

Social Housing Decarbonisation Fund (SHDF) Wave 3 Webinar

Please note this webinar and its associated content were prepared and presented before the 2024 General Election. The information provide reflects the status as of the date of the webinar (May 2024). As the final guidance is still pending we encourage you to visit riseretrofit.org.uk for the most current update.

RISE | Retrofit information,
support & expertise

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Welcome and introductions

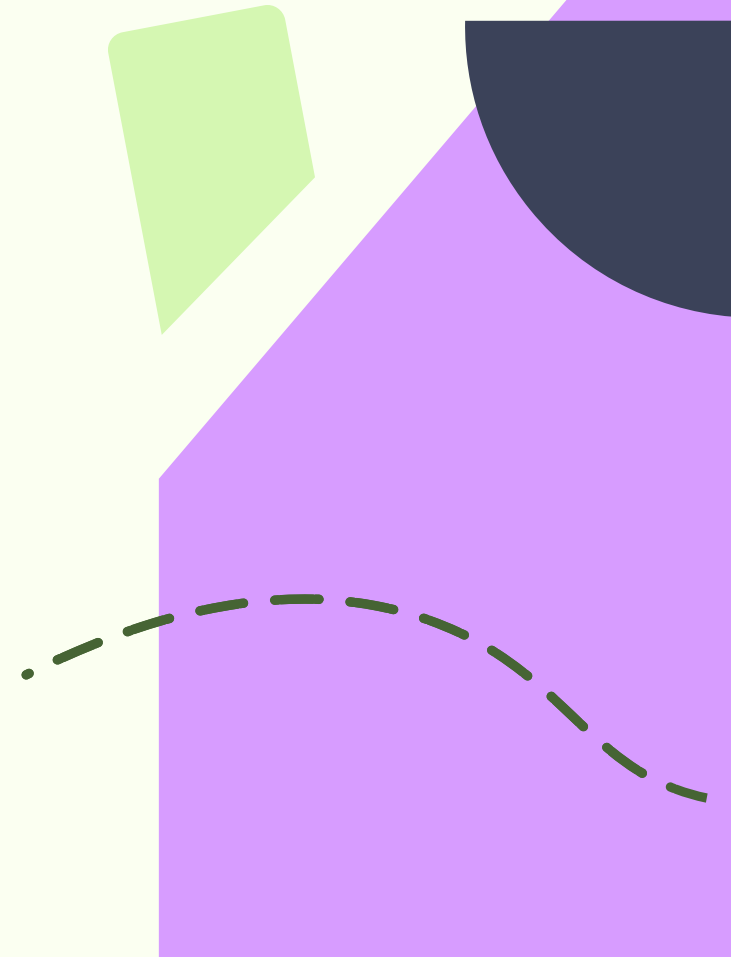
Rules of engagement

- There will be opportunities for Q&A and to give feedback.
- Please submit questions using the Q&A function. 
Q&A
- Those who ask questions will be invited to share them during the Q&A section.
- The slides will be shared after this session.
- There will be another opportunity to submit feedback via email.



Agenda

- Welcome and Introductions
- Social Housing Decarbonisation Fund (SHDF) aims and objectives
- What's New for Wave 3
- Eligibility Criteria
- Policy Design
- Application Routes
- Indicative Timelines
- Case Study
- Introducing RISE and RISE Learning Offer Available to Prospective Applicants
- Q&A (not recorded)





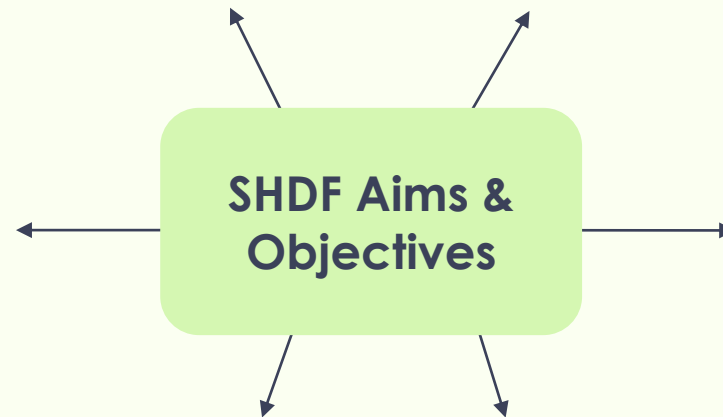
SHDF aims and objectives

SHDF aims and objectives

Reduce **CO₂ emissions** from Social Housing and work towards **Net Zero 2050 targets**.

Support the **Clean Growth Strategy Ambition** to improve as many homes as possible to EPC C where practical, cost effective and affordable by 2035.

