be shared to provide VfM information from DESNZ to help with creation of property batches.
- 4.2.11 The following is a snapshot of delivery in Manchester details as of the end of January 2024:

Properties contacted (by letter)	1225
Properties passed eligibility checks and signed up	60
Properties with survey work ongoing	29
Properties fully surveyed with works package agreed, awaiting batch approval	5
Properties with work in progress	4
Properties with completed works	0

4.2.12 Energy Company Obligation 4 (ECO4)

4.2.13 ECO4, managed directly by GMCA, commenced delivery in June 2023, and Manchester has seen strong delivery in this calendar year. Eligibility criteria are wider than HUG2, with both on and off gas properties eligible. Our delivery contractor, Improveasy, work across Manchester, Stockport and Trafford and work is ongoing with Improveasy to ensure parity in attention and promotion provided in each LA. Due to initiatives in Stockport and Trafford (e.g. a flyer to promote the project will be included in this year's council tax letters), Improveasy are focussing efforts on Manchester to increase the scale of delivery.

4.2.14 Manchester and GMCA have been working with Improveasy on several initiatives to support promotion of the scheme more widely using targeted interventions with certain eligible groups:

- Together with colleagues in Children's and Education Services, Improveasy have been focusing promotion of the scheme in schools identified as the most deprived as free school meals is a key eligibility measure. Improveasy are also targeting their social value in these schools.
- It has been identified that residents eligible under health conditions have been struggling to get GP referrals, so Improveasy have appointed a locum GP to undertake this. This has resulted in a noticeable increase in delivery through this eligibility route.

4.2.15 Since scheme commencement we have received only one very recent complaint from 66 successful Flex installs (as of the end of January 2024). Improvements to the service have been identified and implemented immediately, and an informal working group with GMCA and all delivery partners is being established to make further improvements.

4.2.16 Great British Insulation Scheme (GBIS)

4.2.17 GBIS is also directly managed by GMCA as it is an arm of ECO4 funding. Since its launch in summer 2023 there has been a strong demand for accessing the programme however this has not translated into installations. This is due to several challenges which have made the project more difficult to mobilise than anticipated:

- Grant levels aren't sufficient for the biggest insulation measures such as external wall insulation, which means that residents are being asked to contribute.

- The scheme is being advertised by central government as being 100% funded, therefore a request for some financial input is being seen by some residents as being misled by the programme, causing drop outs. Even on the lower cost measures such as loft insulation, the grant levels are not attractive enough for installers who are prioritising ECO and other schemes which have higher levels of grant, therefore Improveasy had been struggling to bring on installers to work with them to undertake the works.

4.2.18 British Gas attended a GM retrofit group before Christmas on behalf of Ofgem who oversee the ECO programme to gather first hand feedback of why GBIS isn't taking off as central government expected, and this feedback was shared with them. Improveasy have also reported that they are working hard on this and are expecting to be able to deliver this programme from early Q1 24/25.

4.2.19 This table reflects delivery for ECO4, Eco Flex and GBIS from commencement in June 2023 to the end of January 2024 for Manchester. Unfortunately, it isn't possible at present to easily differentiate between the programmes in the data provided, but this is being worked on. Please note that most properties approved and awaiting works are for GBIS due to the reasons highlighted above. Further specific detail on the types of measures being installed can be provided on request.

Properties applied	270
Properties rejected/ineligible	30
Properties passed eligibility checks and signed up	203
Properties on hold pending more information	37
Properties approved awaiting works	111
Properties with completed works	94 (66 under Flex, 28 directly under ECO)
Total capital spend	£647,000
Total estimated carbon saving (tonnes)	279.51
Average annual bill saving	£549.59

4.2.20 Warm Homes Manchester

4.2.21 This project was being directly delivered by MCC. Unfortunately, however, since the last update to Scrutiny this scheme has been terminated and is no longer being delivered. The scheme experienced several challenges which cumulated in only 1 installation being completed. This included the delivery structure with the contractor and their subcontractor, and some legal matters as discussed below. The main challenge however was the contractor being unable to identify properties within Manchester that met the strict criteria of the funding programme with the datasets available to them. Many properties that fit into the eligibility criteria have however been and continue to be identified though the wider ECO programme directly, so residents in need are still being helped. Some properties are also being assisted through HUG2.

