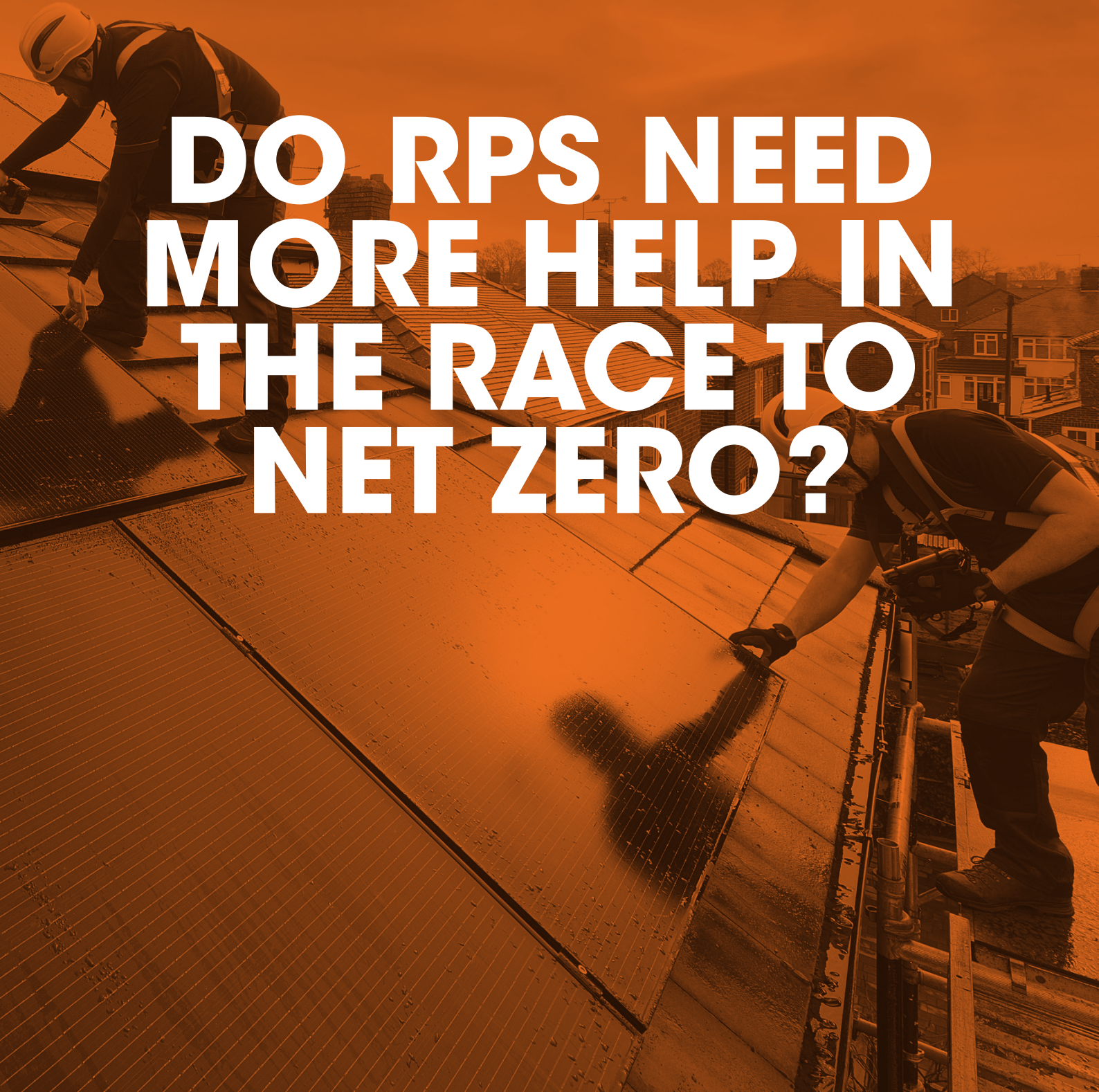




DO RPS NEED MORE HELP IN THE RACE TO NET ZERO?