Support the **Fuel Poverty Target** to ensure that as many fuel poor homes as reasonably practicable achieve a min EER C, by 2030.



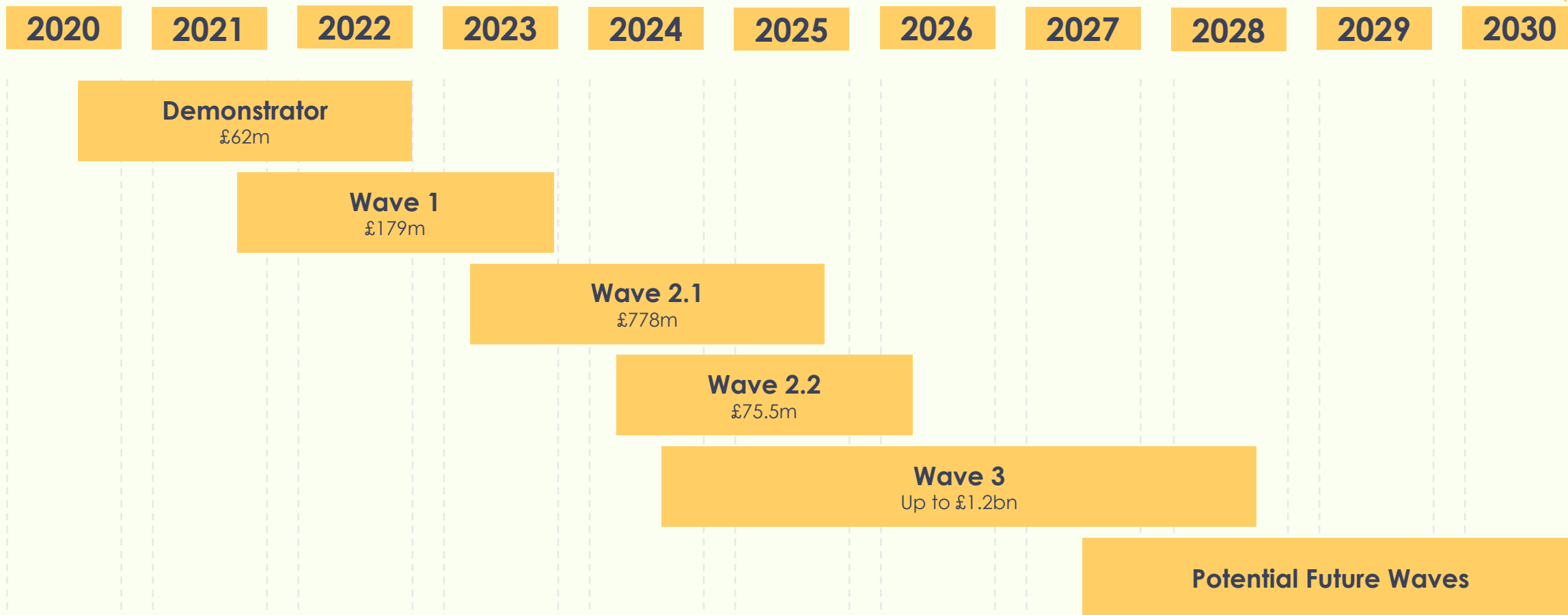
Improve **comfort and wellbeing** of social housing tenants


Develop the **green economy** and **associated jobs**.

Support the **retrofit supply chain** capability and capacity.

SHDF waved approach to delivery

£3.8bn in the 2019 Manifesto Commitment to improve energy efficiency of social housing over a ten-year period.





**What's new for
Wave 3**

What's new for Wave 3

- **Two new routes to access funding** – via the Challenge Fund and via Strategic Partnerships
- **Delivery window runs to September 2028**, with grant spend to March 2028
- New **single cost cap** that is consistent across all homes
- Incentivising **use of clean heat** with an optional low carbon heating (LCH) offer
- **Expanded inclusion of EPC C+ homes**, where low carbon heating is installed
- **Expanded inclusion of mixed tenure and non-social homes** and removal of owner occupier contribution
- **Revisiting homes from Wave 1 and the Demonstrator** now allowed if installing low carbon heating measures
- Minimum **application size cap lifted** for small social housing landlords
- Approach to **KPIs, milestones and baselines** reformed



Eligibility criteria

Eligibility criteria

Eligible applicants	Eligible properties	Eligible measures
<p>Local Authorities, Combined Authorities, Registered Providers of social housing and Registered Charities that own social housing are eligible.</p> <p>Arms-length management organisations that are not registered providers, can apply as part of a consortium led by an organisation that is eligible to lead an application.</p>	<p>All existing social housing is eligible for SHDF Wave 3 funding.</p> <p>Homes retrofitted in Wave 2.1 or Wave 2.2 of the SHDF are not eligible for inclusion in Wave 3.</p> <p>Homes retrofitted in the SHDF Demonstrator or SHDF Wave 1 are eligible for inclusion in Wave 3 (provided they are installing a low carbon heating system).</p>	<p>Eligible measures are any energy efficiency and heating measures compatible with the Standard Assessment Procedure (SAP) that will help improve the energy performance of homes, excluding heating systems which are solely fuelled by fossil fuels.</p>