4.2.22 Another issue became apparent in this scheme which would have resulted in its pausing even if delivery had been good. The scheme was being delivered as part of the Flex element of the ECO programme, accessing funding from Affordable Warmth Solutions. MCC were permitted to undertake additional Flex programmes through the Statement of Intent (SOI) that is in place from GMCA on behalf of all LA members which could be relied upon. However, with the update of the SOI to include the GBIS scheme further legal advice was sought by GMCA, and it was determined that reliance for individual programmes was no longer permitted and as such, each LA would need its own SOI to progress independent schemes. As this is not in place, the scheme would have had to have been terminated anyway as we would no longer have had the reliance to approve applications through the Flex route.

4.2.23 It is intended that the Warm Homes Manchester brand will be retained for future programmes, and work is ongoing with legal colleagues to consider the creation of an MCC specific SOI.

4.2.24 Other Schemes – LEAD

4.2.25 Through GMCA, MCC have secured an element of funding for the LEAD (Local Energy Advice Demonstrator) programme. This is aimed at helping engage with the difficult to reach residents and difficult to treat homes, with the intention of identifying other routes to improve the property. This can be supported by a home visit from an “energy doctor” who reviews energy use and lifestyle to try to identify where changes can be made.

4.2.26 Groundwork NW are appointed to cover Manchester, and at present most of their work is focussed on face to face engaging with residents. It is intended that as the scheme ramps up further, those who apply for funding through GMCA’s eligibility checker, reach the end of the form and are found to not be eligible for anything grant funded will then also be referred to the scheme for further engagement.

4.2.27 Progress to date has been very successful, with just-in January 2024, within Manchester, 212 households having been reached by the service and Groundwork having hosted 10 events around the city to support this.

4.2.28 It should be noted that going forward, the name LEAD will no longer be used and will instead this scheme will be part of wider branding known as “Feel the Benefit”. More information on GMCA re-branding can be found in section 4.4.

4.3 Activity Targeted at Willing to Pay Households

4.3.1 Boiler Upgrade Scheme (BUS)

4.3.2 Since the last update the prime minister’s statement in October increased the level of grant from £5,000 to £7,500, making the affordability of accessing the scheme much greater, with residual costs after receiving the grant comparable to the cost of the installation of a new gas combi boiler. Indeed, Octopus who are working in partnership with GMCA to deliver a bespoke offer to GM

residents have seen so much uptake following the announcement that nationally they are fully booked with installs from January to June 2024. This is also due in part to the fact Octopus are also now offering their own in house ASHP product, which for a small property means that in theory with the BUS grant a resident could get an ASHP installed for free, alongside being offered preferential tariffs. We do not have any specific data for uptake within Manchester.

- 4.3.3 As Octopus are so successful in their delivery model GMCA are now shifting more of their focus to work with Daikin and enhance and promote that partnership. More information is awaited to determine how MCC can support with this promotion more widely.
- 4.3.4 GMCA also have a third partner to support BUS delivery which is Your Home Better. This however is suited more for residents who are seeking whole house upgrades rather than just replacing their boiler. Information on BUS and all three providers is also now included on the retrofit portal as an option when residents are found to be ineligible for grant funded programmes.
- 4.3.5 **Your Home Better (YHB)**
- 4.3.6 In the last reporting period, some of the challenges that had been seen with YHB are starting to be overcome. The project was suffering from several challenges, however in Q3 more resource was allocated to the project internally within GMCA along with additional direct recruitment to the programme which has meant that backlogs are largely cleared, ready for the next promotional activity for the scheme (see below). Data for 2023 and early January 24 shows a minimum of 140 out of a total of 616 enquiries for the services offered originating from Manchester postcodes (please note data is incomplete with nearly a third of all requests being classified as having an unknown locality, so this number could be greater), and 6 property installs complete.
- 4.3.7 This is a difficult area within retrofit as many who are able to pay and have an understanding of the benefits of retrofit may still not be willing to pay when it comes to sign up, with an inclination to spend their disposable income elsewhere. This can also be seen in the work Carbon Coop are undertaking on their neighbourhood programme (see section 5.3). It is hoped through greater promotion with the inclusion of the scheme in the re-brand of “Feel The Benefit” that more interest will be generated, however data shared does demonstrate that Manchester is the LA with greatest take up by residents of this programme.
- 4.3.8 Please note no data has been provided on how many residents have accessed their other services such as retrofit assessments and access to Manchester Credit Union loans, therefore uptake may be even greater than reported.

