



---

**To: Business, Economy and Enterprise Scrutiny Board (3)**

**Date: 17<sup>th</sup> September 2025**

**Subject: Domestic Retrofit – September 2025 Update**

---

## **1 Purpose of the Note**

- 1.1 To update the Business Economy and Enterprise Scrutiny Board (3) on progress of the Council's domestic retrofit programmes since the last domestic retrofit update in April 2024.

## **2 Recommendations**

- 2.1 Business Economy and Enterprise Scrutiny Board (3) are recommended to:
- 1) Consider the content of the briefing note.
  - 2) Identify any recommendations for the Cabinet Member for Jobs, Regeneration and Climate Change.

## **3 Background and Information**

- 3.1 Coventry's Climate Change Strategy (2024-2030) approved by Full Council last year, set out an ambitious vision for how the city intends to 'tackle the causes and consequences of climate change', which is a key priority of the One Coventry Plan.
- 3.2 The strategy set a goal to reduce carbon emissions across the city to support our transition to net zero, whilst benefiting local people and businesses through creating warmer homes, cheaper bills, cleaner air, new jobs and skills.
- 3.3 The strategy identifies that 30% of the city's carbon emissions come from the 143,000 homes across Coventry. Of these homes, it's estimated that over 100,000 homes have an energy performance certificate (EPC) of D or below, therefore a significant proportion of residents are living in less energy efficient housing and likely to be facing higher bills as a result to keep their homes warm. Improving the energy efficiency of homes through retrofit measures ranging from insulation, double glazing to heat pumps and solar panels can considerably reduce carbon emissions but also create real benefits for residents too in terms of bills, health and comfort.
- 3.4 Latest government data (based on 2023 sources) also suggests 18.9% households in Coventry are living in fuel poverty. Whilst a 3.3% reduction from the year 2022, this is still one of the largest rates of fuel poverty of all local authorities in the country, and figures rise to over 40% of households in some the city's most deprived areas.

- 3.5 Domestic retrofit can also make a huge difference by improving the quality of resident's lives and their health, through creating warmer more efficient homes and helping to lower bills. Well-insulated properties also keep homes cooler in the summer, which helps to make homes more resilient to increasing temperatures and increasing likelihoods of extreme heat.
- 3.6 It is essential to take a proactive approach to retrofit, delivering retrofit at scale whilst also considering new technology and innovation could accelerate our ambitions in retrofit.
- 3.7 The Council has been working with partners to achieve this, delivering retrofit at scale as highlighted with our work with Citizen, whilst also trialling innovative solutions and pilots with our Strategic Energy Partnership (SEP) For example the SEP has worked with a startup (Kestrix) to use drones to capture thermal imaging of thousands of houses in Hillfields, and using artificial intelligence to generate energy efficiency plans. This will allow us to prioritise interventions and maximise impacts for residents from the available funding.

#### 4 Progress over the past 18 months

- 4.1 Since the last domestic retrofit update that was taken to scrutiny board in April 2024, the Council's Climate Change and Sustainability team have continued to oversee the delivery of several retrofit programmes across Coventry. A summary of these programmes is included in the below table, alongside additional information within this report.
- 4.2 The eligibility criteria of these projects mean they target those most at risk of fuel poverty; households on low income, with health conditions and living in inefficient homes, to ensure those that most need support benefit.

*Table 1 – Summary of the domestic retrofit programmes currently in delivery or completed this financial year. There will be more ECO4 / GBIS installs that are beyond the control of the Council.*

Scheme	Homes completed	Total Costs (Inc. co-funding spent to date)	Average / Property
Social Housing Decarbonisation Fund Wave 2	1,735 (1,867 started)	£60,152,943	£31,843
Home Upgrade Grant 2	51	£676,906	£13,273
Energy Company Obligation (ECO) 4 and Great British Insulation Scheme (GBIS) Flex	113	n/a	n/a
ECO4	Unknown	Unknown	Unknown
GBIS	Unknown	Unknown	Unknown

