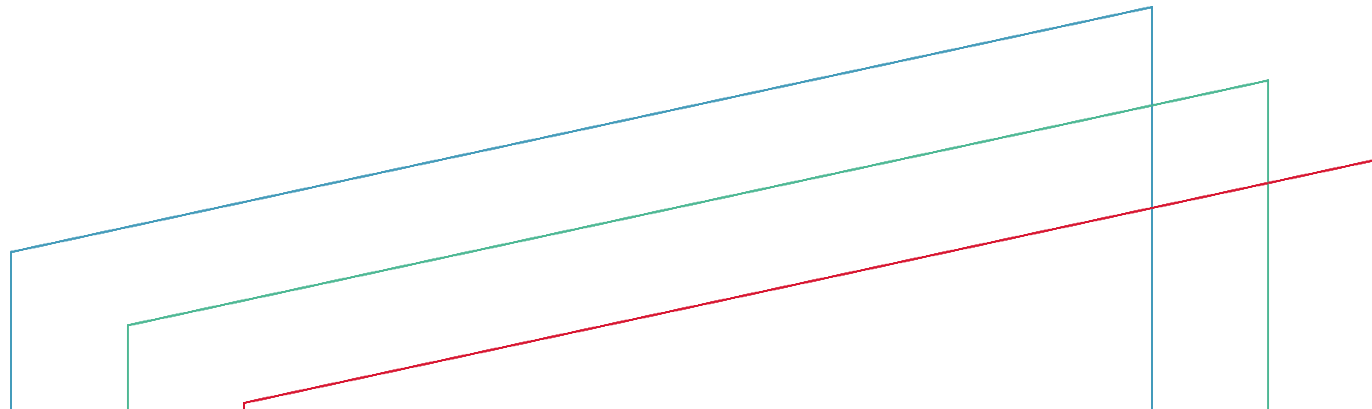




Hampshire
County Council

A GREEN ECONOMIC RECOVERY FOR HAMPSHIRE

02.02.2021



AGENDA

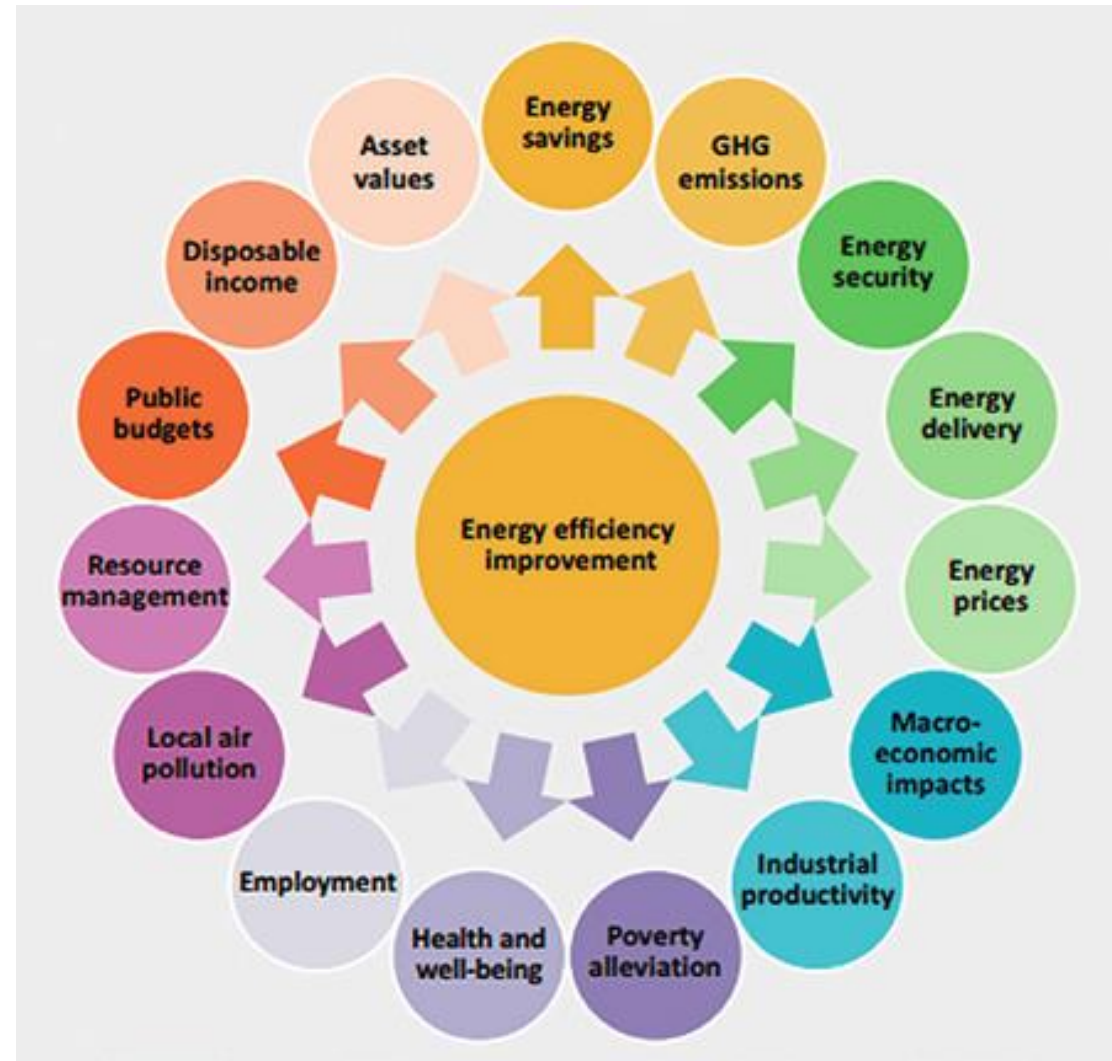
- Scope of work
- The benefits of retrofit
- The scale of the investment
- Overview of recommendations (& discussion)
 - Financing the investment needed
 - Tackling skills deficits in low energy construction
- Questions

