

Housing, Homelessness and Fair Work Committee

10.00am, Tuesday, 3 October 2023

Retrofitting Strategy – response to motion by Councillor Watt

Executive/routine
Wards

Executive
All

1. Recommendations

- 1.1 Housing, Homelessness and Fair Work Committee is asked to:
 - 1.1.1 Note this report on the Council's retrofitting strategy; and
 - 1.1.2 Agree to discharge the action agreed at Finance and Resources Committee on [10 March 2023](#); and
 - 1.1.3 Note that Finance and Resources Committee will be updated via Business Bulletin.

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Retrofitting Strategy – response to motion by Councillor Watt

2. Executive Summary

- 2.1 This report sets out the role of in-house workforce and contractors in delivery of Whole House Retrofit (WHR) including consideration of investing and upskilling of the Council's workforce and the apprenticeship programme. There are no direct financial implications arising from this report but the financial implications and funding strategy for WHR is set out in the Financial Impact section of the report.
- 2.2 Committee is asked to agree to discharge the Motion agreed at Finance and Resources Committee on [10 March 2023](#) to a prepare a report on the approach to retrofitting and carrying out major improvement works. An update will be provided to Finance and Resources Committee via the Business Bulletin.

3. Background

- 3.1 On 10 March 2023, Finance and Resources Committee [agreed](#) additional funding for consultancy services to enable a whole house retrofit (WHR) solution to be developed for four high rise blocks in the city. The Committee also agreed a separate adjusted motion by Councillor Watt titled Retrofitting Strategy. This report responds to the actions agreed on this motion.

4. Main report

- 4.1 A separate report on the Council's WHR programme is included on the agenda.
- Investing and Upskilling of the Council's Workforce**
- 4.2 A capital programme team is responsible for planning investment in Council homes, specifying works, procuring consultants and contractors, and managing projects through to completion. Planned programmes of works (that form part of the five-year Housing Revenue Account (HRA) Capital Programme) include external fabric improvements to low rise and high-rise stock, the WHR programme, health and safety and lifecycle renewals, adaptations and estate improvement projects. The team is comprised of officers with a mix of technical skills, professional

qualifications, and expertise (including building surveyors, quantity surveyors, project managers, case officers and tenant liaison officers).

- 4.3 However, there have been significant difficulties in recruiting to building surveyor and quantity surveyor positions, with five separate recruitment exercises between 2021 and 2023 securing only one building surveyor and no quantity surveyors. A [report](#) to Finance and Resources Committee in June 2023 highlighted the Council wide challenge of recruiting to technical roles in a buoyant employment market. A People Strategy and Strategic Workforce Plan is being developed to support recruitment, retention and development of staff. The service will be working with colleagues in Human Resources to support the development of this strategy. An adequately resourced and suitably qualified in-house capital programme team will be required to support the delivery of an expanded capital programme regardless of whether construction works to homes are carried out in-house or by external contractors.
- 4.4 Delivery of WHR is markedly different to delivery of specific work contracts (such as component replacements or external fabric works to blocks). To deliver a WHR programme is both resource intensive and specialised, requiring both a Principal Designer and Contractor. These roles are responsible as follows:
- 4.4.1 Principal Designer - manage the specialised design team (which includes structural, mechanical, electrical and fire engineers, architects, cost consultants and a health and safety manager).
- 4.4.2 Principal Contractor – leading on planning, managing and monitoring the works and co-ordinating health and safety during the pre-construction phase and ensuring that they have the requisite pool of labour to include trades such as, joiners, roofers, external wall insulation (EWI) borderers, decorators, scaffolders and engineers. The Principal Contractor is also required to ensure that they can source the materials from relevant manufacturers; along with insurances, warranties and guarantees for the materials and systems they will be installing. Finally, the Principal Contractor is also responsible for ensuring that staff are suitably qualified with the right accreditations to install particular systems from manufacturers.
- 4.5 The Council’s approach to delivery of WHR is to look at the building holistically and deliver an integrated programme of works that will improve the fabric of the building; reducing energy demand and renewing components that are “at” or “close to” end of life. A first phase or pilot of WHR to Council homes; encompassing eight homes in the South East area of the city, is at an advanced stage of design/development and expected to start on site in September 2023. On completion of the first phase, a “lessons learned” exercise will be carried out to inform and update the city-wide retrofitting strategy for Council homes. The review will consider the works required to deliver net zero carbon and compliance with the Energy Efficiency Standard for Social Housing 2 (ESSH2), tenants experience, impact on fuel poverty, financial implications and the potential for the in-house workforce to support the delivery of the future programme. Progress with delivery of the first phase of WHR is discussed

regularly at meetings with the Trade Unions and two workshop sessions have taken place to share knowledge on development of retrofitting strategy.

