

Improving energy efficiency for tenants

Tackling fuel poverty



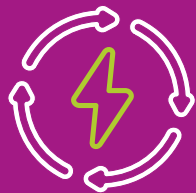
Tenant insight and priorities

Energy efficiency, a core and consistent theme for tenants



Rent consultation to the 2024/25 increase:

- 45% of tenants are most concerned about paying their energy bills.
- Of those that are Asian/Asian British or of Mixed ethnicity, this rises to 60%.



Retirement living consultation:

- 61% of tenants felt that Midland Heart should be providing them with energy advice.
- The top three things our tenants use energy for in their homes were heating (67%), watching television (62%) and hot water (54%).



Social Housing Decarbonisation Fund consultation:

- Tenants voiced concerns about paying their energy bills.



Homes that enable modern living consultation:

Our most aged and challenging homes and neighbourhoods:

- 56% of 73 tenants from the initial perception survey stated that they suffer from condensation.
- Of these, 46% of BME tenants reporting Damp and Mould in properties that were constructed before 1920.
- 30% of our homes in Birmingham fall into this category and are more likely to be less energy efficient.

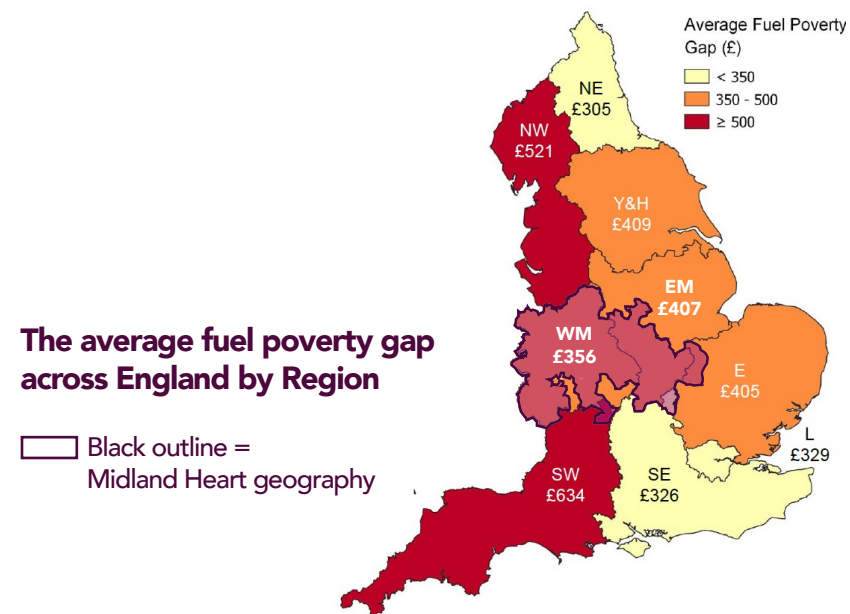
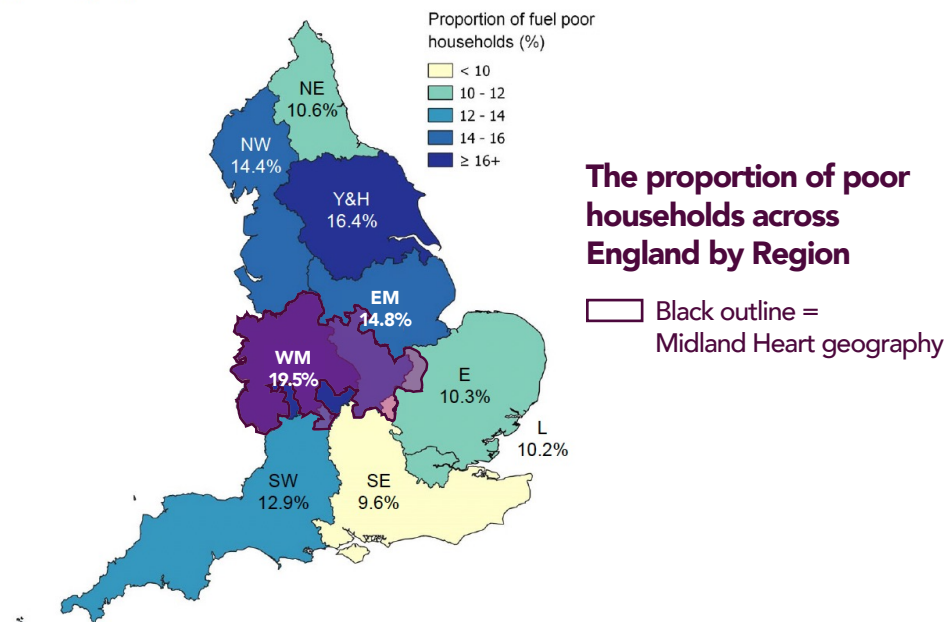
Our tenants have told us they feel a modern home includes:

- Double Glazed Windows.
- Effective Central Heating Systems.

The extent of fuel poverty

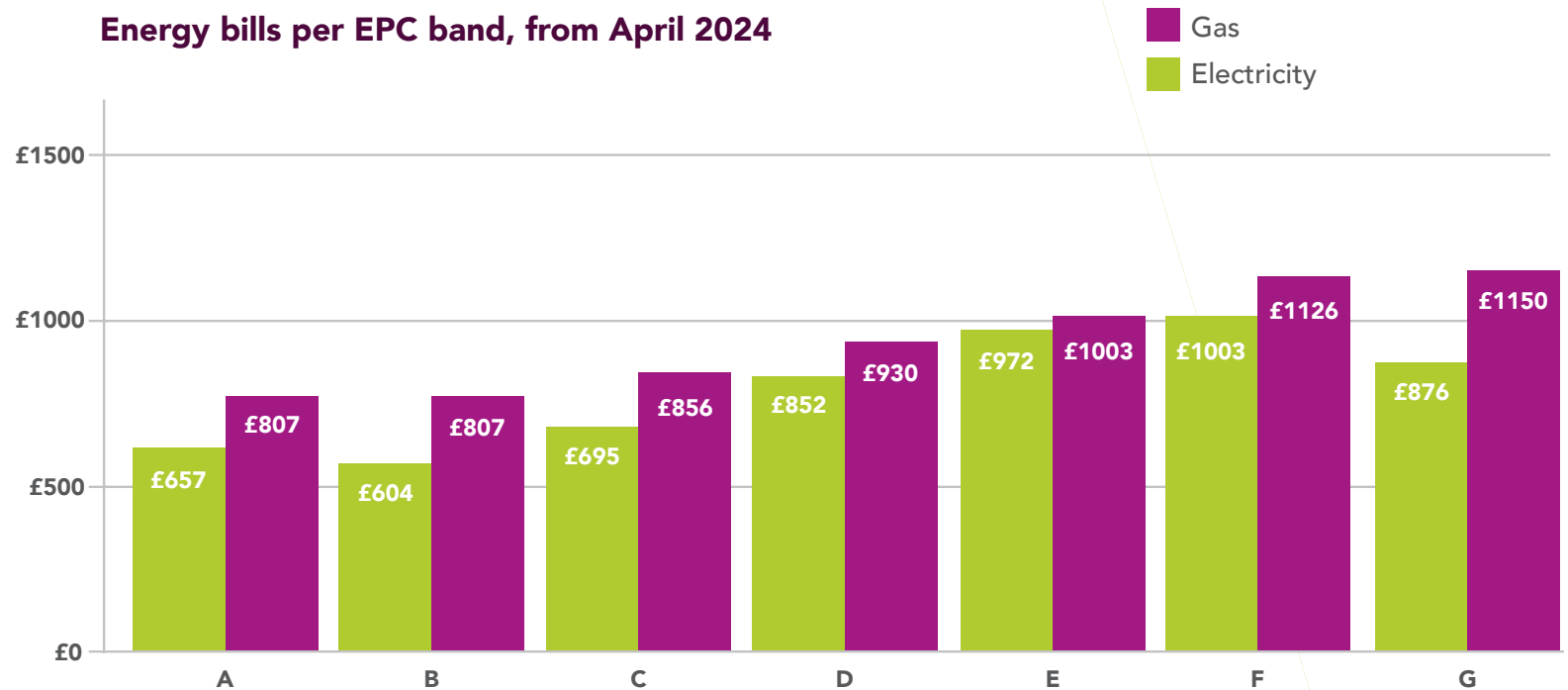
- The West Midlands has the highest proportion of 'energy poor' households of any English Region (19.5%) - these are mainly linked to lower median incomes.
- The West Midlands 'fuel poverty gap' (annual increase in income to alleviate fuel poverty) is £356 – significantly lower than the North West and South West.
- The West Midlands has the second highest number of homes with EPC rating D-G (62%) behind Yorkshire & Humberside (64%). London is lowest (53%).
- The HACT Fuel Fund distributed 11% of vouchers in the West Midlands (3rd in England).
- c75% of West Midlands homes are in Council Tax bands A-C (the lowest).