SCOPE

- A green economic recovery in Hampshire that:
 - Improves living standards rather than simply targeting GVA growth.
 - Supports the creation of good, secure jobs.
 - Reduces greenhouse gas emissions in the County.

- Our recommendations and analysis focus on two key areas:
 1. **financing** the investment needed to tackle emissions, housing deprivation and fuel poverty,
 2. and tackling **skills** deficits in low energy construction.

THE BENEFITS OF RETROFIT



Source: International Energy Agency

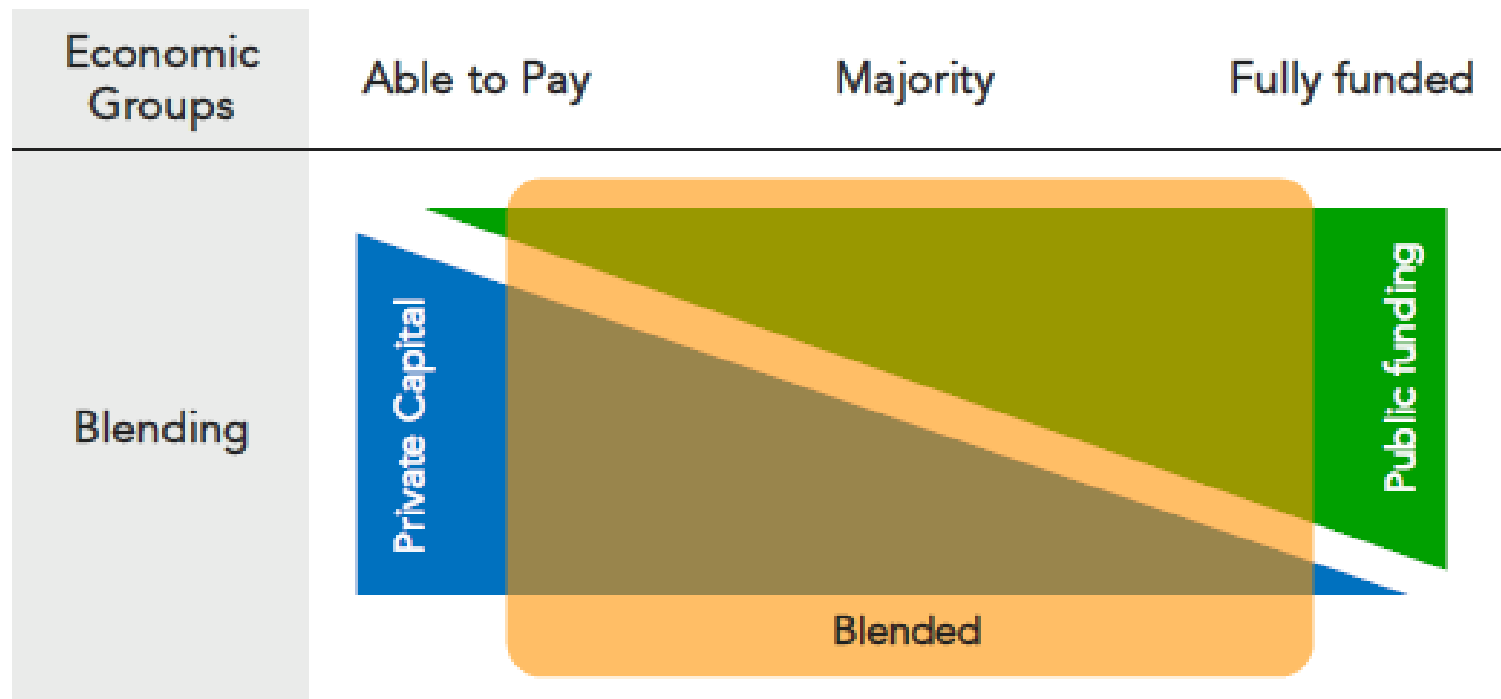
THE SCALE OF INVESTMENT NEEDED

Total investment in Hampshire and number of measures, by type of measure

	Without disruptive measures	With disruptive measures
Total cost (labour and materials)	£16.1 billion	£29.0 billion
Median average cost per residential property affected	£19,700	£36,400
Mean tonnes of CO ₂ per property after investment	0.12 tonnes	0.009 tonnes
Average FTE jobs per year (2022 – 2050)	2,220	6,170

Source: Parity Projects

FINANCE FOR HOUSING RETROFIT - CONTEXT



FINANCE FOR HOUSING RETROFIT – RECOMMENDATIONS

- 1) **Assess the investment needed** to decarbonise Hampshire’s housing stock
 - Must also assess the income profile and tenure of property owners , and should include appropriate financing options
 - Outlines potential bill savings associated with decarbonising each property
- 2) **Bring stakeholders together** to recognise the co-benefits of housing retrofit, use this to **pool relevant budgets**, and **develop & deliver a retrofit strategy**
- 3) **Establish a council-operated ‘one-stop shop’** for housing retrofit of privately owned housing, as a key element of Hampshire’s retrofit strategy
 - At a minimum, the one-stop shop should provide a central point of information for residents interested in retrofit

FINANCE FOR HOUSING RETROFIT – RECOMMENDATIONS

Business model	Practical example of what the one-stop-shop offers to homeowners
1. Facilitation model	Advice on how to renovate a house and list of suppliers.
2. Coordination model	Advice on how to renovate a house and pushes suppliers to comply with promises. Suppliers remain responsible for the final result.
3. All-inclusive model	One-stop-shop is a contractor that sells the whole service package and is the main contact point if things go wrong.

FINANCE FOR HOUSING RETROFIT – RECOMMENDATIONS

- 4) **Build national consensus** for the requirement of ambitious and stable policy and funding from central government

- 5) **Support the development of finance for council-owned housing stock** through the **issuance of a Local Climate Bond**