4.4 Activity Impacting All Residents

- 4.4.1 As highlighted in the introduction to this section, one way to assist promotion and support for the schemes has been GMCA developing and launching an eligibility checker portal in summer 2023, which has received incremental improvements throughout the year. Residents can access and input details relating to their home and financial status and will then be referred to the most appropriate scheme based on their responses. Details of all the available projects are detailed in this section, though please note that HUG2 is not presently included as a funding option in the portal as only MCC and Rochdale BC are running these programmes. Discussions are ongoing about the feasibility of inclusion.
- 4.4.2 As mentioned, GMCA are also just on the cusp of launching a new campaign known as “Feel the Benefit” (formal launch 4th March 2024), though this has been soft launched with LA’s who have promoted ECO through their council tax notifications through utilisation of the branding. The intention of this campaign is to promote all the various programmes being managed by GMCA under a single brand, including the promotion of their eligibility checker portal which has undergone additional updates to direct resident to other national programmes. Part of this re-branding includes the removal of LEAD as a standalone service, and instead will be shaped to be wrapped up as part of all the individual programmes to promote their uptake, and support residents who are not eligible.
- 4.4.3 GMCA commissioned Salford University to contact residents who accessed the YHB programme to understand the drivers for accessing the service and found that for the majority the main drivers were benefits for the individual such as reduction in energy bills or increase in property value rather than wanting to reduce carbon emissions. As such, the campaign is focused on resident benefits rather than a carbon reduction angle.

4.5 Private Rented Properties

- 4.5.1 The PRS market is covered by the majority of the above programmes (HUG2, ECO4, GBIS, LEAD) with varying degrees of landlord input and engagement required.
- 4.5.2 We are working with internal colleagues to try and identify areas where targeted marketing could be undertaken to increase uptake in HUG2 and ECO4. This includes working with the enforcement team to identify properties which meet minimum energy efficiency standards (MEES) but aren’t at an EPC C or above, and researching how to best reach student lets in HMO’s which are known to be a large proportion of properties in the southern part of Central and northern part of South Manchester and are challenging to identify through the usual data and intelligence routes. For example, initial work has begun on establishing DPIA (Data Protection Impact Assessment) consents in order to access council tax data to contact these properties as well as establishing contacts within Manchester University to access their landlord and managing agent networks.

5.0 Cross Tenure Approaches and Area Based Schemes

5.1 Leasehold Properties within Council Owned Estates

5.1.1 The position for leaseholders in our Council owned housing remains as described in previous reports. The details regarding the Single Settlement Funding as part of the GM devolution trailblazer and how this will be applied in relation to new funding is yet to be clarified. The likelihood is that the position will be similar to the current position for leaseholders, which is that there is limited funding in place and therefore likely that financial contributions will have to be made by them.

