

## **LONDON BOROUGH OF HAMMERSMITH & FULHAM**

**Report to:** Cabinet

**Date:** 16/06/2025

**Subject:** Adopting the H&F Council Housing Retrofit Strategy

**Report of:** Cllr Frances Umeh, Cabinet Member for Housing and Homelessness  
Cllr Wesley Harcourt, Cabinet Member for Climate Change and Ecology

**Report author:** Jim Cunningham, Strategic Lead for Net Zero Housing

**Responsible Director:** Richard Shwe, Director of Housing

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### **SUMMARY**

This report asks Cabinet to adopt a retrofit strategy (Appendix 1) and action plan (Appendix 2) for the council's homes that will be delivered through the updated Housing Revenue Account (HRA) Asset Management Plan.

The new asset management plan that is being developed in housing is utilising the retrofit strategy, focussing on data-driven decision making, prioritising energy efficiency, and at the same time considering long term sustainability. This asset management plan will for the first time successfully integrate asset condition data, prioritise properties for retrofit and incorporate sustainable practices like circular materials and decarbonisation.

Having the retrofit strategy in place will allow the asset management plan 5-year programme to identify properties that would benefit most from retrofit interventions, considering factors such as energy consumption, building age and resident needs. Focusing on these interventions – including insulation, improved heating systems, and renewable energy integration – will also improve energy efficiency. In addition to long-term operational and financial benefits, having energy-efficient retrofitted properties identified through the asset management plan will reduce operating costs, increase property value and improve residents' comfort.

The retrofit strategy becomes the cornerstone of delivery of the Council's Fuel Poverty Strategy and Climate and Ecology Strategy and supports the Council's Industrial Strategy. The Housing department has been delivering pilot retrofit initiatives over several years and the strategy incorporates our learning from these. As well as this it sets out the council's approach to improving the energy efficiency of its homes, ensuring that residents can affordably heat their homes and that the council meets its net zero carbon target.

A new asset management plan that leverages retrofit strategies will improve asset performance, reduce costs, and promote sustainability. This approach enables the continued delivery of the retrofit and decarbonisation agenda throughout the year, accelerates the street property energy efficiency programme, advances works on the

West Kensington estate, and supports delivery under the Warm Homes: Social Housing Fund (Wave 3).

The Council will continue to progress innovation opportunities that advance our net zero targets in effective and cost-efficient ways and move the retrofit sector forwards.

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## RECOMMENDATIONS

That Cabinet:

1. Adopt the H&F Council Housing Retrofit Strategy (Appendix 1) and action plan (Appendix 2).
2. Note the housing retrofit projects already delivered and underway.

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**Wards Affected:** All

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Our Values	Summary of how this report aligns to the H&F Values
Building shared prosperity	Retrofit is a green industrial sector which has been limited by stop-start subsidies in the past. Incorporating retrofit into our capital programme and building a consistent pipeline of projects provides certainty to the sector and supports regional suppliers to invest in retrofit skills. Low-carbon and renewable sectors are high-growth areas worked on by the borough's anchor institutions and start-ups, and the retrofit strategy supports our local industrial strategy by advancing collaborations with these organisations.
Creating a compassionate council	By eliminating fuel poverty for households, they can better utilise their existing income. Retrofitting our homes to be energy efficient tackles fuel poverty, brings homes to a comfortable standard, helps to prevent damp and mould and improves indoor air quality, reducing negative impacts on health.
Doing things with local residents, not to them	Residents' buy-in is essential to a successful retrofit programme. Carrying out an engagement programme is included in the action plan. We will actively engage with residents in the design and delivery of projects and

	carry out general communications to all residents to help them understand the benefits of retrofit.
Being ruthlessly financially efficient	The Council pursues all opportunities to bring in external funding to support housing retrofit projects. We will continue to work with colleagues across the Council and beyond to explore alternative ways to fund and finance the programme.
Taking pride in H&F	The strategy confirms Hammersmith & Fulham as a leader in taking action on climate change. The focus of retrofit is to take pride in the neighbourhoods and buildings we have, investing in them to make them fit for the future. Projects will be aligned where possible with action to green our estates, making them attractive, climate resilient, and welcoming to wildlife.
Rising to the challenge of the climate and ecological emergency	This strategy is a cornerstone of the council's delivery on its net zero target. The Council aims to be net zero carbon by 2030. This project is working in conjunction with this target. Housing accounts for up to 35% of H&F's carbon emissions.