Eligibility criteria

Minimum application size	Performance outcomes
<p>Wave 3 Challenge Fund applications must include a minimum of 100 eligible social housing properties at EPC band D-G per bid, apart from in the case of small social housing landlords.</p> <p>Small social housing landlords (defined for this purpose as those who own or manage fewer than 1000 homes) can apply with fewer than 100 homes. We expect such landlords to try to reach 100 homes, or to actively consider joining a consortium given the benefits this can bring, where this is not possible.</p> <p>Strategic Partnership applicants will be expected to propose projects of significant scale, retrofitting multiple thousands of homes.</p>	<p>Grant Recipients must improve their social homes to at least a minimum energy efficiency rating threshold of EPC Band C unless they cannot reasonably achieve this level within the cost caps.</p>



Policy design

Policy design – single cost cap

- New **single cost cap** that is consistent across all homes.
- In Wave 2, cost caps varied by wall type and starting EPC. **This is no longer the case.**
- Cost cap is **£7.5k of grant funding per home** (+ at least £7.5k co-funding = **£15k total spend per home** (assuming max cost cap)).
- This cost cap can be **averaged out across homes:**
 - Assuming a home accesses only the energy efficiency cost cap, and provides matched co funding, they could spend £15k per home.
 - **The grant recipient could spend more than £15k on one home, if they underspent on other homes and the cost cap across the application was still within limits.**
- We expect this will **simplify the application process**, remove blockers to delivery by increasing flexibility, and **enable the treatment of complex-to-decarbonise homes.**

Policy Design – low carbon heating (LCH)

We are incentivising the **installation of clean heat in Wave 3** in two ways:

OFF-GAS GRID OFFER

7.5k Energy Efficiency Cost Cap.

+

7.5k LCH Cost Cap.