5.2 Other Leaseholders/Right to Buy Properties

5.2.1 The primary focus of work with Right To Buy homeowners is at the Grey Mare Lane development. The development is a mix of RP owned properties, and residents who acquired their properties historically through Right To Buy. The RP properties were able to benefit from home upgrade improvements as part of earlier phase of SHDF, but leaseholders were not eligible for the scheme, which has resulted in disparities. The team have worked closely with the architect who worked on the SHDF programme who has become specialist in the “Wimpey No Fines” construction method which make up the development. We have been discussing with DESNZ the possibility of firstly recognising an alternative method for assessing property performance (as the traditional model for creating EPCs doesn’t recognise the construction make up of no fines properties), and secondly an agreement that ECO4 funding through the Flex route can be utilised to help fund these works. Conversations have been positive, and at the point of writing are close to reaching a conclusion. It is hoped that this will then allow most leaseholders to access funding to complete external insulation works and contribute to the wider regeneration of the area.

5.2.2 Lease restrictions have been known for several years as a barrier to installs of new technology in properties, with solar panels in particular being of concern due to it being a significant change to the elevation, requires piercing of the building structure, and changes the power provision to the property. Since the last update initial scoping work was undertaken with GMCA and legal colleagues to determine if it was possible to provide an MCC blanket letter of release for all properties where MCC is the freeholder to potentially unlock a significant number of properties across the city. Our legal colleagues have determined that this isn’t feasible due to the need to review any specific clauses and requirements within each master lease, which is further complicated by the position of head leaseholders who have then created sub leases for each individual property. However, colleagues have advised that any request to provide consent that is received by MCC won’t be unreasonably withheld. GMCA are also investigating the blanket release position with other LA partners as well as any policy changes that could be implemented to support. An update is expected on this progress in due course.

5.3 Neighbourhood based approaches to Retrofit

5.3.1 The team's primary project to support neighbourhood based initiatives is the work being undertaken in Levenshulme in partnership with the Carbon Coop. This pilot scheme will make improvements to 6 privately owned properties (this was 7 but a property has dropped out due to financing concerns) and has a mix of residents receiving grant funding and residents who have accessed low interest loans in order to fund the works, dependent upon individual circumstances. The scheme has received planning permission, and the Carbon Coop are currently finalising sub-contracts with the residents and working with the contractor and MCC on H&S and welfare provisions. It is anticipated that works will commence from May 2024 and will be completed within a few months.

6.0 Research Projects

6.1 Several research projects are being managed and co-ordinated by the team. The learning from these research programmes will be invaluable in future programmes. The overall aims of these research projects are:

- To utilise digital technologies to enable effective delivery of large-scale retrofit.
- To understand the impact of energy efficiency improvements on the residents.
- To trial differing resident engagement options to have clear understanding which methods successfully engage residents in retrofit.
- To trial approaches to flexible energy tariffs for residents with low carbon technologies.

6.2 Social Housing Decarbonisation Fund (SHDF) Digitalisation

6.2.1 MCC received £50,000 towards 'Digitalisation' of retrofit. This will be match funded and used to monitor a sample of properties to be retrofitted as part of the programme. The monitoring will allow us to:

- Check the quality of the retrofit installations.
- Inform our asset management and repairs and maintenance strategies.
- Target energy advice to residents using the new systems.
- Identify asset risks, in particular properties at risk of damp and mould.
- Identify residents at risk of under and overheating.

6.2.2 MCC are using this funding to trial two different digitalisation systems, Knauf Energy Services and Switchee.

Knauf Energy Solutions (KES) (Newton Heath project)

6.2.3 The scope of works includes:

- Supply and installation of KES device and energy sensors in up to eight homes which will receive external wall insulation.
- Provision of two years of data and reporting on the outcomes of the monitoring.

- Working with KES MCC will measure the impact of External Wall Insulation in terms of resident comfort, the running cost of their home and risk of damp & mould.

Switchee (Boiler Replacement Project)

6.2.4 The scope of works includes:

- Supply and installation of Switchee devices, including a smart thermostat, heating control unit, and energy sensors in up to 100 homes which are part of the boiler replacement project.
- Provision of 3 years of software as a service (MCC access to dashboard showing real-time data of MCC properties)
- Resident Engagement is being coordinated to ensure resident buy-in and access to the properties. We are trialling a method of engagement as part of the research project entitled Retrometer (see below).