- 4.6 Training courses for WHR are at an early stage in development and are limited, however, there are training opportunities for staff to undertake, including AIM Level 2 in Understanding Domestic Retrofit, Level 3 in Domestic Retrofit Advice and Level 5 Diploma in Retrofit Co-ordination and Risk Management. These courses are provided by the Retrofit Academy and funding can be sourced from Government. There are currently two members of the Capital Team undertaking this training with a view to rolling this out further.
- 4.7 The Council's in-house operational workforce is currently fully deployed on carrying out responsive repairs and repairs to empty homes. Housing Operations has conducted several recruitment exercises for craft operatives since the end of the pandemic, to recruit electricians, gas engineers, joiners, plumbers, glaziers, painters and decorators, plasterers, slaters and tilers. This recruitment is essential to deliver responsive repairs, improved performance in relation to empty homes and to begin bringing work in-house that is currently carried out by subcontractors. A separate report to this Committee provides information on a benchmarking exercise on terms and conditions for craft operatives.

Progressive Apprenticeship Programme

- 4.10 A close working partnership is already in place with Edinburgh Guarantee and Heriot Watt University to promote opportunities within the Council's housing teams for craft and graduate apprentices. Opportunities are provided for craft apprenticeships in a variety of trades as well as graduate apprenticeships in surveying where the successful applicants will work towards graduating with a BSc in Construction and the Built Environment.
- 4.11 The Housing Service is committed to the development of a progressive apprenticeship programme. The intention is to grow the apprenticeship programme for operative staff at a rate that is sustainable, where we are confident that apprentices can be fully supported in their learning both within and out-with the workplace. There are currently 16 craft operative apprentices in post with a plan to grow this to 20 over the next year.

5. Next Steps

- 5.1 Work will continue to recruit into vacant posts across housing and managers will work with colleagues in Human Resources to ensure that the future service requirements are considered as part of the development of the Council's People Strategy and Strategic Workforce Plan.
- 5.2 Following completion of the first phase of WHR, a lessons learned exercise will be carried out to inform the development of the Retrofitting Strategy.

- 5.3 Officers will continue to work with Scottish Government to maximise the amount of grant funding made available to the Council to support the delivery of WHR and EESSH2 compliance.

6. Financial impact

- 6.1 There are no financial implications arising directly from this report. A separate report to this Committee sets out HRA Business Plan financial assumptions and seeks approval to consult tenants on future rent strategy.
- 6.2 The assumed unit costs for WHR have increased by 3.6% in the Business Plan financial model due to availability of more accurate costs and inflation on materials and labour costs. Assuming the same amount of investment is made on WHR, around 83% of existing homes would be expected to achieve EESSH2 by the end of the Business Plan period.
- 6.3 Officers will continue to target the Scottish Government Energy Efficient Scotland: Area Based Scheme fund to support private owners in mixed tenure blocks and also to help with enabling costs (such as scaffolding). Funding will also be sought from the Scottish Government Social Housing Net Zero Heat Fund which also offers up to 50% in grant funding for energy retrofit measures. Officers will continue to make the case to Scottish Government for more grant funding to support the WHR programme and delivery of net zero carbon, including longer term resource planning assumptions for grant funding. Additional grant funding is needed for delivery of WHR and EESSH2 if rents are to be kept affordable.
- 6.4 For core nature-based solution and climate adaptation measures across Council estates, there are a range of funding streams available; including the Heritage Lottery Fund, SuDs funding to support bio-diversity in urban areas can be accessed via the Scottish Government's Nature Restoration Fund.
- 6.5 The Motion requested information on additional costs that might arise due to the need to deal with issues like ventilation systems, asbestos in older buildings and other challenges that could arise during retrofit and refurbishment projects. WHR brings together a range of interventions to form one work package; including cyclical items that are required or at end of life. Asbestos surveys and other surveys are carried out to inform the works specification with ventilation systems, for example, considered as a core part of any WHR works package. The approved contract will include a sum for contingencies. Overall, the level of intervention delivered through WHR (subject to planned maintenance) should reduce repair and cyclical maintenance over time.