## **5 Social Housing Decarbonisation Fund (SHDF) Wave 2**

- 5.1 Our SHDF Wave 2 project with Citizen Housing is on track to deliver energy efficiency retrofit to over 2,000 properties by January 2026.
- 5.2 This is a large-scale project, delivering retrofit at scale (one of the largest SHDF projects in the country).
- 5.3 The Department for Energy Security and Net Zero (DESNZ) awarded £23.8 million in grant funding for the programme, which has been co-funded with £44 million by Citizen Housing.
- 5.4 Works have been completed on over 1700 homes to date. Measures include external wall insulation (EWI), cavity wall insulation (CWI), roof insulation top-ups, ventilation upgrades, and new doors and windows where appropriate.
- 5.5 The project is using sensors in a sample of homes to demonstrate the benefits of the measures installed, by measuring energy use reduction and improved living conditions such temperature and humidity change.
- 5.6 The large-scale nature of this scheme has also enabled the principal contractor to set up a training academy in the city. This has enabled previously unemployed residents to secure full-time employment within the retrofit field. This has been achieved using a collaborative approach between the Council, Westdale, Citizen, Coventry College and the Job Shop. Since the inception of the training facility, over 25 learners have completed the course, and the project has been highlighted by the Department of Energy Security and Net Zero as an example of best practice.
- 5.7 The Council is also working with Citizen Housing and the SEP to seek solutions to barriers in retrofit, including a number of innovative trials in development.

## **6 Home Upgrade Grant 2**

- 6.1 The Council supported 51 properties via the HUG2 scheme, totalling £676,906.
- 6.2 This project, which is now closed, aimed to support low-income off gas-grid homes that had an energy performance certificate (EPC) between D-G.
- 6.3 Nationally, the Home Upgrade Grant has presented difficulties in delivery, which is no different within Coventry. The challenges included:
  - Strict income and property type eligibility criteria
  - Strict funding cost caps, limiting the number of properties we could support where higher levels of funding were required
  - Limited numbers of properties which were off-gas grid in urban areas such as Coventry
  - Inaccurate data: properties were listed in national data as being low EPC and off gas however during resident engagement it became clear this data did not reflect up to date information, particularly when residents had upgraded their home with new central heating systems.
  - Technical feasibility (such as roof constructions and extensions)
- 6.4 Despite extensive activity taken to mitigate these risks, including in depth data analysis alongside community engagement and door knocking in areas with high levels of likely eligible households, take up was lower than anticipated and this means only a portion of the original allocation will be claimed. This experience is

not unique to Coventry and similar performance levels were reported by other authorities from across the Midlands and nationally. The challenges with the scheme have been fed back to Government to lobby for less restrictive grant programmes to help remove barriers to delivery.

- 6.5 Measures installed included solar PV, cavity wall insulation, ventilation, and heating improvements.

## **7 Energy Company Obligation (ECO) 4 & Great British Insulation Scheme (GBIS)**

- 7.1 ECO4 is a government energy efficiency scheme designed to tackle fuel poverty and help reduce carbon emissions.
- 7.2 Large and medium energy suppliers are required by the government to install energy efficiency measures such as insulation and heating upgrades to support vulnerable, fuel poor and low-income households to heat their homes.
- 7.3 The Council is working with E.ON and Agility Eco (managing agent) to maximise ECO across the city, by enabling the Council to sign ECO Flex declarations and supporting with marketing.
- 7.4 ECO Flex enables the Council to allow additional residents to be supported above the original ECO criteria by signing off flexible eligibility declarations, such as through NHS referral or income thresholds (below £31k income) rather than just those on benefits. It also allows us to work with these organisations to ensure a level of quality control over contractors working across the city. This should help to raise standards and public confidence in the schemes.
- 7.5 The Council have so far signed over 350 eligible ECO4 Flex declarations, with 113 installs taking place to date.
- 7.6 The Council will continue to explore opportunities to maximise these routes, with conversations ongoing with E.ON, Agility Eco, contractors, NHS organisations and pharmacies, targeting those registered for repeat prescriptions.
- 7.7 In addition to Eco Flex funding, installers can access the original ECO and GBIS funding for residents in receipt of certain benefits. This eligibility route is not signed off by the Council therefore we have no oversight of installers offering this funding in the city or the installs that have taken place.

## **8 Health**

- 8.1 Improving the energy efficiency of homes can have significant health benefits for residents, including through enhanced indoor air quality. The Council is involved in a partnership with the University of Birmingham and other local authorities in the West Midlands which has secured £8.2m UKRI funding for an indoor air quality research programme. This will help inform future retrofit practices and how they can best address issues such as damp condensation and mould when the insulation of homes is improved.