Region	Number of Lodgements (homes)	Percentage of properties (D-G rating)
Yorkshire and the Humber	2,336,853	64%
West Midlands	2,324,927	62%
East Midlands	2,015,508	60%
North West	3,177,718	60%
South West	2,427,620	59%
North East	1,221,294	58%
East of England	2,525,561	56%
South East	3,777,354	56%
London	3,796,720	53%
Unknown	10,643	n/a



Cost of energy by EPC bandings

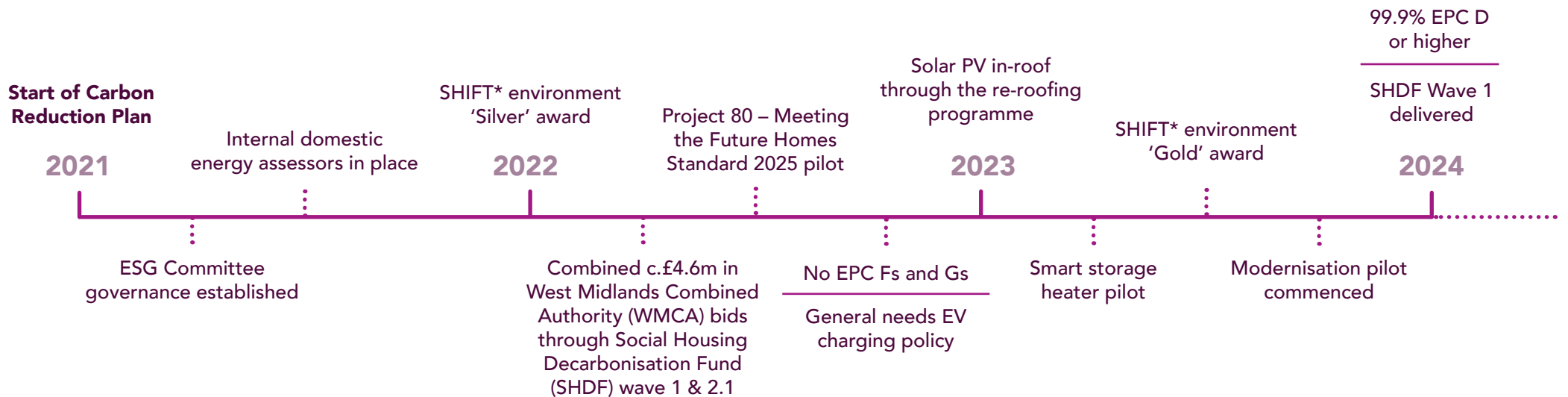
Energy bills per EPC band, from April 2024



**Energy savings from moving from EPC band E to EPC D for an average home is £190.
Moving from EPC D to EPC C could save a further £230 on average.**

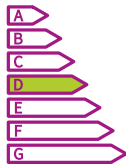
Source: *Energy and Climate Intelligence Unit*

Our response



* SHIFT are a specialist environmental consultant

Headline results



99.9%

of our homes are now at EPC band D or above.
(target 100% by March 2025) from 77% at June 2021.



91%

of tenants were satisfied with
our retrofit works.



6,352

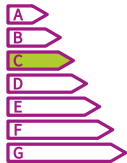
tonnes of CO2e saving was made
through this movement
the equivalent of 15.9 million miles in an
average petrol car, or 197,000 new trees.
(2023-24 Headline results)

This reduction in CO2 was achieved by
moving properties from EPC E or below,
to EPC D or above.