7. Equality and Poverty Impact

- 7.1 The current WHR approach aligns with the Council's Climate Justice approach as it seeks to support the protection of those most vulnerable to the effects of climate

change. Many of our tenants reside in hard to heat homes and struggle to effectively heat their homes and afford their energy costs. WHR will achieve substantial improvements to the fabric of our tenants' homes, reducing energy demand making them easier to heat and thus reducing energy bills. Core WHR investment will also be focussed in the most socially and economically deprived areas of the city and aligned with the Scottish Index of Multiple Deprivation (SIMD) thus ensuring tenants and homeowners who will be most at risk from the effects of fuel poverty and living in a cold home are supported as a priority through WHR interventions.

- 7.2 An Integrated Impact Assessment will be undertaken for the planned WHR programme. This will help to highlight any equality, human rights (including children's rights) and socio-economic disadvantage implications for members.

8. Climate and Nature Emergency Implications

- 8.1 The City of Edinburgh Council declared a Climate Emergency in 2019 and committed to work towards a target of net zero emissions by 2030 for both city and corporate emissions and embedded this as a core priority of the Council Business Plan 2023-27. The Council also declared a Nature Emergency in 2023.

- 8.2 As a public body, the Council has statutory duties relating to climate emissions and biodiversity. The Council

“must, in exercising its functions, act in the way best calculated to contribute to the delivery of emissions reduction targets”

(Climate Change (Emissions Reductions Targets) (Scotland) Act 2019), and

“in exercising any functions, to further the conservation of biodiversity so far as it is consistent with the proper exercise of those functions”

(Nature Conservation (Scotland) Act 2004)

- 8.3 The WHR programme is fully aligned with the Council's climate ambitions and is noted as a key action in the 2030 Climate Strategy. The Strategy states the Council will 'Develop a Whole House Retrofit delivery programme for retrofitting social housing across the city to the highest energy standards, to reduce energy demand and tackle fuel poverty' whilst also supporting climate justice.
- 8.4 In addition to this, the draft Climate Ready Edinburgh (adaptation) strategy also sets out ambitions to address the built environment, with a key action to work with the Council and social landlords to adapt social housing and green the areas around Council housing to support climate adaptation.
- 8.5 The Net Zero Edinburgh Leadership board (formerly IIPB) has a workstream focusing on energy and retrofit, which works closely with other subgroups including transport, just economic transition and Edinburgh adapts. These overlapping and interlinked workstreams all work to deliver key actions as set out in the Climate

Strategy and forthcoming Climate Ready Edinburgh plan and aim to support integration of adaptation measures across all areas of retrofit.

9. Risk, policy, compliance, governance and community impact

- 9.1 The key risks to the WHR programme are set out in a separate report to this Committee on Whole House Retrofit – response to Green Group Addendum. In-house and contractor capacity and expertise to deliver WHR both in Edinburgh and Scotland wide is a major risk to the delivery of the Council's and Scottish Government's net zero carbon ambition.
- 9.2 Tenants are consulted on their priorities for investment as part of the HRA budget planning process. Engagement takes place on a site by site with tenants and owners in relation to design process with owners responsible for meeting their share of essential works. A range of communication methods; including newsletters and meetings are used. Tenant Liaison officers and case officers within the Housing Service support engagement with individual tenants and owners.

10. Background reading/external references

- 10.1 [2023/24 Housing Revenue Account \(HRA\) Capital Programme](#) – Housing, Homelessness and Fair Work Committee, 9 March 2023.
- 10.2 [Housing Revenue Account \(HRA\) Budget Strategy 2023/24 – 2032/33](#) – City of Edinburgh Council Committee, 23 February 2023.

11. Appendices

- 11.1 None.