 - Case studies for use of LCBs - West Berkshire Council & Warrington Council (both £1m)

- 6) **Drive forward progress on retrofit in council-housing** and the **'able to pay'** market segments
 - Case studies – Optimised Retrofit Programme (Wales) and the Energiesprong Initiative (Nottingham)

SKILLS FOR LOW ENERGY CONSTRUCTION - CONTEXT

- Sufficient supply of skills & workforce for low energy construction activities is critical to retrofit
- At a national level, UK heat pump installations are likely to expand from 26,000 in 2019 to **over 400,000 in 2025**.
- 4% of Hampshire's workforce is currently employed in activities related to construction, but **20-25%** of the UK's construction workforce is expected to reach retirement within the next decade

SKILLS FOR LOW ENERGY CONSTRUCTION - RECOMMENDATIONS

7) **Map the local low energy construction skills and supply chain**

Assess relevant low energy construction skills in Hampshire, the energy efficiency services, and their capacity

8) **Map the demand for labour for retrofit against supply, and identify shortages**

The council can take a strategic oversight role through the one-stop shop, to match demand to supply

9) **Develop a net zero construction skills strategy** to address current skills gaps and achieve wider objectives in Low Energy Construction

SKILLS FOR LOW ENERGY CONSTRUCTION - RECOMMENDATIONS

10) Work with lower-tier authorities to utilise planning powers more ambitiously, to support a net zero construction skills strategy

- Employment and Skills Plans, energy efficiency standards, and Section 106 agreements
- Examples of Southampton City Council and the Greater London Authority utilising powers to set higher energy efficiency standards for new developments

11) Utilise procurement powers to support a net zero construction skills strategy

SKILLS FOR LOW ENERGY CONSTRUCTION - RECOMMENDATIONS

- 12) Pursue the devolution of the Adult Education Budget**, so that skills pipeline can be appropriately planned for
 - Engage with the government to pursue this devolution, enabling Hampshire to use funding to more strategically steer the shape of training provided, to meet local need

- 13) Utilise council-led projects** to develop the skills needed for low energy construction in Hampshire
 - Example of the Manydown development, over 5000 homes being developed on council-owned land

- 14) Explore alternative building control function arrangements**, to mitigate skewed incentives



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Comments & Questions

