

15 NOVEMBER 2023

ROUNDTABLE DISCUSSION - PART 2



WALES OPTIMISED RETROFIT PROGRAMME

CONCLUSIONS FROM THE DISCUSSIONS

HOW CAN WE HELP BUILD A BETTER WALES



CHANGES OVER THE PAST 8 MONTHS

Following our recent articles on the consultation of WHQS 2023, Welsh Government has now released the full guidance for maintaining and improving social housing in Wales. This is welcomed news to the sector providing an updated Standard, replacing the original that was introduced in 2002 and then revised in 2008.

From reading the Standard it is really encouraging Welsh Government has listened to the feedback from the sector and has aligned it with the ORP strategy. Welsh Government has said that WHQS 2023 is a tenant focused Standard, designed to upgrade social homes in a way that contributes to positive health, education and wellbeing outcomes for tenants.

Here is a link to the new standard - [welsh-housing-quality-standard-2023.pdf \(gov.wales\)](#)

INTRODUCTION

Following on from our first ORP Roundtable earlier this year, CHIC hosted a second event to bring together Registered Social Landlords and supply chain partners, to consider how we can create effective delivery of the ORP in Wales in the context of WHQS 2023. We wanted to support our partners to ensure that they have the right tools and solutions in place, sharing their knowledge and experience.

ROUNDTABLE DISCUSSIONS

Our partners received presentations from:

- Mike Kelly from Evolve Home Energy Solutions, who discussed a case study with Melin Homes.
- Darren Phelan from The MSS Group, who shared the challenges experienced delivering Retrofit Assessments at scale.
- Andrew Partington from Netret Group, who spoke about skills, resources and how we can deliver for the long term.

Darren and Andrew also participated in a panel discussion along with Daniel Dunning from Welsh Government and Dusi Thomas from Bron Afon.

THE CONCLUSIONS

There were some key common themes emerging from the five roundtable discussions. In summary, these were:

- 1. Investment in data collation, analysis and modelling** is critical, to understand both the current energy performance of the housing stock and what needs to be done to 'optimise retrofit'.
- 2.** This needs to be informed by **accurate energy surveying**, creating detailed data that can be fully relied upon.
- 3.** Ideally, Welsh Government should be asked to provide **ORP grants** for the sector to survey, model and plan retrofit solutions over the next two and three years.
- 4.** This will take time to do accurately, as the resource pool to survey and interpret data/design solutions is limited – **quality outcomes are more important than speed.**
- 5. Retrofit investment plans** (and costings) need **to reflect** the timescale and challenges of both **pre-contract activities** and enabling work requirements.
- 6.** Retrofit plans need to be overlaid and then **integrate with existing (and updated) WHQS planned elemental programmes**, to maximise value for money, minimise resident disruption and smooth spend year to year.
- 7.** If the **retrofit planning** is completed at RSL level, it then needs **to be aggregated at sector level**, so Welsh Government can understand the medium to long term ORP demand.

8. With long term integrated investment plans RSLs' need **to procure medium to long term contracts**, both for outsourced consultancy support and for all contacted works.

9. Only then can consultants and contractors make the commitments they need to in order to **recruit and train** the required increased resource pool of talent, so those individuals can see longevity of opportunity for new jobs and careers.

10. The **programme demand** also needs to be **shared with supply chain partners**, particularly materials and technology suppliers, to ensure the capacity exists to support the level of retrofit that will be needed.

These conclusions are a strategic response to the sectors delivery of ORP in Wales. Through effective collaboration we can plan what we need to do and procure efficiently, avoiding the disruption caused by variable market demands and skills shortages.

CHIC can continue to support our members to deliver the ORP, particularly with planning, coordinating and monitoring the market demands on contractors, consultants and other supply chain partners. We will continue to host more stakeholder discussions, to support the collaborative response to ORP.

More detailed feedback from the roundtable discussions is set out below.

QUESTION 1

WHQS 2023, OPTIMISED RETROFIT, REPAIRS AND BUILDING SAFETY

Data Challenges and Skills Gap

- There is a need to make better use of the varied data that is available to understand asset performance, including socioeconomic factors.
- There is currently inefficiency in data usage within the sector and an identified skills gap for effective data analysis.
- RSLs' are making efforts to address this through coordinators and improved qualifications for surveyors.

Structural and Legislative Concerns

- Evaluation of RSLs' organisational structures and skill utilisation is needed.
- There is a lag in collaboration with data providers and adapting to new legislation and systems.
- Constraints in time and cost hinder quick adaptation and development of necessary skill sets.

Long-Term Funding and Data Capture

- There is a lack of confidence in funding longevity and stability.
- There is an inadequate focus on capturing diverse data due to resource and skill constraints.
- There are still challenges in conducting effective surveys, particularly archetypal surveys, and the need for a broad approach for all properties.



The data is there but we don't have the right skills to utilise it. We are getting data fatigue by chasing more and more but aren't effectively analysing it.

Dusi Thomas
Head of Asset Management at
Sustainability at Bron Afon

QUESTION 2

WHAT IS THE IMPACT OF WHQS ON FUTURE INVESTMENT CAPACITY AND ON ORP3?

Strategic Investment Alignment

- RSLs' need to ensure there are no conflicts in planned investments by aligning decarbonisation works with planned expenditure.
- All landlords need to give consideration to various factors beyond ORP work for future investment decisions.
- Potential conflicts may arise when altering programmes. To integrate decarbonisation and planned investment so value for money need to be carefully assessed, as emphasised by WHQS.