## **9 Community Engagement**

- 9.1 There are many barriers to the uptake of retrofit. For residents, these include financial, not wanting the disruption of the works, or a lack of knowledge about how

the benefits. We are working with our partners to explore how we can better communicate retrofit programmes and engage residents to maximise uptake.

- 9.2 This has included working with the SEP and Citizen to produce case studies with our residents on video discussing their experience and benefits of taking up the schemes, which we have promoted and received positive feedback. We are also working with the SEP and partners to engage school children and their families in retrofit initiatives.
- 9.3 The Council are working with the University of Warwick on establishing more effective ways of engaging residents and increasing their take up and acceptance of grant offers for retrofit work. Through 'Retrofit Rocks' <https://warwick.ac.uk/research/partnerships/place-based-research/our-projects/placebasedresearchandculture/housingretrofitting/> the team have developed virtual reality headsets for virtual tours of real households which have benefited from retrofit grants, to better understand people's experiences of retrofitting their homes and the benefits to their households. This has been piloted successfully with residents in Ball Hill and will be widened to other parts of the city.

## 10 Equitable Delivery of Programmes

- 10.1 The Climate Change Strategy sets out the council's commitment to delivering a just transition for all, addressing current inequities and improving the quality of life for all.
- 10.2 A key driver of a just transition is supporting residents to improve the energy efficiency of their homes, which will contribute to tackling existing inequities in the city, resulting in lower bills, and improved physical health and mental wellbeing.
- 10.3 Of 1,725 properties completed via SHDF2 and HUG2, over 83% of these have been undertaken in areas of Index Multiple Deprivation (IMD) 1-3 (the most deprived areas in the city). A breakdown can be seen in the following table:

Index Multiple Deprivation (IMD)	Completed Properties
1	708
2	426
3	304
4	188
5	65
6	9
7	5
8	13
9	5
10	3
n/a	5

- 10.4 The Council also works with partners to ensure we are able to access those communities and individuals which are harder to reach.
- 10.5 This includes working with a local energy charity, Act on Energy, who have supported the retrofit programme with targeted engagement events, training for front line staff to make referrals, and home visits where necessary.
- 10.6 There has also been a spread of home retrofits across the city, as outlined in the table below showing completed properties numbers by ward.

Ward	Completed Properties
Bablake	39
Binley and Willenhall	15
Cheylesmore	25
Foleshill	90
Henley	18
Holbrook	155
Longford	153
Lower Stoke	227
Radford	353
Sherbourne	3
St Michael's	144
Upper Stoke	224
Wainbody	1
Westwood	258
Whoberley	7
Woodlands	5
Wyken	3
#N/A	5

## 11 Future Schemes: WMCA Retrofit Pilot

- 11.1 As part of the Devolution Deal, WMCA has been allocated Warm Homes Funding as part of its Retrofit Pilot, which provides a 3-year settlement for retrofit funds. WMCA is working with local authorities to develop the new pilot programme, which was launched in April and promises more flexibility to ensure we can maximise grant for delivery on the ground.
- 11.2 The Retrofit Pilot also will provide customer journey support, to guide residents and those requiring extra support through the scheme, alongside opportunities to build markets and the regional supply chain. Green skills are an important part of this, and we are working with our Skills team and partners to identify opportunities to increase training provision for retrofit for local people.

- 11.3 The Retrofit Pilot also provides funding towards housing enforcement, which will enable more support to be provided to tenants. We are also engaging landlords to encourage them to improve the energy efficiency of their properties, some of which may be eligible for grant funding contributions through the Pilot.
- 11.4 The scheme will focus on fuel poor areas of Coventry and we will work closely with the local community, building on work already taking place in these areas, to develop this scheme to encourage early engagement from a wide range of groups.

## 12 Other SEP Activity

- 12.1 The Strategic Energy Partnership (SEP) is delivering a range of other schemes helping to address the challenge of home retrofit. These key programmes have been described in the table below.