6.3 Retrometer

6.3.1 This is one of two research projects with Carbon Coop as the partner organisation. The scope of works include:

- Development and validation of delivery approaches.
- Devising engagement strategy for householders.
- Piloting of engagement approaches.
- Securing pre and post installation works data (will be provided by Switchee).
- Contractor engagement around scheme design and specification.

6.3.2 To minimise disruption to residents, the team negotiated a data sharing agreement between Carbon Coop and Switchee. This will enable Switchee to share their results of their monitoring and avoid the need for properties to have two sets of monitoring devices.

6.4 Socialising Flexibility

6.4.1 This research project is to review the financial benefits of energy flexibility such as variable pricing tariffs which have historically favoured higher income households rather than homes in fuel poverty.

6.4.2 With the Carbon Coop we will undertake engagement of up to 200 households with existing low carbon technology to trial the application of remote automation to assist the homes to benefit from supplier flexibility tariffs.

6.4.3 The project will inform the development of engagement material and activity to enable housing providers to support residents to engage in energy transition.

6.5 Other Projects

6.5.1 There are other research projects which are led by others in the Council, typically extending beyond housing, and within which the zero carbon housing team have an input. This includes work with 3ci (as a member of Core Cities),

which has recently included the submission of 2 case studies (Wythenshawe and Grey Mare Lane) to their most recent investment pipeline - presented at COP 28 [3] (see p28-32). We will continue to work with them into 2024.

- 6.5.2 Another 'innovation project' is the development of a Wythenshawe-based pipeline of projects – this is within a joint project with GMCA and Oldham - and is now going to be funded by DESNZ directly [4].

7.0 Resident Engagement

- 7.1 Engagement is a crucial element of housing retrofit and critical to obtaining resident buy in and in maximising outcomes from various opportunities. This relates to all tenures and in recognition of this, and the risks which are posed in terms of lack of delivery of our SHDF and broader retrofit investment programme in Council owned and managed housing, if resident engagement is not effective and robust.
- 7.2 We commissioned Forever Consulting in summer 2023 to create a retrofit engagement framework and tool kit. Consultation took place with many internal stakeholders to ensure that the final output would be suitable for future work managed by the Zero Carbon Housing Team and could be rolled out to other Directorates as necessary. This is in final draft stage and, together with an accompanying and developing tool kit, is being implemented as part of the SHDF programme as a key component of our engagement workstream. A co-ordinated, robust, and effectively resourced engagement strategy and plan is a central aspect of this workstream.

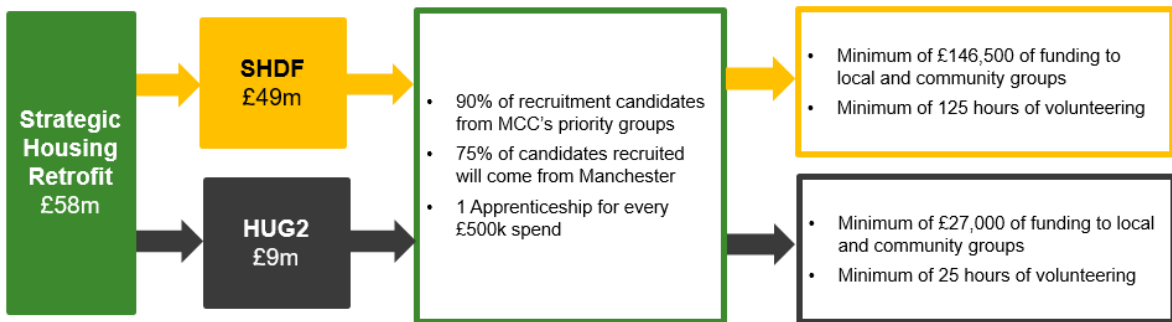
8.0 Work and Skills

8.1 Direct work

- 8.1.1 To support retrofit skills in Manchester, the Council's Work and Skills team have been embedded within the Liveable and Zero Carbon priorities in the refreshed [Work and Skills Strategy](#).
- 8.1.2 We continue to work closely with the Work and Skills team who are providing support for the development, delivery and reporting of social value on key funded Strategic Housing retrofit projects, including SHDF and HUG2