ON-GAS GRID OFFER

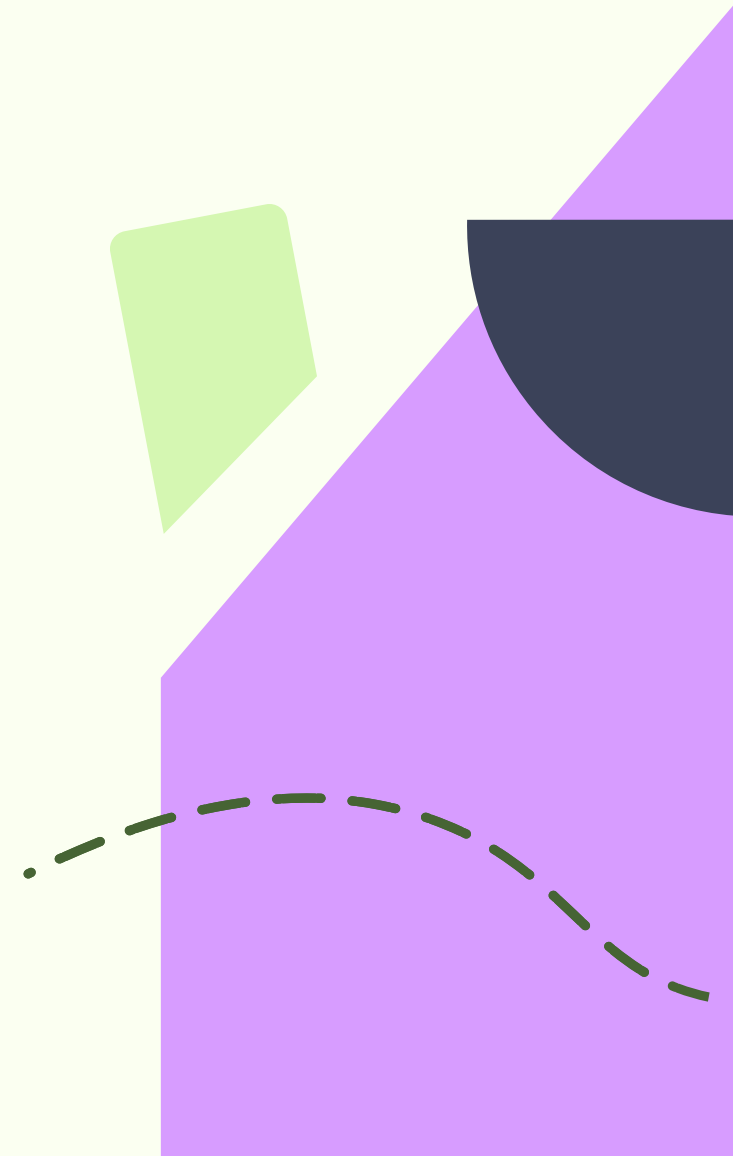
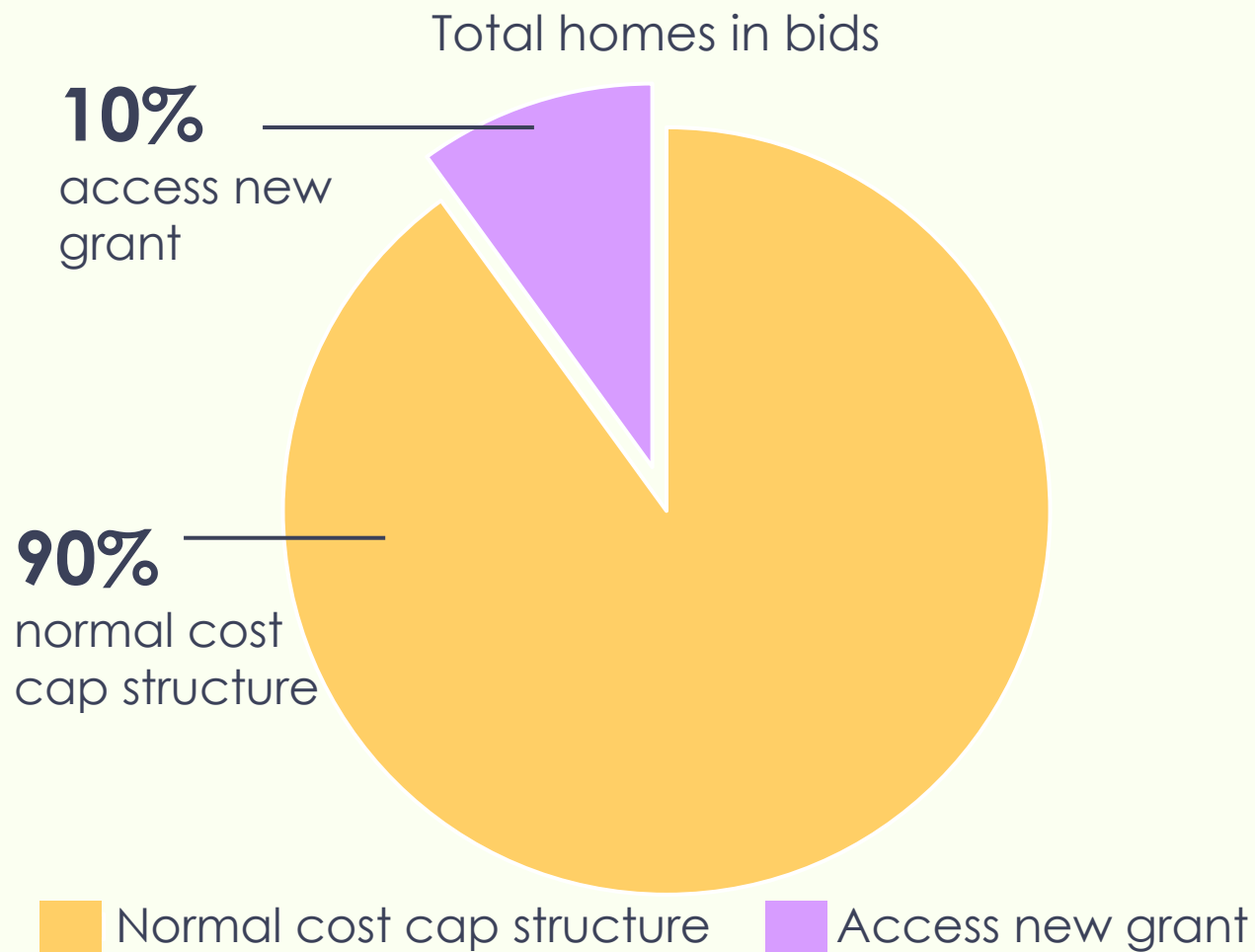
For 10% of homes:

20k incentive offer for installation of LCH. No co-funding required.