## Financial Impact

There are no additional direct financial implications arising from this report as there are no proposals at this stage to approve budgets and the retrofit strategy was compiled from existing approved staffing resources.

The expectation is that the costs to deliver retrofit projects will be funded from within the current approved HRA 10-year financial business plan and supported through securing external grant funding where possible. Further decision reports setting out the financial implications will be required to approve individual schemes, and these will need to be agreed through the Council's standard annual budgeting and financial governance protocols.

*Danny Rochford, Head of Finance (Housing), 11 February 2025*

*Verified by Sukvinder Kalsi, Executive Director Finance and Corporate Services, 6<sup>th</sup> May 2025.*

## Legal Implications

The Climate Change Act 2008 (as amended) imposes a legal obligation on the UK to achieve net zero by 2050. The Council is committed to achieving this target by 2030. It is recognised that local authorities have a major role to play in achieving net zero and retrofitting housing is an important element of this.

The Council as a landlord and local housing authority has a legal duty to maintain its housing stock. Retrofitting homes to achieve greater energy efficiency is in accordance with and in furtherance of these duties.

Individual contracts for the undertaking of works of retrofitting will need to be subject to the competition requirements in the Public Contracts Regulations 2015 (the Procurement Act 2023 where the procurement begins after 28 October 2024) and the Council's Contract Standing Orders.

*John Sharland, Assistant Director, Legal Services, 10<sup>th</sup> June 2024*

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## **Background Papers Used in Preparing This Report**

None.

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## **DETAILED ANALYSIS**

### **Background**

1. Hammersmith & Fulham Council declared a climate emergency in 2019, setting an ambition for the borough to reach net zero carbon emissions by 2030. The council has an important role in achieving this target, with assets under its control or ownership accounting for 11% of the borough's local greenhouse gas emissions.<sup>1</sup> Of this, 61% is from our council housing.
2. The Council published a Climate and Ecology Strategy in 2021, including an objective to 'put in place and implement whole house retrofit plans for all council homes to achieve net zero, that include adaptation measures'. It also approved a Fuel Poverty Strategy in 2023 setting out objectives to ensure that residents homes are well-insulated and affordable to heat.
3. This council housing retrofit strategy sets out how the organisation plans to deliver on these objectives to deliver warm, sustainable homes for the residents of its own housing estate.

### **Why a retrofit strategy is needed**

4. Retrofitting our homes with energy efficiency measures makes them comfortable and affordable to live in and invests in the long-term durability and sustainability of our stock. High quality energy efficiency measures support priority council agendas including:
  - i. Tackling the cost-of-living crisis
  - ii. Preventing damp and mould
  - iii. Long-term performance of our stock including durability
  - iv. Compliance with future Minimum Energy Efficiency Standards
  - v. Energy security for the council and residents

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<sup>1</sup> Includes council scope 1 and 2 emissions, plus scope 3 emissions from council-owned housing and non-domestic buildings that are leased to others.

5. This strategy builds on H&F's Housing department's delivery of retrofit to date. The council has been delivering pilot retrofit projects and incorporating energy efficiency measures into its programmes, including:
  - i. Innovative 'deep retrofit' of non-traditional houses on the West Kensington Estate
  - ii. Large scale insulation to blocks on the West Kensington estate
  - iii. Incorporating energy efficiency measures into our wider capital programme including new windows, doors, roofs, and wall and loft insulation, with over 3,000 energy efficiency measures installed in over 1,500 homes over the past 2 years of the programme
  - iv. Hybrid heat pumps for 10 sheltered housing schemes
  - v. Domestic air-source heat pumps for flats
  - vi. Feasibility studies for large scale heat networks in our estates
  - vii. Transitioning our fleet away from petrol and diesel
6. These have provided valuable learning on delivering retrofit schemes, and the council will continue to pursue opportunities to innovate in its delivery, including exploring alternative financial models that allow us to deliver low-carbon technologies at scale within council budgets and available grant funding.
7. To deliver on its objectives, the council now needs to embed retrofit into all projects within its capital programme.
8. Adopting the council housing retrofit strategy confirms warm, sustainable homes as a priority of the council's housing investment. This will form a pillar of the council's housing asset management strategy (currently in development), alongside objectives such as compliance, regulation, and health and safety. The asset management strategy will be the authoritative source of the council's objectives for its capital investment in its housing and will set out a 5-year programme of works. The retrofit strategy will be integrated into all projects.
9. The retrofit strategy provides a clear direction and practical targets for delivery. This steer will allow the council to prioritise retrofit, progress projects with streamlined decision-making, and place the council in the best possible position to take advantage of external funding.

