

National Assembly for Wales
Environment and Sustainability Committee
EEFP 03
Inquiry into Energy Efficiency and Fuel Poverty
Response from: RCT Homes

RCT Homes Ltd

An Introduction to RCT Homes Ltd

RCT Homes was established in December 2007 following the transfer of Rhondda Cynon Taf County Borough Council's entire housing stock. RCT Homes is a housing-led regeneration company. The business is governed by a 15 strong volunteer board including 5 tenants. RCT Homes' primary focus is to deliver its Promises to invest in and make improvements to tenant's homes and neighbourhoods.

Energy Programmes

RCT Homes has taken a whole house approach with regards to environmental sustainability. Our aim is to help tenants enjoy their homes without fear of affordability. The energy saving measures carried out have been designed to: increase the thermal comfort level; reduce fuel bills & carbon emissions; and contribute to tenancy sustainability.

Since stock transfer in 2007, we have invested over £63 million pounds to bring our housing stock of over 10,000 properties up to the Welsh Housing Quality Standard.

We have worked in partnership with the local authority and utilities companies to support these projects through match funding. To date, we have received over 15 million pounds in funding, see Table 1, through the Community Energy Saving Programme, Arbed, Community Emission Reduction Target, the Energy Company Obligation and Heads of the Valleys funding streams.

670 private residents have also benefitted through funding from the local authority with additional funding streams such as ECO, Heads of The Valleys, CESP, Arbed.

Table 1: Grant Funding Received

Name of Grant Funding:	Value of Funding
	£.
Arbed	1,864,018
ECO funding Penywaun 13/14	288,619
ECO funding Gyncoch 13/14	208,000
CESP	5,000,000
CERT	64,141
Heads of the Valleys	1,500,000
Low Carbon Building Programme	500,000
Penrhys CESP	2,000,000

CERT funding not received as income	1,206,053
PV panels would have cost 456 x £6,000	2,736,000
Total	15,366,831

We have completed over 22,000 energy efficiency measures; ranging from:

- Loft and Cavity Wall Insulation
- External Wall Insulation
- Boiler replacements
- New A rated windows and doors
- Roof replacements
- And renewable technologies, such as Solar Photo Voltaic and solar Thermal Panels

Challenges & Improvements

The main challenge of Arbed 1 and 2 was the very tight timescales from the time the funding was made available to the deadlines for completion of the work in order to qualify for the funding. All completions had to be delivered by Year end. This put pressure on materials, and labour.

With regards to improvement, we would like to see more collaboration with other Associations. For example, combined bids to increase ‘buying power’ and a pooling of resources and expertise.

Future Funding Opportunities

Energy Company Obligation, figures to date:

2013/14 - £496,619

2014/15 to date - £468,000

Issues with ECO

The extension of ECO has led to a significant reduction in the funding offers that were originally made. Notwithstanding this, many energy companies are now focusing on the easy to treat and less costly measures to meet their obligation such as loft and cavity wall insulation. We had an ECO scheme of over 500 properties, ready to start on site which as a result of the changes in ECO, has led to significant delays in the contract start and number of completions that we originally forecast in our 2013-14 Business Plan.

Welsh Government support for HAs in obtaining ECO

Maximising ECO – we are working closely with RCTCBC who are submitting bids based on our current ECO planned programmes of work in order to maximise the opportunity for Arbed funding whilst also working towards a holistic, community approach to the way in which we plan and deliver projects by integrating, where possible, private properties via RCTCBC grant funding and other funding opportunities such as VVP (Vibrant and Viable Places.)

Behavioural Energy Projects

Meadow Prospect, RCT Homes' charity subsidiary, secured £8000 of DECC funding to deliver an extensive programme of outreach to vulnerable consumers, focusing on helping them reduce their energy costs through assisted action on tariffs, switching and energy efficient behaviour.

The programme, self-entitled *Switch to Save*, took place between November 2013 and March 2014. During this time we held 10 community events engaging with 96 home occupiers on a 1-2-1 basis. We also trained 18 frontline workers, ensuring they were equipped with the knowledge when engaging with tenants.

Following the success of the programme we are continuing the service to tenants and communities indefinitely. We organise and attend community events throughout RCT and we will be providing further frontline training to staff.

Community Drop-in facility

We are currently piloting a service from one of our community housing offices. Every Thursday, both tenants and residents are able to receive free and impartial advice on topics such as energy saving and tariff switching.

Energy Efficient New Builds

RCT Homes completed 4 pilot new builds in August 2013 complete with air source heat pumps and built to Sustainable Homes Code 4 (EPC rating B).

A six monthly review was carried out to assess the efficiency and suitability of the product for use in new build RCT Homes' properties. Please see a summary below, a full report can be provided on request.

Usage and Cost Calculations

Plot no.	Meter Reading 1 (Aug 13)	Meter Reading 2 (Feb 14)	Usage	Cost (inc standing charge)	Cost/day	Estimated (max*) annual cost	Comparison to UK Averages (2013)
1	000039	02884	2845	£429.90	£2.40	£859.80	36% Cheaper
2	000055	01799	1744	£280.96	£1.54	£561.92	58% Cheaper
4	000048	02835	2787	£422.10	£2.31	£844.20	38% Cheaper

**The estimated annual cost is simply the 6 month cost doubled. It was assumed that this is the maximum figure as costs will likely decrease due to warmer weather in the summer months (should all other factors remain the same).*

Fuel costs were significantly lower for Plots 1, 2 and 4 compared to the UK average.

All new tenants had previously occupied Type 1 Cornish properties with a EPC rating of 'F'. Although no bill evidence could be provided, both tenants in plots 1 and 4 reportedly spent an average of £60/week for both gas and electricity during winter months. This works out at an average cost of £8.60/day with all three tenants stating that they would still be cold and living at an uncomfortable temperature.

The tenants reported that they are more than happy with the level of comfort in their new homes and are particularly relieved at the notable decrease in energy costs. It was concluded that RCT Homes installed a quality product and is fit for purpose with all properties being new builds.

We will be building a further 37 units in the area, all to Code 4 with ASHPs.

Renewable Technology Installations

523 solar PV systems across the stock

210 solar Thermal home installations across the stock

2 x commercial solar thermal systems (sheltered complexes)

5 x commercial solar PV systems (sheltered complexes)

5 x air source heat pumps.

1 x MVHR

1 x Solar Wall (Tata Steel)

RCT Homes would be prepared to attend future sessions to provide further evidence, if required.