8.1.3 The Social Value outputs that will be delivered as a result of this funding include:

Overview of Programmes and Outputs:



8.2 Progress/outcomes with Zero Carbon Skills Group

8.2.1 An outcome of the skills group is to work with MMU [Greater Manchester Higher at The University of Manchester](#) network in 2024 to develop a schools outreach programme linked to the Green Economy, providing an opportunity to build on the MCC developed Every Job is a Green Job school resources to raise the ambitions of young people and increase awareness of higher education through providing impartial information, advice and guidance (IAG), alongside a menu of outreach activities.

8.3 Working with GMCA

8.3.1 We continue to work closely with GMCA providing support and promotion of commissioned activities to improve the provision of retrofit skills in Greater Manchester.

8.3.2 GMCA have provided below a summary of Work and Skills activity from the Retrofit Taskforce Performance Framework:

Number of MCS accredited installers registered (and active) in GM (running total)	45 (Q2 2023/24)
Number of construction workers upskilled (achievements)	1332 (Dec 2023)
Number of related Green Careers engagements	1078 (Dec 2023)

8.3.3 Through the ECO work with Improveasy, they are currently able to support 21 jobs as well as 1 apprentice to deliver the scheme. Please note however that these are shared with Stockport and Trafford, and individual delivery is not possible to determine.

8.3.4 Daikin have also provided free “train the trainer” workshops on how air source heat pumps work. 40 GMCA colleagues have signed up along with two colleagues in the Zero Carbon Housing team. Increased knowledge of ASHPs will assist with community engagement by allowing officers to provide simplified explanations of the technology to residents.

8.3.5 Despite the progress detailed above, skills challenges remain within the sector such as:

- Qualification structures are still not agile enough to deal with the pace of change.
- Traditional construction skills remain a challenge for the sector which is booming. Current Greater Manchester construction pipeline is estimated at £17bn.
- Retrofit Assessment not delivering at the scale required currently and remains a risk.

9.0 Funding

9.1 Just prior to December 2023, DESNZ announced a new package of £6billion to continue work on the path for the nation to be net zero by 2050. This included:

- £1.5billion to the Boiler Upgrade Scheme
- £400mil for a future energy efficiency grant scheme for households (direct to residents)
- £500mil for private sector funding to replace HUG2 and the LAD scheme, currently named LARS (Local Authority Retrofit Scheme) and £1.25billion for the next wave of SHDF
- £485mil to develop new heat networks and £45mil to improve existing heat networks.

9.2 In March 2023, a trailblazer devolution deal was agreed between the government and GMCA. This sets out a landmark new approach to devolution in England, devolving responsibility for a clear set of policies and functions to GMCA to support economic growth, alongside enhanced accountability with clear outcomes for delivery. This will be underpinned – from the next Spending Review – by a single funding settlement, to invest in local priorities.

9.3 This includes a pilot of net zero funding through allocation rather than competition in the period from 2025 onwards to GMCA for buildings' retrofit. GMCA's funding allocation will form part of its single department-style settlement. The agreement to pilot devolution of funding will be subject to legally binding conditions set by DESNZ, including agreeing outcomes and accountability frameworks so that the local and combined authorities involved demonstrate they are meeting the needs of the relevant schemes to the level required. These details are yet to be concluded. As a result, GMCA and its constituent LAs will not be eligible to bid for funding from competitive national energy efficiency retrofit schemes from which funding has been devolved to them.

9.4 It is expected that in practice, this will be the route through which the Council gets funding for housing retrofit across all tenures. The requirements for these funding pots are likely to reflect the national schemes (e.g. future SHDF and private sector schemes such as LARS) to some degree, but with added flexibility that we could expect from a trailblazer deal in terms of a secure longer

term fund (3 years likely), and more light touch administration by GMCA (than otherwise as part of the national schemes).