Policy Design – low carbon heating on-gas grid

- New for Wave 3 is the **on-grid low carbon heating incentive offer**.
- This is **optional** and **can be accessed by 10% of homes within an application**, though the selected homes **must be on the gas grid**.
- For these homes, **grant recipients can access up to £20k in grant funding**.
- This funding does not require matched co-funding and does not contribute to the wider co-funding structure of the application.
- **The £20k must be used to install a heat pump, shared ground loop, or heat network. Energy efficiency measures can also be installed.**
- **Bills cannot rise as a result of works.**
- **LCH can also be delivered under the single cost cap.**

Policy Design – low carbon heating on-gas grid



Policy design – infill homes

- We do allow for a small number of non-social homes and homes at or above EPC band C to be included in applications.
- Non-social homes can be included only on an infill basis.
- EPC C+ homes can be included on an infill basis or where installing low carbon heating measures.
- EPC C+ homes have access to the off-grid low carbon heating cost cap and the on-grid low carbon heating incentive offer.

Home type	Limit
Non-social homes within an application	30%
Non-social homes within a block/terrace	70%
Homes at or above EPC band C within an application	10%



Application routes

Application routes

- There are two new routes to access funding: via the Challenge Fund and via Strategic Partnerships

Challenge Fund

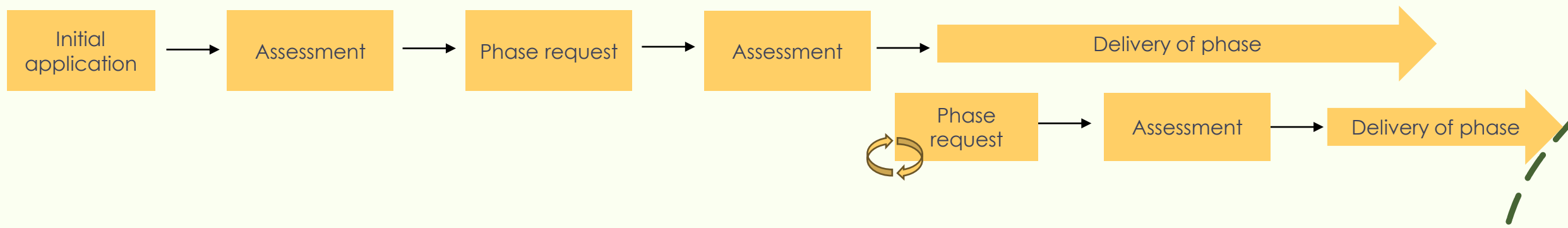
- Expected to suit the **vast majority of applicants**
- All applications that meet the **minimum standards** will be awarded some funding
- Facilitates the **phased approach to delivery** taken by many organisations – delivery in phases set by the applicant

Strategic Partnerships

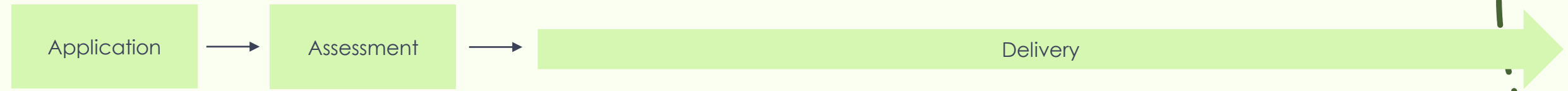
- For a small number of applicants with a **proven track record** of successful delivery at scale
- **Competitive** application process
- **Flexible delivery process** in place to reflect capability of these organisations and to support delivery at scale
- Delivery against one or more of a set of **strategic priorities**

Application routes

Challenge Fund



Strategic Partnerships




Application routes – key differences

	Challenge Fund	Strategic Partnerships
Scale of projects	At least 100 eligible properties (except for applicants who own/manage fewer than 1000 homes).	Applications are expected to propose upgrades to multiple thousands of homes.
Retrofit experience	No retrofit experience required.	Applicants must have delivered on a previous wave of the SHDF and are expected to have experience of successful delivery of retrofit at scale.
Strategic priorities	Reducing fuel poverty and reducing carbon emissions.	Reducing fuel poverty and reducing carbon emissions. In addition: delivery at scale, innovation, low carbon heating and preparing the sector for retrofit post-2030.
Information required at entry to the scheme	High level information on the project (including strategic alignment) and delivery capability of the applicant.	High level information on the project (including strategic alignment) and delivery capability of the applicant.

Application routes – key differences

	Challenge Fund	Strategic Partnerships
Assessment standards	Minimum standards.	Competitive.
Additional information to unlock funding	Specific detail on homes, measures and costs.	Not required.
Monitoring and reporting	At least monthly monitoring meetings. Monthly data reporting.	At least quarterly monitoring meetings. In depth yearly reviews. Monthly data reporting.
Baseline	Initial baseline on total homes, spend and no. of phase requests. Detailed baseline set per phase on homes, measures and spend.	Baseline set on high level information such as total homes, spend, and carbon savings.
Change control	Required to change initial or detailed baseline.	Required to change initial baseline.



