UK COLLABORATIVE CENTRE FOR HOUSING EVIDENCE

Transforming social housing through decarbonisation

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Summary

The decarbonisation of the housing stock is a critical step in the journey towards net zero carbon emissions by 2050 and the social housing sector is at the forefront of this transition. Social landlords are investing in improving the energy efficiency of their homes and decarbonising home heating, with funding sources including private finance and central government's Warm Homes: Social Housing Fund (WH:SHF). However, decarbonisation is occurring in the aftermath of inflationary pressure, interest rate rises, and a period of regulatory reform intended to improve consumer standards in social housing. Many social landlords are attempting to rebuild trust with customers while expediting their progress towards decarbonisation to meet net zero objectives.

This briefing presents the combined findings of three research projects focused on English social housing. It aims to understand how social landlords can deliver decarbonisation at scale whilst delivering high levels of customer satisfaction and equitable outcomes.

The research identified several policy and funding factors that create challenges for social landlords in England, including:

- **1. Insufficient and fragmented funding:** private finance investment vehicles for retrofit are emerging but still nascent, and the funding available from WH:SHF will only go so far
- **2. Tight timescales for delivery:** tight timescales for delivery under WH:SHF can contribute to reluctance among social landlords to commit to ambitious numbers of heat pump installations, and releasing funding in periodic waves can exacerbate inflationary pressure
- **3. Energy systems, capacity and pricing:** the high price of electricity to gas, and the perception that the grid capacity may be insufficient, mitigates against mass heat pump rollout
- **4. Supply chain:** while the retrofit supply chain is growing, there remain bottlenecks for certain technologies (e.g. battery storage) and difficulties in rural areas

Within this context, social landlords reported that customer refusals of retrofit are common. The reasons for retrofit refusal include uncertainty regarding the benefits, the disruptiveness of retrofit, and the legacy of issues with their landlord (e.g. lack of trust, poor communication). Moreover, social landlord interviewees acknowledged that previous approaches to asset management and customer engagement are ill-suited to decarbonisation. Interviewees reported that decarbonisation requires a whole-house approach – in contrast to programmes focused on discrete components such as kitchens and bathrooms – and necessitates a more intensive and sustained process of customer engagement.

Consequently, the research found that decarbonisation is acting as a catalyst for business transformation among social landlords, especially landlords relatively advanced in their decarbonisation journey. Social landlords are exploring opportunities to turn low-carbon technologies into a stable revenue stream, for example monetizing solar PV or providing heat as a service. And they are engaging in procurement consortia to ensure value for money, while also using their social investment capacity to deliver apprenticeships and training in retrofit.

Social landlords are engaging in several strategies to build trust with residents and communicate the benefits of retrofit. Customer engagement is becoming more long-term, sometimes beginning eighteen months in advance of works starting. And landlords are adopting new forms of engagement, including using smart technologies to demonstrate energy savings and segmenting their customers to tailor their communications.

As such, the research suggested that the policy and funding context needs to be conducive to delivering decarbonisation at scale and effectively. Yet, social landlords also have opportunities to influence the rate of refusals and transform their relationship to their assets (see case study).

We outline the following recommendations:

- 1. Central government should expand the funding available through WH:SHF and extend the timelines

for delivery, to provide long-term certainty for social landlords to scale up their programmes

- 2. Central government should expand the Strategic Partnerships programme for WH:SHF to provide greater autonomy to social landlords over the planning of their programmes
- 3. Central and local governments should provide support to replicate the apprenticeship and training schemes delivered by social landlords in areas where they are absent, and support the development of the retrofit supply chain in rural areas
- 4. Social landlords should ensure their communications and resident engagement strategies engage customers early, provide consistent communication across teams, and understand the specific issues affecting different customer groups
- 5. Social landlords should explore opportunities for customers to meaningfully contribute to decision-making and oversight of decarbonisation, for example the establishment of Net Zero Resident Groups

Case Study: Business Transformation for Retrofit Uptake – Together Housing and University of Huddersfield KTP

The Knowledge Transfer Partnership (KTP) between Together Housing Group and the University of Huddersfield was established to address high rates of customer refusal of retrofit works. Rather than focusing solely on customer behaviour, the partnership recognised that need for internal organisational change to build consistency and trust.

The two-year KTP combined tenant and staff surveys, interviews, collaborative knowledge-generation workshops, tenant journey mapping, and estate fieldwork. The partnership produced several findings. First, it demonstrated that refusals were often symptoms of organisational inconsistency, fragmented communication, and weak cross-team understanding of retrofit goals. Second, it showed the value of tenant segmentation: tailoring engagement strategies to different groups based on trust levels, vulnerabilities, and past experiences. Third, it confirmed that decarbonisation efforts must focus not just on technical delivery, but on organisational culture change and relational trust-building.

As one Together Housing staff member observed: "Retrofit isn't just a project we deliver — it's a shift in how we operate. We realised we had to change internally first to earn tenants' trust."

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