

# Maximising Impact: The Pathway to Decarbonising and Retrofitting Social Housing

*Exploring the challenges and opportunities for social housing in the UK*

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Roundtable hosted by

**McBains**

February  
2025





# Themes *Discussed*

**Leaders in social housing, sustainability, engineering funding mechanisms, and retrofit delivery joined together to share insights, challenges, and opportunities around decarbonising the UK's social housing stock.**

In the context of funding allocations such as the Warm Homes: Social Housing Fund Wave 3, the focus of the roundtable discussion was on collaborative strategies for maximising funding impacts and advancing PAS2035 and high-quality retrofit delivery.

Many solutions were also suggested to help overcome these challenges. The takeaway word of the day was:

*“Collaboration”*

## **We asked:**

- What has been your experience with previous government-funded energy retrofit schemes, and how can those lessons be applied to Wave 3?
- Given increasing pressures on the sector, how can the funding be used in the most efficient and impactful way possible?
- What challenges do you foresee in meeting respective delivery deadlines?
- Are there any specific challenges related to retrofitting older social housing stock and how can these be mitigated?
- How will the funding help you achieve your long-term sustainability goals, particularly in relation to net-zero targets?
- How can suppliers and social housing providers collaborate more effectively during this process? What other funding is available for providers?

## **Discussions also included:**

- Social Housing funding insights
- Overcoming challenges to programme delivery

# Key discussion *points*

## *Moving goalposts from the government*

Goals and expectations of the government in power seem to be continuously shifting, creating uncertainty with long term planning. Policy changes, such as adjustments to how Energy Performance Certificate (EPC) ratings will be assessed in the future, often limit housing associations to short-term retrofit delivery plans, requiring them to adapt to frequent changes.

In the short term, providers must have a plan B. For example, while reaching EPC C is important, if in five years a new standard is introduced, how can assets be improved again to meet this? This can be achieved by setting forward-looking KPIs and a bolder strategy that goes beyond existing policy.

**A more stable and consistent framework from the government would allow for better project planning and resource allocation.**



## *Challenges with funding*

**The roundtable did acknowledge that PAS 2035 guidance is helping maintain progress and ensure quality. However, it is often hindered by government funding timeframes.**

The Social Housing Decarbonisation Fund (SHDF) often requires large scale retrofit projects to be delivered within short time frames, which leaves little time to develop a robust understanding of the properties, design a solution and deliver a high-quality retrofit. This detailed planning also requires comprehensive data on the existing stock to be successful, something that is not always available to providers.

Monthly reporting is another challenging requirement of the fund. This creates pinch points where associations must assess where they are at midway through projects, where things can still change and accelerate, rather than looking at the completed project as a whole.

**Data sharing is critical to creating urgency and educating stakeholders. Having more concrete numbers will allow for a more focused and meaningful approach.**

While tracking progress is important, it must be balanced with the ability to make meaningful progress on the ground. Greater flexibility in reporting schedules would enable organisations to focus on delivering results, instead of taking on this significant administrative burden and collecting information from suppliers.

Crucially, however, for many smaller social housing providers or those with tight capital budgets, the funding provides a vital lifeline to protect a dwindling supply of social homes in the UK, as well as offering clear KPIs to keep projects on track.

## *EPC C by 2030*

The target of achieving EPC C by 2030 was widely regarded as a short-term milestone that does not necessarily address the long-term needs of decarbonising housing stock. While it does serve as a tangible target for the industry, it does not account for crucial work already being done to make homes safer and more comfortable in the short term, such as with fire safety or mould prevention, and the potential for more ambitious energy goals in the future.

The roundtable called for a transparent, collaborative 25-year plan from government and energy companies that guides the industry towards creating sustainable homes that align with the evolving decarbonisation of the grid and technology advancements.

For many, EPC C by 2030 is seen as just a starting point and not the end goal, and the providers in the room highlighted the need to consider what happens beyond this, to ensure that homes are continuing to improve and adapt.

**Social housing providers should adopt a more holistic focus which incorporates long-term decarbonisation, improving residents' comfort, and tackling fuel poverty to cover the full lifecycle of a property.**



## Resident engagement

**For those that have already delivered large scale retrofitting projects through the first SHDF waves, a key success factor has been engaging residents throughout the process. New and unfamiliar technology such as heat pumps can face resistance if residents are not included in the journey.**

While everyone is keen to have their energy bills reduced, they must be educated on the benefits of these technologies, as well as provided with transparency on the timelines and potential disruptions they can expect to minimise refusals.

Speakers shared their experience of reputation management by providing educational resident hubs and comprehensive manuals to ensure residents have all the information needed.

## Decarbonising the grid

We are currently in a transitional period, where the grid is in the process of decarbonising which will eventually tip the scales towards affordable, renewable energy. This means however, that a number of solutions are being considered, from nuclear hubs to underground cables. **Speakers raised the question:**

**How can we design around a future energy grid without knowing what it will look like?**

There was also a broad consensus around the room that providers must be technology agnostic and adopt a fabric first approach, taking into account the history of the building. In the short term where heat pumps, for example, may end up costing a tenant more, providers should strike a balance between moving towards decarbonisation, without accelerating fuel poverty.

A fabric first approach also means that remediation can take place at the same time as retrofitting. By addressing defects such as water ingress and wall cavities, the comfort of tenants is immediately improved, while also laying the foundations for effective retrofitting over time.

## Communication and expertise

**Collaboration emerged as a recurring theme and a key solution to many of these challenges. All departments including finance, asset management and construction need to come together to ensure a joined-up strategy.**

For smaller housing providers, there have also been success stories of establishing a consortium in order to reach an economy of scale. However, this must be managed carefully to ensure alignment between separate providers which may operate differently.

To guarantee the right expertise is in place, a project team must be established at the outset to suit the needs of the provider and ensure quality outcomes with the appropriate checks and balances. This means that the provider will have full visibility of what is being proposed and installed, and they have confidence in the outcomes.

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# Report February 2025

# McBains Roundtable

## Concluding *remarks*

**Marie Kemplay, Deputy Editor of Financial Times Sustainable Views.**

**The UK's housing stock is among the oldest in Europe, and the dwindling supply of social housing presents an ongoing challenge in keeping the most vulnerable warm and safe while also minimising fuel poverty. Retrofitting is addressing this issue head-on, helping to protect social housing stock while future proofing it with energy efficiency and climate resilience in mind.**

The Warm Homes Social Housing Fund has played a critical role in incentivising a mass retrofit rollout, though it has not been without its challenges. Clearer plans from both the government and energy companies are now needed to support developers and providers in committing to effective, long-term strategies, shifting away from short-term thinking toward a more holistic net-zero approach.

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