Challenges in Retrofit Execution

- There is uncertainty regarding the cost of planned investment and a suggestion to potentially move away from EPC towards SAP or in house knowledge on energy performance.
- There is a need for more up to date data as a starting point for effective decision making in retrofit programmes.
- RSLs' need to balance the improvement of lower performing properties with their overall programmes of works, to ensure that these lower performing properties are effectively improved/regenerated.

Operational and Coordination Challenges

- There is a 'market' lack of skills and knowledge to manage retrofit, with challenges in the supply chains awareness of what will be needed.
- There are concerns about the annual funding submission process and the need for a centralised dashboard for informed decision making.
- There are questions about the effectiveness of existing systems for data management and coordination, particularly in targeting multidisciplinary suppliers and assessors.



ORP Y3 2 is more flexible and prescriptive. It gives stability for forward programming and reflects that RSLs' are the ones who know their housing stock best.

Daniel Dunning

Financial Lead at
Welsh Government

QUESTION 3

HOW HAS THE ORP JOURNEY BEEN SO FAR?

Learning and Challenges in Retrofit Implementation

- Contractors initially had a slow start but are now gaining momentum.
- Early collaboration and bringing stakeholders together is effective strategies.
- There is an ongoing need for collaboration, resident engagement, shared learning and inclusion of social value.
- Challenges include pre-works issues, ad hoc problems with IES devices, and the necessity of funds for repairs and pre-works.

Defining Success and Key Success Factors

- Success is tied to collaboration at project inception, emphasising pre-works and data quality.
- Having good IES data is highly important, as is taking a fabric-first approach.
- There is currently no universal best practice; success is achieving the right outcomes for residents and reducing carbon emissions.
- Success will be dependant upon collaborative working, communication, and private sector involvement, with innovation seen as a positive action, including learning from failures.

Improvements and Challenges for Better Outcomes

- There is a need for accurate stock data for successful planning.
- We should be asking for 5 years indicative funding for effective ORP planning.
- This should help to address contractors' need for work continuity beyond 12-month contracts and assist in tackling short and long-term skills and resource gaps.
- Managing risks and uncertainties, emphasising the importance of proper initial surveys and planning.
- Mandating air testing and establishing a ventilation strategy.
- Addressing grid capacity issues and improving communications with Welsh Government.

Retrofit Investment Solutions and Considerations

- Success with solar and battery solutions, providing visible savings for residents.
- Some solutions, like heat pumps, require educating residents on optimal usage.
- There is still an importance of balancing measures for each home and experimenting with different solutions to determine the most effective ones.

QUESTION 4

SKILLS & RESOURCES – HOW CAN WE DELIVER FOR THE LONG TERM?

Skills and Recruitment challenges

- RSL teams face a skills gap, relying on contractors due to a lack of in house expertise.
- Recruitment struggles, especially in smaller teams, lead to training stock condition surveyors for various tasks.
- There is difficulty in complying with PAS 2030 due to the diverse house types in Wales, making standardisation unrealistic.

Funding and Contracting Issues

- Government's broad retrofit funding lacks specificity and imposes time constraints on delivery.
- There is demand for longer term contracts and funding models to facilitate effective recruitment and apprenticeships.
- Hidden costs such as access and material delivery are often overlooked, impacting budget considerations.

Infrastructure and Training Gaps

- There are challenges in software integration and data centralisation among RSLs', exacerbated by a saturated market with a variety of software solutions.
- There is a shortage in new recruits to the sector.
- There is recognition of the importance of ORP principles but acknowledgment that the infrastructure to deliver them is lacking.
- There are insufficient efforts to attract new workers to the construction sector, emphasising the need for educational initiatives to showcase viable career paths and dismiss misconceptions about pay levels.



QUESTION 5

HOW CAN WE INTEGRATE OUR SUPPLY CHAIN DEMAND, IF WE ALL WANT THE SAME MATERIALS?

Effective Utilisation of ORP Funding

- Propose using ORP funding for trial projects to provide valuable feedback to the Welsh Government on successful strategies.
- Acknowledge the slow start to the decarbonisation journey and highlight the advantages of trial projects.
- Emphasise the need for robust specifications and a clear understanding of project drivers by RSLs' to adequately prepare and train the supply chain.

Challenges and Budget Considerations

- Note the challenges in the slow start to the decarbonisation journey, particularly in surveys and enabling works being more expensive than the actual retrofit works.
- Highlight the importance of factoring surveying and enabling work costs into future budgets, with an estimated total retrofit cost of approximately £60k for a standard property.
- Anticipate an 18-24 month learning curve for RSLs' to understand material and labour requirements.

Strategic Collaboration and Supply Chain Management

- Explore potential joint ventures/consortia with the Welsh Government to survey properties and provide a comprehensive programme of works to housing providers.
- Stress the need for supply chain partners to have visibility of pipelines for effective labour and material mobilisation, encouraging apprenticeships and collaboration with colleges.
- Highlight the readiness of material supplies from merchants like Robert Price [JL1] and underscore the importance of collaboration and communication between material suppliers and supply chain contractors.
- Advocate for varied suppliers relevant to the project, including large contractors for end to end solutions and SMEs' with more control over material purchasing.
- Promote PAS2030 accreditation for SMEs' on Decarbonisation projects, addressing the slow uptake with foresight of pipelines and propose CHIC as an organisation to facilitate decarbonisation/retrofit programmes for Welsh RSLs' by expanding the supply chain and offering multiple routes to market.