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A survey by Inside Housing, in association with insurance provider LABC Warranty, looked to find out what support social landlords need to deliver their strategies

If the UK government is to meet its net zero target by 2050, social landlords will have to make a significant contribution. Overall, around 40% of global carbon emissions are linked to the built environment, whether through the operation of buildings or their construction, according to Climate Group.

As part of an effort to reduce these emissions, the government has set a target for social landlords in England to have all their stock rated Energy Performance Certificate (EPC) Band C or better by 2030. Getting to net zero by 2050 will require another push beyond this target, but that path has not yet been defined in UK policy. But with providers facing so many competing financial pressures, this target is likely to be challenging. Many social landlords have a variety of stock of different ages and types, some of which will be harder to retrofit to this standard than others.

So how are housing associations feeling about their capacity to meet net zero targets? And what kind of support do they believe they need?

A new survey by Inside Housing, in partnership with insurance provider LABC Warranty, has found that a significant minority of landlords are concerned they will not meet the 2030 EPC target and are calling for the government to do more.

How realistic is the EPC target?

The survey found that 29% of providers are “doubtful” they will get all their properties to EPC Band C within the next seven years. Of this proportion, 9% said they were “very

doubtful” they would meet the target. While nearly half (48%) were confident they could meet the target, this shows a worryingly large proportion who are unsure.

One respondent said: “Financing and a skills shortage is the biggest hurdle.” Others have suggested that getting residents to agree to upgrades is also a problem. “We have the plan and funding, but not all residents will agree,” said one respondent.

The government is providing a significant amount of money to help the sector make homes more energy efficient. The £3.8bn Social Housing Decarbonisation Fund (SHDF) was launched in 2021 and, so far, nearly £1bn has been allocated across two tranches.

But, perhaps unsurprisingly, 43% of those responding to our survey wanted to see the government increase that £3.8bn figure. And while there is an array of technologies available to cut the amount of carbon in homes, there is still wariness about which technology organisations should be investing in.

As a result, nearly a fifth of respondents (17%) said they wanted to see clearer guidance on the best type of technologies to use. A further 16% said subsidies should be offered on some technologies.

In terms of obstacles, the biggest is getting extra funding from the government, according to 75% of respondents. Meanwhile, 72% said the price of tech was a major issue, and a lack of expertise/knowledge/confidence in new systems was cited by 65%.

43%

Respondents who wanted to see an increase in SHDF cash

26%

Proportion expecting to adopt hydrogen systems in next five years

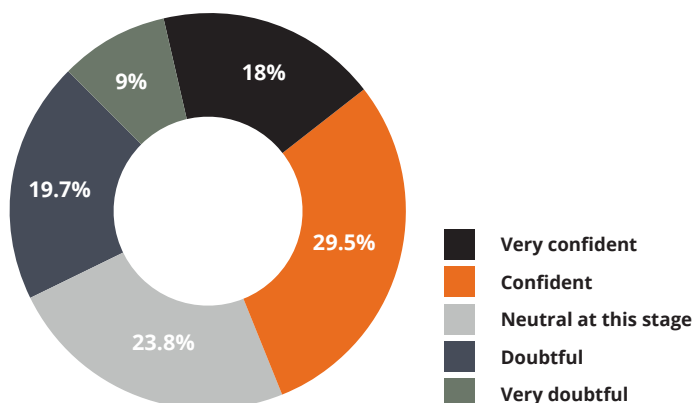
70%

Respondents who are using solar PV panels on properties

35%

Respondents who use external consultants for support around net zero

How confident are you that your organisation will meet the government's target of having all your stock at minimum EPC Band C by 2030?



Source: Inside Housing/LABC Warranty survey. Figures rounded
Responses to survey: 122

Of the technologies currently being used, solar panels and air source heat pumps are the most prevalent, with 70% saying they are using solar PV panels on their properties, while 62% said air source pumps are being utilised. Around a quarter are also employing ground source heat pumps and solar thermal panels.