£20,671

worth of fuel vouchers issued.

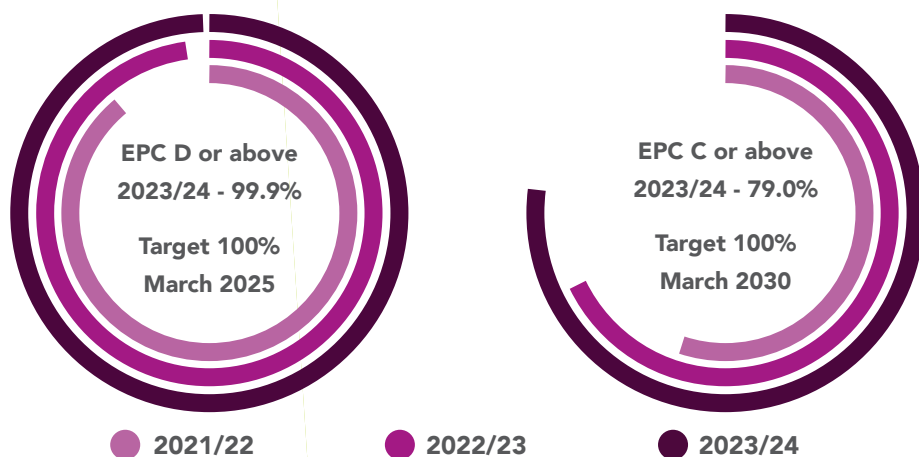


79%

of our homes are now EPC band C.



2023/24 results



Energy efficiency measures (2023/24)

We have increased our spend on energy efficiency measures through major projects such as SHDF Wave 1 in our homes and Heating, Ventilation and Cooling (HVAC) upgrades in our Bath Row head office and fabric improvements at our new West Midlands Hub office.

- **161** homes uplifted from EPC E-D to C-B through our Social Housing Decarbonisation Fund Wave 1 programme.
- **565** new smart or automated meters (AMRs) installed since 2023.
- **1,201** new energy efficient boilers.
- **220** electric heating systems including storage and panel heaters.
- **283** solar PV arrays on our homes, including in-roof solar PV through our re-roofing programme.
- **60** blocks transitioned to new LED lightbulbs.
- **284** properties have received new double-glazed windows.
- **373** properties have received wall insulation ready triple-glazed windows.
- **216** insulation top-ups have been completed.
- **3,866** newly assessed and registered EPCs have captured the energy efficiency measures installed in our homes as we work towards EPC C by 2030.

Case study

Social Housing Decarbonisation Fund Wave 1

The Social Housing Decarbonisation Fund provides vital support to social housing landlords as we make strides to improve the energy efficiency of our homes and move our properties closer to net zero.

In 2022, we obtained c£2.2m from the SHDF Wave 1 from the West Midlands Combined Authority (WMCA) bid. This funding was matched by Midland Heart and used to supplement our net zero aligned energy efficiency retrofit strategy, getting all our homes to EPC D or above by 2025 and EPC C or above by 2030.

We have the largest number of pre-War/early 1900s homes in the country, approximately one third of our 35,000 homes. Each require their own plan of works and can be expensive to retrofit, presenting us with a more unique challenge than other housing providers.

Nevertheless, through working in partnership with contractors Lovell and Wates, we have successfully completed retrofit works in 161 of our properties, including a mixture of fabric measures, solar panels and triple glazing, an industry and domestic housing first. As a result, we have seen a significant EPC uplift in these properties, with homes moving from bands E-D to C-B, years ahead of our organisational target. We also anticipate this technology will have a positive impact on the thermal comfort of our tenants and will reduce their energy bills now and in the long term.

One of our participating tenants said, "They totally reinsulated it and put the plaster boards and plaster on, they did it all lovely. They were very quick and got on with it. Electric bill has gone down and the windows are brilliant and keep the room warm without the draught coming in."