- 9.5 We are in continuous dialogue with GMCA as these details emerge. As indicated above, this includes specific and very helpful discussions relating to our challenges in delivering the current requirements of SHDF and the opportunity that this devolution funding offers us to deliver schemes from 2025 which could otherwise fall out of the SHDF programme otherwise.

10.0 Internal Staffing Resources

- 10.1 Since the last report, there has been significant movement within the Zero Carbon Housing team who lead this work, as follows:
- A former part time apprentice level team member was successful in securing a full time project officer level role funded in part through HUG2
 - A 2 year fixed contract project manager started in September 2023, to replace an existing vacant post - funded in part by SHDF.
 - A senior project manager left in October 2023. A replacement has been appointed but will not be in post until March Temporary cover has been provided since November 2023 through consultancy for 2 days per week to part fulfil this role.
 - More resources have been provided specifically for resident engagement – including 1 day per week being allocated for a colleague within the wider strategic housing team and one additional full time, fixed term engagement officer – funded by SHDF.
 - Capacity from within City Policy has been provided to support with reporting and monitoring across and funded by SHDF and HUG2.
- 10.2 Additionally, the staffing arrangements in relation to SHDF delivery has created some resourcing challenges. Whilst this programme is overseen by the zero carbon housing team, it is largely delivered by the Design and Delivery Team within Capital Programmes and this team has been subject to staffing changes, gaps, and other pressures. This is an improving situation, with a more settled position and additional resources being brought into the team in the next few weeks.
- 10.3 These significant staffing pressures, together with significant increased workloads, additional complexity, and challenge across all our work areas and the need to prioritise high profile and high impactful programmes, such as SHDF and HUG2, has impacted and compromised our progress in other areas.
- 10.4 From the start of financial year 24/25 the zero carbon housing team will be fully resourced as per the current team structure. Work is ongoing to determine if additional resource is required to support additional delivery and generally maximise potential in across the area of zero carbon housing.

11.0 Developing a Retrofit Plan

- 11.1 Work has commenced on the initial scoping of the document, with support from external consultants being provided until the end of March to develop the first stage of feasibility and data analysis. Funding for this work has come from the central zero carbon team which was identified from a staffing budget shortfall for the year. The ability to access this resource has allowed for a crucial piece of work in the creation of this to be mobilised within the context of constrained staffing with the Zero Carbon Housing team.
- 11.2 A member of the team has also attended a masterclass on housing retrofit strategy writing through the Social Housing Retrofit Accelerator programme to support this and be fully equipped to take the lead from the new financial year.
- 11.3 At present it is anticipated that an initial draft will be available in the second half of 24/25. A further update on revised timescales and when the plan will be presented for approval will be provided in the next update (September 2024).
- 11.4 This work will also aim to include the creation of a performance specification that can be utilised in future funding programmes and within central self-funded programmes.

12.0 Monitoring and Reporting

- 12.1 At present there are multiple sources of reporting both internally and externally with ownership held by different departments. Work is ongoing to understand these various routes with the aim to better coordinate and streamline their completion. This is being done in partnership with internal colleagues, as well as looking at best practice with GMCA. The creation of the retrofit plan will also help to support and shape this work.

13.0 Conclusions

- 13.1 This report focuses largely on progress which has been made across the housing retrofit over the last 6 months work since the last report to Scrutiny in September 2023. As described, as we have moved much more into mobilisation and delivery of some significant retrofit programmes in both Council and private sector housing, we have found that the anticipated challenges have in many respects become reality. This has impacted our delivery, especially the ability to meet very challenging delivery timescales imposed by funders. We have and continue to work through these challenges with a view to delivering to the maximum outcomes we can achieve in the circumstances. Our staffing pressures have also made an impact on our achievements. Alongside this, we have continued to develop and made really good progress in other areas e.g. the various research projects. We expect that challenges will continue as we continue delivery but can provide assurance that we are managing these challenges through for instance robust programme and risk management.

