



WALES OPTIMISED RETROFIT PROGRAMME

ROUNDTABLE DISCUSSIONS

Published by **Communities & Housing Investment Consortium**
March 2023



ORP - DELIVERING WARMER AND SAFER HOMES IN WALES

Communities and Housing Investment Consortium Ltd (CHIC) is a consortium of social landlords that procures frameworks and operates a dynamic purchasing system for asset management professional and development services. CHIC promotes and supports collaborative partnerships between its members and the wide range of supply chain partners which they access via CHIC.

The Welsh Government has made an ambitious commitment to reaching net zero carbon emissions for the public sector by 2030. The scale of retrofit required to existing homes is an enormous challenge, but it can provide for significant investment to the benefit of local communities.

Welsh Government is providing funding to Welsh social landlords through the Optimised Retrofit Programme (ORP). This draws from the principles set out in the “Better Homes, Better Wales, Better World” report.

CHIC thought it would be a good opportunity to host a roundtable event to bring together social landlords and supply chain partners, to consider how we can create effective delivery of the ORP, by ensuring that the sector has the right tools and solutions in place, with added social value.

The event was held on 23rd March 2023 and attended by 42 stakeholders. Updates on progress so far were provided by Chris Jofeh (Chair of Independent Implementation Group on the Decarbonisation of Existing Homes) and on behalf of Welsh Government. These provided an overview of the background to ORP, progress to date and the next steps for the sector.

View the presentation content on our website at <https://www.chicltd.co.uk/>

Stakeholders all then contributed to some vibrant roundtable discussions, centred around the topics below:

- ORP Investment Programme Planning
- ORP Project Delivery
- ORP Supply Chain Engagement
- ORP Programme Collaboration

A summary of the conclusions reached are set out in this document.



Q1 ORP Investment Programme Planning

How can we achieve optimum outputs (financial, qualitative and social) from ORP funded works?

What have we learned from early phase projects?

- We need to engage and educate tenants early to encourage buy in and an understanding of the ORP objectives and anticipated outcomes. This will help to reduce “no access” concerns.
- We need to establish “what does good look like?” both short term and long term.
- The need to embed Social Value considerations within contracts for local careers fares and training courses to attract the workforce for the future.
- The need to challenge Welsh Government on the need to survey all homes in detail and plan what investment is needed and justified.
- There is a need for closer collaboration between a wider set of stakeholders, sharing knowledge, resources, data and learning.

Do we really know enough about the energy performance of our homes?

- Energy Performance Information is rarely as good as it could be, based on EPCs'.
- Accurate data capture can be an issue, with limited resources available for energy assessments.
- Properties that don't become void rarely have an EPC assessment so many homes are missing this data.
- Programme planning may be inaccurate if it is based on weak data.

Do we know what are the best retrofit investment solutions? Will they make our customers homes warmer and cheaper to run?

- There is still disagreement about the effectiveness of retrofit innovations, with not enough testing and case studies or competitive analysis of the options. So it is difficult to know what the best retrofit solution is both technically and for residents (running costs).
- More trial and error reports need to be published to prevent repeat failures. Smaller housing providers do not have the financial capacity to afford to make investment mistakes.
- The moving pace of innovation and technology means there is much to keep up with in determining the best retrofit solution.
- Resident engagement and feedback should be welcomed and reported at all stages, so we can learn from this as a sector.

How do we integrate retrofit investment into Strategic Asset Management Planning?

- There is a need to share and analyse more data across the sector. Many RSLs' have comprehensive data that it would be useful to model, compare and contrast across the sector.
- True asset performance needs to be better understood and VFM tested, to avoid the wrong investment.
- ORP related works for retrofit must be integrated within routine, long term investment programmes to maximise efficiency and avoid waste.
- These integrated programmes will determine the procurement strategy and skills required.



Q2 ORP Project Delivery

How can we ensure that we deliver retrofit works efficiently and effectively?

How do we design, specify and procure the work we need to be done?

- We need to develop a routemap for the decarbonisation of homes.
- More time is needed in the ORP process to develop the business case. Currently it is a complicated process with tight deadlines for spend data.
- The process feels like a tick box exercise with no learning on what is working well and what is not working well.
- We need to ensure that such work is part of the key targets in both the business and strategic plans for housing provider's so it is clear and fully supported by Boards and executive management teams.

How can we use our ORP investment to grow local economies and businesses?

- Commitment is needed from the supply chain to invest in local economies where we need visibility about the forward order book.
- Only effective programme planning and collaboration will achieve this.
- By understanding local demand and supply, we can identify where there are resource and skills short falls and encourage insight.

How will we measure success – both during the works and after completion?

- Having clear guidelines and consistent measures, led and monitored by Welsh Government.
- Reporting compliance with Welsh Housing Quality Standards.
- Collating feedback on the design, supply, installation and maintenance, including resident feedback (and lower resident heating costs).
- Measuring confidence in the sector from different stakeholders will give different perspectives on what that success looks like.

How will we measure success – both during the works and after completion?

- Funding/employing a dedicated Tenant Liaison Officer who engages with local communities and residents ahead of any works taking place and continues to do so until after the works have been completed.
- Enabling resident engagement and education, providing residents with the knowledge to understand and be involved, making them feel their views are important and being listened to.
- Working in collaboration with TPAS to offer webinars and information on understanding what retrofit is all about.