Nearly four out of 10 respondents said they were using heat networks, or district heating. This type of heating is particularly suited to blocks of flats, hence the high percentage of social landlords using these systems.

Heat networks are seen as part of the solution to cutting emissions and the government has a target for these systems to supply around a fifth of heat by 2050.

New tech being considered

However, the survey threw up some interesting results around the technologies landlords think they will start adopting, which they are not currently using. Just over a quarter (26%) said they expected to adopt hydrogen systems in the next five years.

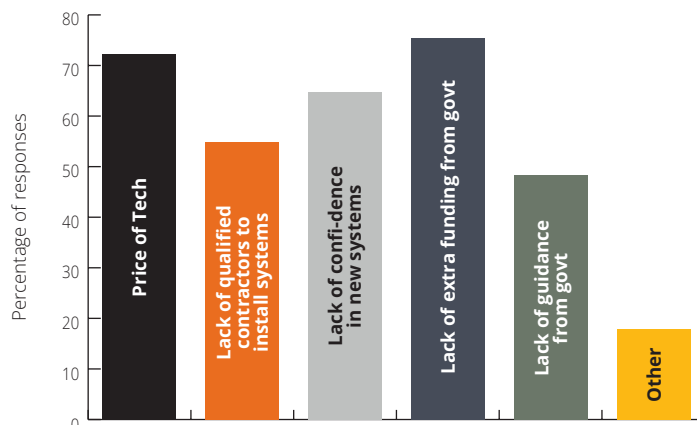
More than half of landlords think that working with a warranty provider would help them reach their net zero targets, the survey found, by advising on building processes, materials and workmanship that is of standard. When procuring a warranty provider to carry out an inspection and to provide a warranty on a new building, nearly a third said the reliability of a provider and insurer rating were the biggest concerns beyond price.

Meanwhile, when it comes to getting support and learnings around net zero, over a third (35%) of respondents said they use external consultants, while a quarter said they rely on in-house experts.

Modular building

In the race to net zero and the wider sustainable homes agenda, modern methods of construction (MMC) has long been heralded as a key element.

What are the biggest obstacles to reaching your net zero targets (tick all that apply)?



Source: Inside Housing/LABC Warranty survey
Responses to survey: 122

However, high-profile problems in the modular space – with Ilke Homes going into administration and Legal & General halting production at its factory – have put a question mark against this approach. And category 1 (volumetric) and category 2 (2D panelised and framing systems) MMC is still failing to achieve cut-through, based on the results of the survey. A total of 43% said they were not using these types of systems to build homes currently. Some are using these systems, but 29% of respondents said they were using category 1 or category 2 on less than a quarter of new homes.

Cost was cited as the biggest barrier when it comes to MMC, with 45% giving that as a reason not to use these methods. Three out of 10 said they were concerned by a “lack of long-term data on MMC”, while 27% pointed to a lack of integrated supply chains as a reason for not pursuing this approach. Concerns over quality and safety were also raised.

Some also feel there should be more cross-party political consensus on the issue of net zero. “Energy policy is too important to be a political football,” says Simeon Parker, a project manager at Manchester-based housing association Southway Housing. “There needs to be a long-term commitment and policy from all parties and government that is nationally adopted and free from political bias and interference, so decisions can be made safe in the knowledge they won’t be changed as a new political party is put in control.”

Overall, Andrew Fox, head of innovations at LABC Warranty, says the results underlined the difficulties faced by housing providers in meeting energy efficiency and net zero targets.

“While we can see an increase in the use of category 2 products, we know how challenging it can be to incorporate low-carbon, energy-efficient systems in new home construction,” he said.

“Design-stage engagement with technical advisors, including our own in-house experts, will support housing providers’ desire to be standard-bearers for low or zero-carbon construction.”