*Table 2 - A list of projects in development with the Strategic Energy Partnership*

Residential			
Scheme	Overview	Funding	Deliverables
Warm Homes Scheme (Devolved Retrofit Pilot)  In development	Energy efficiency scheme aimed at reducing fuel poverty, lowering carbon emissions and improving the energy efficiency of privately owned or rented homes.  This aligns with the place-based approach the Council is taking as part of the Hillfields Neighbourhood Improvement project.	WMCA have been allocated a share of Warm Homes funding as part of the devolution deal. £3.6m has been allocated to Coventry.	More energy efficient homes for residents, improving indoor comfort (e.g. warmer in winter) and supporting bill reductions.  Fuel poverty and carbon emission reductions.
Local Net Zero Accelerator  In delivery	Programme focusses on a targeted place-based approach to retrofit. Hillfields has been selected as the pilot area, based on fuel poverty and household data.	WMCA have allocated £0.5m to Coventry to develop the pilot.	This will include resident engagement, retrofit surveys, lighter retrofit measures and also wider measures linked to green space and active travel.

<p>Affordability Pilot</p> <p>Stage 1 Completed</p> <p>Stage 2 Autumn 2025</p>	<p>A pilot aimed at E.ON customers in the city most in need of support. Trial included battery storage and time of use tariff, as well as other energy efficiency measures such as insulation, solar panels and white good replacement. Some customers also received debt relief.</p> <p>This project won the Utility Week Flexibility Inclusion Award in May 2025.</p>	<p>Fully funded by E.ON</p>	<p>Of the 18 customers. receiving the measures:</p> <ul style="list-style-type: none"> <li>- Typical electric users are expected to save c.£5,000 over 20 years.</li> <li>- Higher electric users are expected to save c.£7,500 over 20 years.</li> <li>- Two are expected to save over £400 annually on their energy bills.</li> </ul> <p>E.ON will be scaling up the pilot this autumn, seeking 100 additional Coventry homes to support.</p>
<p>Kestrix Pilot</p> <p>In delivery</p>	<p>This pilot is using drones to capture thermal imaging of 4,000 houses in Hillfields, and artificial intelligence to generate energy efficiency plans. This aligns with the place-based approach the Council is taking as part of the Hillfields Neighbourhood Improvement project</p>	<p>Fully funded by the Innovation Fund as part of the Strategic Energy Partnership</p>	<p>This pilot will help inform retrofit recommendations, which will allow devolved retrofit funding to be targeted in the most effective way. This will maximise the impacts including decarbonisation and reducing resident energy bills.</p>
<p>Dynamix</p> <p>In development</p>	<p>This pilot will install solar panels, air source heat pumps, and EV chargers at 2-3 properties to test a new technology, Dynamix.</p>	<p>Fully funded by E.ON</p>	<p>If this technology works as anticipated, the electricity grid could be less of a constraint to electrification, and to bringing forward new developments.</p>



Next Gen Home  In development	<p>Developing affordable propositions for Coventry residents to electrify heat in homes through installation of air source heat pumps and other net zero technology.</p> <p>This programme could support residents that are not eligible for grant funding.</p>	Commercial proposition to residents	Decarbonisation of heating in homes in the city.
-------------------------------------	---	-------------------------------------	--

12.2 There are other propositions being developed by the Partnership to target those in the 'able to pay' category that don't qualify for grant funded initiatives, which includes exploring group purchasing solar schemes and use of smart energy systems to drive down costs.

12.3 The SEP are also developing relationships with social housing providers to explore opportunities to support retrofit initiatives, including trialling new technologies in Coventry properties.

### 13 Climate Adaptation

13.1 We've experienced a record-breaking summer, with prolonged periods of higher-than-average temperatures and overheating of homes is a real challenge, reflecting in rocketing sales of air conditioning units. Retrofitting improves insulation, ventilation, and heating systems, which reduces energy consumption and greenhouse gas emissions which can be attributed to climate change but currently there is very little support to address energy efficient cooling. The Department for Energy Security and Net Zero is reviewing retrofitting funding to identify more measures to support cooling. An example includes the Boiler Upgrade Scheme (BUS), which does not currently support for air-to-air heat pump units which can provide cooling as well as heating.