14.0 Equal Opportunities

- 14.1 Retrofitting the city's housing stock will ensure healthier, more comfortable homes for Manchester residents and result in improved health and wellbeing for the city's residents.
- 14.2 The consideration of vulnerable and low income households in the development of the plan will be key to ensuring just transition to zero carbon housing. This will be done through collaborative working with specialist teams within the wider council to understand specific challenges in each of the 32 wards and that a "one size fits all" approach for the city is not going to be possible.

15.0 Risk Management

- 15.1 Key risks for the development and delivery of the projects within the overall programme include, but are not limited to, the following:
- Availability of funding for the Council, RPs, and private sector property owners and renters, and competing priorities within this
 - Low buy-in for zero-carbon works by Manchester residents, including provision of access, challenges around language barriers and perceptions of projects being scams.
 - Refusal of work, particularly from council owned and managed properties, impacting on anticipated delivery programmes
 - Lack of skilled, PAS2035 qualified retrofit assessors, coordinators, and installers in the local area
 - Shortage of supply of required technologies such as air source heat pumps
 - Difficulties of engaging with certain stakeholders, such as private landlords
 - Technical challenges – complexity of work
 - Staffing resources
 - Timescales for delivery
 - Short-term funding and competitive bidding processes
- 15.2 As part of the individual project governance requirements, both the SHDF and HUG2 programmes have their own robust risk management framework – including risk registers detailing the specific challenges and risks to their delivery.

16.0 Legal Considerations

- 16.1 The following aspects to note have been reviewed with legal colleagues. We continue to work closely with the team on these matters and on any other legal issues that may arise during the course of the programme:
- The consideration of lease terms and conditions when planning zero-carbon works and the support offered to private homeowners within Council and RP-owned estates to ensure all necessary consents to the carrying out of the works are obtained and that the service and service charge arrangements in the lease terms cover the proposed works.

- Consent from existing mortgage lenders may be required to the carrying out of the works.
- Consideration should be given as to how the cost of the works will be secured in relation to privately owned properties and if it is by way of a legal charge, if there are any prior mortgages then these will take priority over the Council's charge and consent from the prior mortgagee will need to be obtained before the charge can be registered on the title. HUG2 does not permit charges to be placed on the title.
- The consideration of lease terms and conditions when planning zero carbon works within privately owned and privately rented properties outside social estates to ensure all necessary consents to the carrying out of the works are obtained.
- Restrictions from Freeholders and/or estate management companies within privately owned and privately rented properties outside social estates, particularly in regard to external communal areas.
- The Council's need to utilise existing agreements and enter into various new contracts and agreements, including procurement contracts for works and services, grant funding agreements, memorandums of understanding and/or collaboration agreements, with funders, contractors, recipients.
- Any variations required to any existing contractual arrangements (especially PFI contracts) to permit the works.
- Requirements to enter into Memoranda of Understanding and Data Sharing Agreements with DESNZ or any other funders and ensuring that Data Protection Information Agreements and other central service registers are adequately updated with up to date information.
- Subsidy control regime applicability and analysis, particularly regarding the receipt of public funding by the Council and its application on the above projects.

17.0 Recommendations

17.1 The Scrutiny Committee is asked to consider and comment on this report.

18.0 References

[1] Manchester Climate Change Partnership. Manchester Climate Change Framework (2020-25) – 2022 Update.

[2] [Summary of the Green Homes Grant Local Authority Delivery \(LAD\) and Home Upgrade Grant \(HUG\) statistics: January 2024 - GOV.UK \(www.gov.uk\)](https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/121442/summary-of-the-green-homes-grant-local-authority-delivery-lad-and-home-upgrade-grant-hug-statistics-january-2024.pdf)

[3] [3Ci-Net-Zero-Prospectus_VFinal.pdf](#)

[4] [Councils pilot net zero projects with £19 million government backing - GOV.UK \(www.gov.uk\)](https://www.gov.uk/government/news/councils-pilot-net-zero-projects-with-19-million-government-backing).