## **About the strategy**

10. This strategy focuses on retrofitting the 'fabric' of our homes: bringing residents' energy use down through cost-effective interventions to improve the energy efficiency of the building fabric such as better windows and doors, and improving insulation. It is best practice to do this before installing low-carbon heat to ensure that bills are affordable and that new low-carbon heating systems are not oversized.
11. This approach is modelled as being deliverable within the budget signed off for retrofit within the 12-year capital asset management strategy in 2021, and is also in line with central government's current funding priorities, with grants predominantly for fabric measures rather than low-carbon heat.

12. The strategy includes a plan to decarbonise the heating systems of our communally heated blocks, and opportunities to incorporate low-carbon heating into projects will continue to be progressed. A full strategy to decarbonise heating systems will be developed as highlighted within this strategy's action plan.
13. The full strategy is attached as Appendix 1 and the action plan as Appendix 2.

### **Next steps**

14. The Retrofit Strategy will be published as a standalone strategy and will also be incorporated into the upcoming asset management strategy in development this year.
15. Delivery of our retrofit and decarbonisation programme is scheduled to continue in the coming year, including:
  - I. Energy efficiency works on the West Kensington estate
  - II. Delivery of a programme of street property energy efficiency works
  - III. Subject to award of grant funding, delivery of combinations of energy efficiency, renewable energy and low-carbon heating to up to 1,100 homes through the government's Warm Homes: Social Housing Fund (Wave 3)
  - IV. Upgrades of communal heating schemes including air-source heat pumps
  - V. Transition of the department's fleet away from petrol and diesel vehicles

### **Reasons for Decision**

16. Adopting the council housing retrofit strategy confirms the council's commitment to delivery retrofit at scale and provides direction for council delivery teams, supporting the council to meet its net zero and fuel poverty objectives.

### **Equality Implications**

17. The result of the strategy will be council homes that are more affordable to heat. This is expected to have positive impacts in particular on older people, very young children, people from ethnic minority groups and disabled people. People from these groups are over-represented in social housing and are at higher risk from health complications related to living in cold homes due to lower immunity and obstacles to moving around and changing living environment. Studies have linked more energy efficient housing with lower excess winter deaths.
18. As with all capital works leaseholders may have to pay for works. The council does not hold demographic data on residents of its leasehold properties but recognises that charging leaseholders may place a financial burden on the leaseholders or their lessees through increased rents. The council will ensure

leaseholder costs for energy efficiency measures are reasonable, with these being approached on a case-by-case basis.

19. Further details can be found in Appendix 3.

### **Risk Management Implications**

20. There is a reputational risk of resident opposition to the retrofit, that the individual retrofits are incomplete/unsatisfactory or that there are delays in completing the changes successfully. To mitigate this, and as mentioned above, a plan of engagement with residents must be developed including personalised communications, completion reports and mechanisms to ensure a minimum of disruption.
21. There is a financial risk that costs exceed the budget and that as a result work is incomplete or that additional funds are necessary. To mitigate this, it is recommended that expenditure reports are prepared monthly allowing for a tracking and reasonable cost projections

*Jules Binney, Risk and Assurance Manager, 7<sup>th</sup> February 2025*

### **Climate and Ecological Emergency Implications**

22. This strategy directly supports the council's Climate and Ecology Strategy objective to 'put in place and implement whole house retrofit plans for all council homes to achieve net zero'. It sets out an approach to deliver this objective, which alongside measures to decarbonise heating in council homes covers the largest directly controllable portion of the council's carbon footprint. It is therefore a cornerstone of the council's net zero ambition.

*Verified by: Tim Pryce, Clean Energy Lead, 10<sup>th</sup> February 2025*

### **LIST OF APPENDICES**

Appendix 1 – Council Housing Fabric Retrofit Strategy  
Appendix 2 – Action Plan  
Appendix 3 – Equality Impact Assessment