Case study

Our award-winning Demand Side Response (DSR) smart storage heater pilot

The UK Government recognises electrification as the key pathway to decarbonise heat in our homes. Given the recent energy crisis, fast-tracking net zero action has the potential to solve the immediate pressing issues of security of supply and higher energy costs, part of the UK energy trilemma. As more electric load from renewables comes online, flexibility and storage will be required through a demand-side management system, also known as demand side response.

In partnership with British Gas and Glen Dimplex, we have upgraded or installed around 600 smart DSR ready storage heaters in our retirement living schemes, amounting to over a 1MW load. The innovative heaters sit within our tenant and communal spaces to undertake the first trial DSR of this size in a domestic environment.

The significant challenge to upgrade or install 600 smart storage heaters was overcome through a robust partnership and strong levels of engagement with our tenants. Our tenants were interested to learn about the innovative technology and how they could support in a trial of national importance. Without their understanding and support, we could not have contributed to such an important pilot.

The legacy of this pilot will be our collaborative commitment to trialling a technology critical to UK energy policy and the transition to net zero. Off the back of the pilot British Gas and Glen Dimplex have produced a new flexible DSR based electricity tariff.

This groundbreaking pilot has been recognised as a winner in two major energy and sustainability sector awards: Winner at the Edie Net Zero Awards 2023 Smart Systems and Flexibility Project of the Year and Winner at the Energy Awards 2023 Net Zero Initiative – Heating and Cooling.



Case study

92 Crompton Road, Handsworth

Challenge

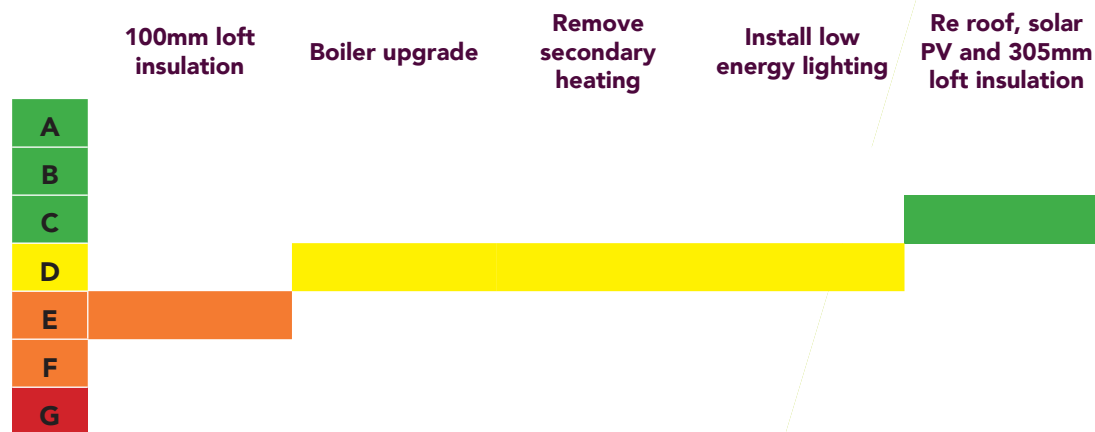
- Victorian property, c100 years old, end terrace, EPC E.
- Hard to heat property, thermally inefficient, and old heating sources.

Works completed

- Incremental investment has improved the EPC rating to C – loft insulation, new roof, energy efficient boiler, removal of secondary heating, low energy lightbulbs.

Result

- Significant improvement in overall thermal comfort.
- Energy efficient boiler installed, low energy lighting and removal of secondary heating results in lower fuel bills.
- Energy generation through solar PV reducing fuel bills.



External assurance



Positively, we have achieved the SHIFT (Sustainable Homes Index for Tomorrow) Gold Award, this provides comprehensive assurance relating to our overall assessment, tracking of carbon emissions and approach to net zero.



Internal audit on our EPC recording and reporting. (2023/24)

Next steps

- c£10m spent to get to EPC band D, a further c£70m in the business plan to move us to EPC band C by 2030.
- To deliver Wave 2 of the Social Housing Decarbonisation Fund, and explore Wave 3 and ECO4.
- Deliver a pilot on enabling homes for more modern living – tackling our more aged properties. A key part of our corporate plan 2025-30.



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