**Indicative
timelines**

Indicative timelines

Milestone	Indicative Date
Draft Guidance published; clarification period begins.	13th May 2024 (completed).
Clarification period ends.	3rd June 2024.
<p>Application launch – Challenge Fund and Strategic Partnerships.</p> <p>Final documents published (guidance, application form, FAQs) and draft Grant Funding Agreement and Data Sharing Agreement published.</p>	To be announced - expected to be Summer 2024.
Application window closes.	<p>To be announced.</p> <p>We intend to stagger the closing dates so that any unsuccessful bids for Strategic Partnerships can still apply for Challenge Fund.</p>
Successful projects notified.	To be announced.



Case study

Case study

Allerdale Borough Council was awarded £1.2 million to retrofit an estimated 90 homes on two sites in SHDF Wave 1.

The aim was to improve energy efficiency, reduce the carbon footprint and keep residents warm through the winter months. It worked with Home Group Housing Association to deliver the project.

Measures used in the project:

- External wall insulation
- Cavity wall insulation
- Replace solid fuel heating with new air-source heat pumps
- Window glazing
- Solar panels



Case study

"I've got to think about it, because I've got so many children, coming up behind me, I am worried about their health".

Irene Caroline Robertson, Resident



"What we have done has made everybody feel better in their homes."

**Barry Chisholm,
Project Director for Procast**



Retrofit information, support and expertise (RISE)

SHRA has transformed

What is RISE?

RISE combines the Social Housing Retrofit Accelerator (SHRA) and the Home Upgrade Hub (HUG Hub), bringing both highly successful accelerators together to create a single, comprehensive and easy to navigate service.

RISE is fully funded by the Department for Energy Security & Net Zero (DESNZ) and provides:

- A completely free service.
- A comprehensive hub of training, guidance and support.
- Support for social housing providers, local authorities and their supply chains to successfully plan and secure Government funding for domestic retrofit programmes.



RISE support services

**Helping you on your retrofit
journey**

How have we helped before?

Our **free service** has supported social housing providers and local authorities to successfully secure funding for SHDF and HUG 2.

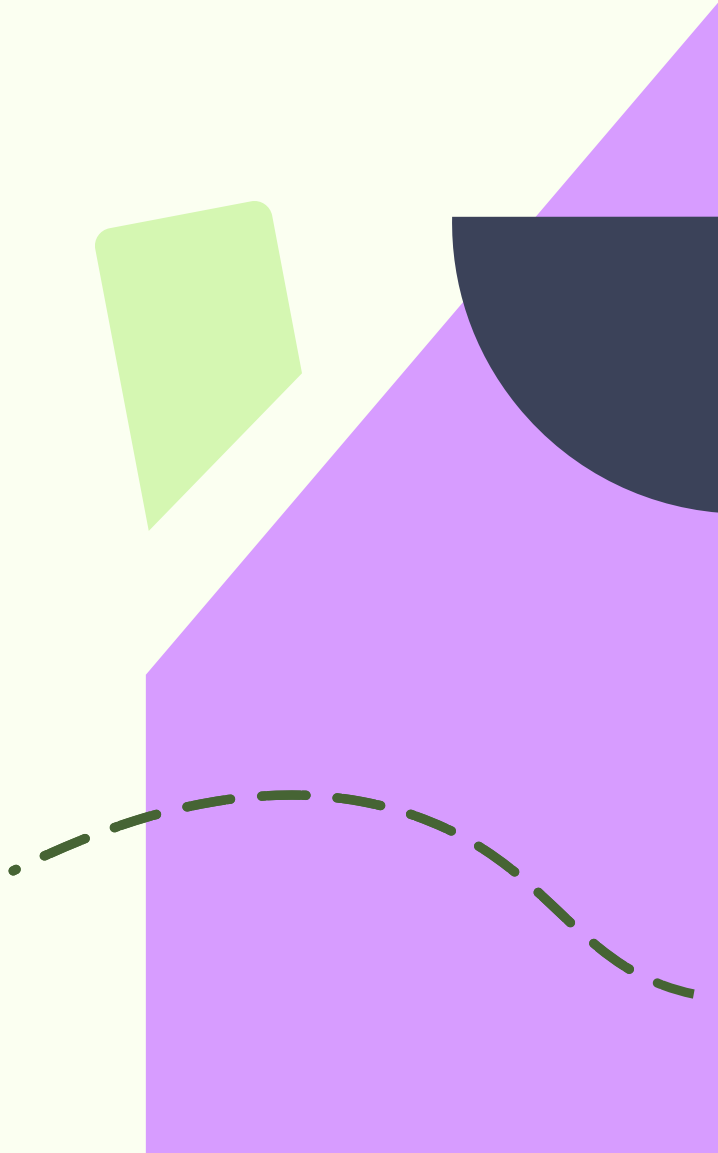
Through RISE we are now offering support to the **supply chain too!**

97.7% of the successful bidders in Wave 2.1 were supported via SHRA

We increased the funding pipeline from **£645m** to **£887m** for SHDF Wave 2.1

308 organisations were represented through the **131** successful SHDF bids

89% of HUG 2 applications received our support, which accounted for **94%** of the total funding requests



Our support: Technical



Self-assessment to understand the level of support prospective applicants require.