13.2 Retrofit measures can protect homes from climate impacts such as:

- Heatwaves: Passive cooling methods like shading and natural ventilation can help homes deal with higher temperatures
- Moisture and mould: Careful material selection to avoid condensation and structural damage
- Air quality: Insulation and ventilation will help improve indoor air quality and comfort, and helps to reduce cold-related illnesses

13.3 Successful retrofit strategies align climate mitigation (carbon reduction) with climate adaptation (resilience to impacts), often through place-based approaches and resident engagement. As part of the Hillfields Neighbourhood Improvement scheme we are engaging residents to explore other measures in addition to retrofit that can make streets more climate resilient, which includes creating more green space, sustainable urban drainage and tree planting.

- 13.4 There are other measures that we are also keen to explore to incorporate into our retrofit work, which includes looking at harvesting rainwater and recycling greywater which are increasingly important given summers like the one we have just experienced with very little rainfall are to become more common.
- 13.5 We are also keen to explore how we can better support biodiversity through domestic retrofit, which includes options such as installation of swift bricks and bat boxes.
- 13.6 The Council has been coordinating a citywide Adaptation and Resilience Plan that will be published this autumn which contains a detailed overview of the climate risks the city is facing and an adaptation action plan.

## **14 Next Steps**

- 14.1 The Council has received an allocation of £3.6 million as part of the WMCA's Devolved Retrofit Pilot to deliver retrofit to privately owned and rented properties.
- 14.2 In using these funds, the Council is piloting place-based retrofit within Hillfields as part of the Hillfields Neighbourhood Improvement Programme. This focusses on entire streets or neighbourhoods to increase uptake and impact, bringing together different funding pots to deliver maximum value.
- 14.3 We will continue to work closely with WMCA and partners on delivery of the devolved Retrofit Pilot, seeking to maximise opportunities for Coventry.
- 14.4 For 2025/26 the key areas of focus for domestic retrofit will be:
- i. Deliver place-based retrofit within Hillfields, utilising funding from the WMCA's devolved retrofit pilot. This will include using the Kestrix drone data, alongside retrofit surveys and delivery of measures. We will seek to engage residents through innovative approaches and local community channels as part of the Hillfields Neighbourhood Improvement project as part of our collaborative approach.
  - ii. Continue to work with the Strategic Energy Partner in delivery of current programmes (see table 2) relating to home retrofit, but also seek new opportunities and drive home retrofit as a core component of the SEP.
  - iii. Continue to work in partnership with Citizen Housing in the successful delivery of the SHDF 2 scheme (set to completed by January 2026), alongside engaging other housing providers to ensure a more strategic and coordinated approach.
  - iv. Maximise uptake of ECO4 within the city and continue to work with partners to ensure effective delivery of this scheme across the city until end date of March 26.
  - v. Lobby the government for changes to ECO to allow better and more effective deployment of ECO funding within Coventry.
  - vi. Increase communications and awareness of retrofit through more media articles, social media, use of Citivision, local radio etc and develop engagement tools with partners such as the SEP and University of Warwick Retrofit Rocks project.
  - vii. Continue to explore other opportunities for funding that could either support more residents or enable projects to work more effectively.

- viii. Continue to work to identify solutions to support the 'able to pay' market, where households don't qualify for grant funding – this will be via the SEP and engaging the finance sector and other key partners.
- ix. We will continue to drive skills related to domestic retrofit, working with the Green Skills Sub-Group and partners such as our Strategic Energy Partner to support delivery of the city's Green Skills Strategy, including promoting existing activity such as boot camps and the SHDF training facility.
- x. Work with partners to develop innovative solutions to retrofit, including our Strategic Energy Partner and other key partners across the city including organisations on our Climate Change Board.
- xi. Continue to work with the Planning team to implement the Local Plan Review, which considers retrofit, alongside improving the energy efficiency of new housing developments.

## **15 Health Inequalities Impact**

- 15.1 Fuel Poverty disproportionately affects householders who are vulnerable and on low incomes, and particularly those with ill-health or disabilities. Increasing the capacity of funding available to support these residents is of vital importance.
- 15.2 Most of these programmes specifically support those residents suffering from fuel poverty or those on low incomes. The improvement of energy efficiency to their homes can help to reduce energy bills, help residents to keep their homes warmer, reduce potential for mould and damp growth, and ultimately help residents to stay healthier.

Name of Author: Matthew Dillow

Job Title: Business Development Manager, Climate Change

Organisation: Coventry City Council

Contact details: [Matthew.Dillow@coventry.gov.uk](mailto:Matthew.Dillow@coventry.gov.uk)