Q3 ORP Supply Chain Engagement

How can we make sure our supply chain is ready and has capacity?

Does the supply chain have the skills and capacity to meet the demands we will be asking of it?

- The supply chain needs to see the future pipeline of works and services to enable them to develop the skills and capacity to deliver.
- The supply chain needs longevity in contracts supported by committed funding. They need a decent timescale to tender for works and ensure they have the right resources to deliver.
- Involving the supply chain in wider Optimised Retrofit collaboration means they are part of the discussion, understand what is happening to enable them to develop the skills and capacity needed in the right areas.

How can we support and develop the Welsh supply chain, in particular SMEs' and Micro businesses?

- Develop an information sharing tool to give better transparency of projects and apprenticeship opportunities, all in one place, to learn from others. There could be recruitment opportunities to advertise to residents.
- Currently many SMEs' don't engage with DPS / Frameworks because of too much competition. Wales has a tight knit marketplace and good relationships is how most find out about work. More support and guidance could encourage SMEs' to engage in DPS / Frameworks.

- Recognition of the skills gap. There are great programmes out there to support SMEs' however some contractors feel there isn't enough support to utilise this. There is also a need for the direct labour teams of social landlords to be upskilled.

Are the materials available at the scale we need – and, if not, how can we manage demand?

- Whilst there have been some supply chain issues it hasn't been a major problem so far. However, as the works scale up it could become a big issue, especially with market uncertainty and dependence on manufacturing abroad.
- Many material prices have continued to rise since COVID, but the main issue is shipping costs. Too much volatility and prices never come down, just plateau.
- Innovation and product development will create new/different products and materials, so keeping up to date with this is essential, together with the skills needed to install and maintain these.



Q4

ORP Programme Collaboration

How should we be working together to measure success?

There was great sector collaboration initially – how do we keep this going?

- Social landlords do talk to each other informally and some do collaborate on specific projects, but there is limited structured, ongoing collaboration.
- Face to face events like this give the opportunity for a range of stakeholders to get together and share their learning and experiences. It could also give rise to collaboration groups focusing on specific topics and feeding back progress.
- We need to include everyone in the sector, as each stakeholder has a different but valid contribution to make that will ultimately enhance the delivery of ORP planning and delivery.

How should we be capturing and sharing our learning, experiences, case studies and data?

- The Net Zero Hub will collate and disseminate good practice, case studies etc. but it has yet to be formally launched with all the details.
- There is a stigma to sharing / publishing failures, but this is a great opportunity to learn from others and not repeat mistakes. We need to find a way of changing perceptions and seeing this as a positive learning opportunity.
- Having face to face events that showcase projects, case studies and learning are a great way to engage and learn from each other.

What measures should we consider for long term success?

- We need to consider what key long term success measures look like and what they focus on, as this will drive what we do now.
- Measures should include qualitative and quantitative data across a range of areas to be agreed by the sector.
- We need to share feedback from residents on properties that have been retrofitted, not just at the time of the works but also later (e.g. 1 year on) to see if they have made a lasting difference to the residents.



A few words from the Chief Executive John Fisher, CHIC

There were some healthy and positive discussions and strong agreement as to key themes, both across each table and between all attendees.

The key conclusions were:

- ORP has helpfully provided funding to retrofit homes in Wales, but it is still early days. We need to collaborate to learn and share what we know.
- We need more case studies, data sharing, energy assessments, test data and cross organisation analysis, to inform best practices.
- The ORP process itself drives the need to spend grants on works by a deadline, stifling the opportunity to investigate, assess and plan to 'optimise' retrofit investment. Change the process to allow for more planning, more learning and for works to be detailed at an appropriate pace.
- We shouldn't be afraid to try new approaches and technologies and to fail. But we must learn from what we do (right and wrong) across the sector, recognising larger RSLs' might need to support smaller.
- Our sophistication of understanding about overall asset performance needs to develop, within and across RSLs'. We should be certain that where investing we reduce the carbon footprint and the residents heating costs, and shouldn't be investing in homes where more comprehensive regeneration is required.
- There is a plea from Welsh Government that RSLs' will need to help deliver retrofit for private housing – learning and collaboration needs to be community wide.
- We also need to work closely with residents and resident representatives, to inform and educate about the benefits of retrofit – i.e less carbon and lower costs.
- Given the scale of the challenge across Wales, for both social housing and the private sector, we need a more strategic approach. We need long term investment projections nationally, regionally and locally, so we know where the supply chain and skills shortages will be and so we can target investment, recruitment and training where needed.

So what next

There was a definite enthusiasm to meet again, recognising the value of meeting, learning and sharing. Next time, to hear about some case studies, lessons learned and works in progress seems a sensible focus, with some product demonstrations / stands. At a more strategic level perhaps the need to consider how strategic asset performance can be tested and understood at scale. CHIC will therefore aim to rerun these events every 4-6 months, to keep the collaborative discussions very much live.

For more information, please contact:
Jackie Leonard (jleonard@chicltd.co.uk)
Katie Carey (kcarey@chicltd.co.uk)