A **diagnostic** call to assess how ready your organisation is to apply for funding.



A **support plan** defining one-to-one support that your organisation will receive to prepare your Wave 3 application.



One-to-one support provides in-depth advice and support (e.g., archetype matching service).



Tailored **consortium support**.



Critical friend review offering an independent review of your application before submission.

Our support: Learning & Development



Masterclasses offering learning on specific topics connected to funding applications or technical insights.



Courses delivered online and in-person to build your retrofit knowledge.



Peer-to-peer presentations bring in professionals to share their retrofit journey, best practice and knowledge.



Roundtables to discuss common issues in a small group setting.



Drop-in clinics offer a guided group discussion space to answer your queries.

Our support: Learning & Development



A range of **toolkits** with topic specific guidance available on our Knowledge Hub.



Podcasts to provide bitesize and digestible knowledge and information.



Weekly **newsletters** to keep you up to date on the latest news and events.

Our support: Learning & Development

We curate programmes of high-quality training, events and content consisting of **technical and non-technical** guidance across all aspects of your retrofit journey.

RISE will support you every step of the way.

Our support offer covers topics such as:

- Data collection and stock analysis
- Business case development
- Procurement
- PAS 2035
- Application storyboarding guidance
- Resident engagement

And so much more!



Self-assessment

Your first step

Self-assessment

The online self-assessment is your first step to receiving support.

Your self-assessment is key to letting us know if you are looking to join a consortium.

Step 1 Head to our website: www.riseretrofit.org.uk

Step 2 Complete the RISE self-assessment form



Upcoming events

Sessions that can help you on
your retrofit journey

Upcoming Application Essentials

This online course will outline the fundamentals of preparing an application for retrofit funding, providing clear operational guidance.

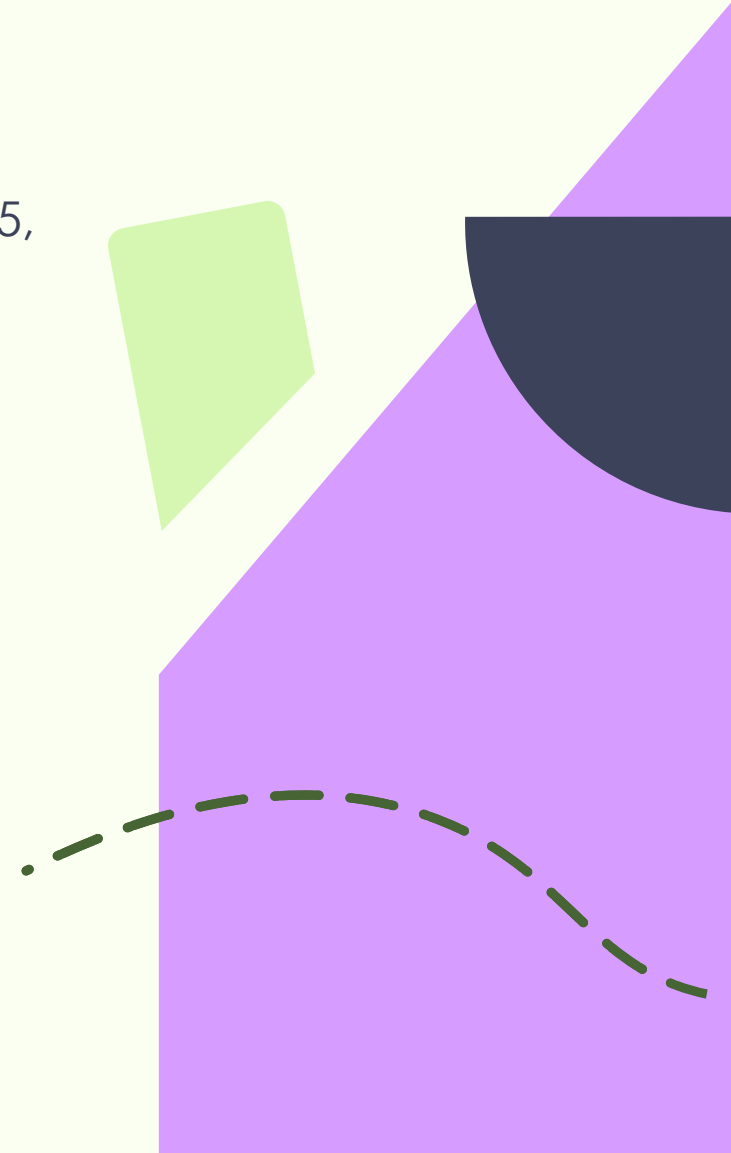
Addressing the **'how'** to approach data, resident engagement, PAS2035, and procurement, when preparing your funding application.

Sign up now →

13 June, 09:30 – 13:00

18 June, 09:30 – 13:00

28 June, 09:30 -13:00



Contact us

Email: rise@turntown.co.uk

Website: www.riseretrofit.org.uk

Thank you

RISE

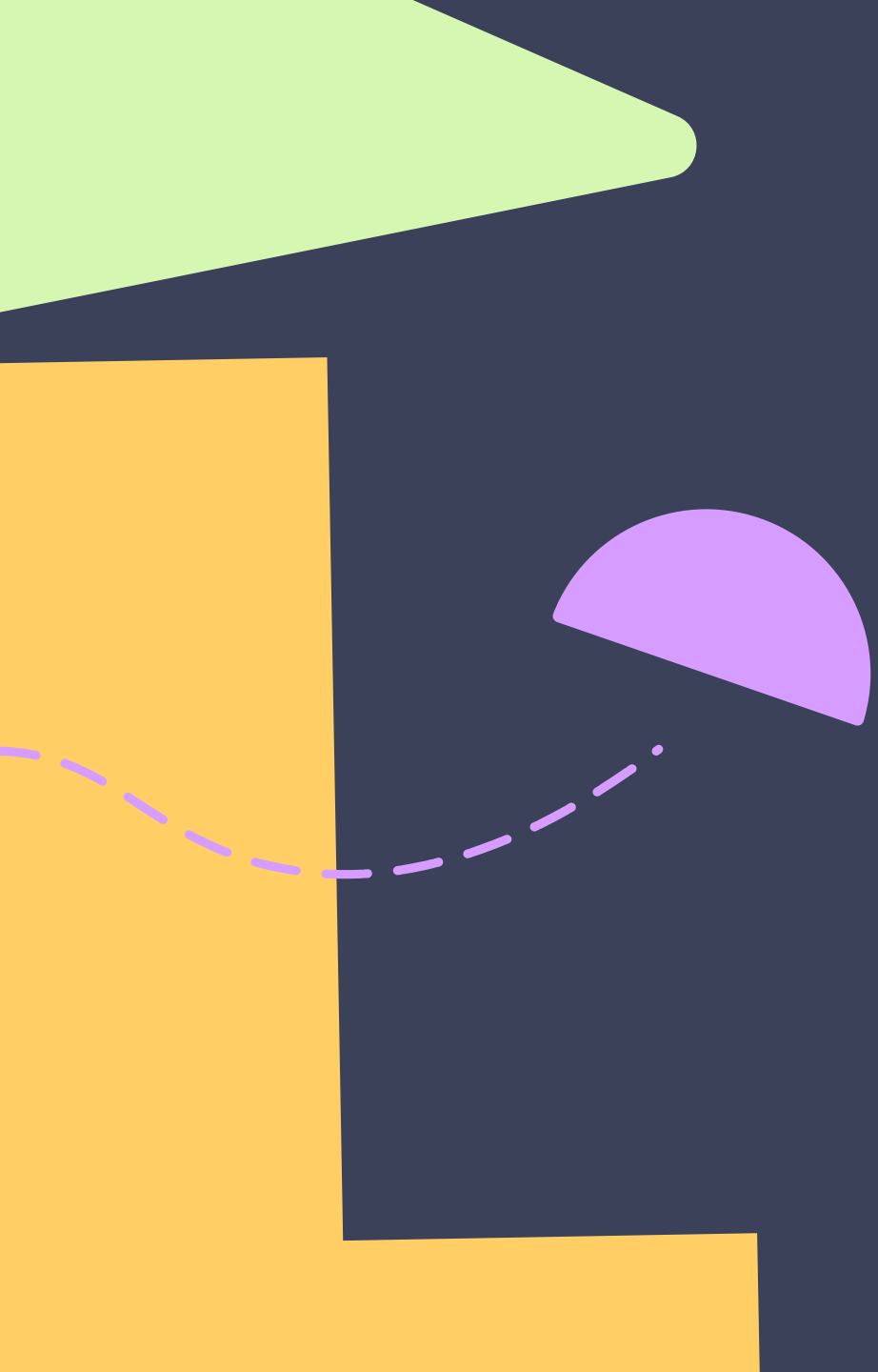
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Q&A

Please put your questions in
the Q&A box