Centre for Sustainable Energy

ACCESS The Foundation for Social Investment

The role of non-profit organisations in the provision of retrofit services in England

By Harriet Sansom and Jacob Hall

November 2024

Centre for Sustainable Energy
St James Court, St James Parade, Bristol BS1 3LH
www.cse.org.uk
Charity 298740 | Company 02219673

Contents

Who is CSE, who is ACCESS

Centre for Sustainable Energy

The Centre for Sustainable Energy (CSE) is a charity supporting people and organisations across the UK to tackle the climate emergency and end the suffering caused by cold homes. We do this by sharing our knowledge, practical experience and policy insights.

For over 40 years, we've supported people to take effective action on energy in their homes. We help communities and local councils to understand energy issues, set priorities, and put plans into action. Our research and analysis focus on making the energy system greener, smarter and fairer.

Find out more at www.cse.org.uk.

Access – The Foundation for Social Investment

Access works to make sure that charities and social enterprises can access the finance they need to sustain or grow their impact.

A charitable foundation that launched in 2015, Access was designed to 'disrupt' the existing social investment market and widen its reach into places and communities that were previously excluded.

Access targets those most in need of patient and flexible investment through:

- Funding blended finance and enterprise development programmes in England.
- Sharing knowledge and data and translating it into practical insight that others can use.
- Mobilising others who share our goal of making capital work for communities.

Find out more at www.access-socialinvestment.org.uk

Foreword

Seb Elsworth, Access CEO

In an era where the climate crisis is a pressing reality, charities and social enterprises play a crucial role. Social and environmental issues cannot be disaggregated, and we must all play a role in ensuring that the substantial benefits of a green economy are shared widely, while also supporting those who stand to lose.

Many charities and social enterprises recognise the urgent need to retrofit their own buildings in order to future-proof vital community work, reduce exposure to high energy costs and work towards a greener, more sustainable future. Many lack the time, knowledge and resources to do so.

Supported by Dormant Assets, Access – The Foundation for Social Investment has committed £12m to assist social enterprises with innovative energy-saving solutions. This has been combined with £8m from Better Society Capital. Through this work, we are supporting retrofit in over 300 community buildings.

As part of this work, a crucial market gap became apparent – the chronic shortage of suppliers, particularly within our own sector.

This report aims to shed light on the current landscape for retrofit delivery – focusing on non-profit providers – so that we can work towards increasing the knowledge, capacity and skills within the sector to deliver this vital work.

The report reveals a nascent sector in need of support – with a few well-established organisations and many others just beginning their journey. It outlines significant opportunities for the careful application of public funds to fill market gaps and support capacity building, as well as the need for greater levels of collaboration and knowledge sharing – both within the not-for-profit and with appropriate partners in the private sector.

We are grateful to all the people and organisations who attended our focus groups, workshops and webinars, and contributed their time for interviews. As well as the Centre for Sustainable Energy for their thoughtful approach to this work – and to Locality, People Powered Retrofit, Community Energy England, and Groundwork UK for their time and insights.

We hope it will provide vital food for thought for all those looking to create green jobs and investment and accelerate progress towards a just transition. By putting a spotlight on both the opportunities and challenges faced by the sector, this report intends to inform policy and funding decisions that can drive meaningful change.

Acknowledgements

This report was written by Harriet Sansom and Jacob Hall.

Thank you to our project partners for their collaboration and critical insights through the course of our research:

Josh Robinson, Access – The Foundation for Social Investment
Keith Hempshall, Centre for Sustainable Energy
Jonathan Atkinson, People Powered Retrofit
Ed Wallis, Locality
Phil Coventry, Community Energy England
Samantha Cox, Groundwork

The findings in this report are the result of learning from a range of stakeholders who generously gave their time and insights to inform the work. Thank you.

Executive Summary

The non-profit retrofit sector is in its early stages of development. The sector has a few well-established organisations, but most are still early on in their business development journey.

The Community Energy England State of the Sector data (2024) provides a comprehensive picture of retrofit being delivered by community energy organisations (the majority of whom are non-profit); however, it is challenging to develop a coherent picture of the scale of retrofit provision by other non-profit organisations in England.

Many in the non-profit sector are motivated by tackling the climate emergency; supporting those struggling with fuel debt, fuel poverty or in poor quality housing; and building community-centred, neighbourhood scale approaches to addressing community needs and priorities.

With regards the type of retrofit work, the majority of these organisations are focused on domestic retrofit, through the provision of individualised services; there is a small minority working on street or neighbourhood-scale domestic retrofit initiatives. There is a minority of organisations in the non-profit sector also delivering non-domestic retrofit services for small to medium-sized buildings.

Much of the work being done is grant-funded (both for domestic and non-domestic work) although there is also some work with self-funded households. Some established community energy organisations use revenue from their renewable energy assets to fund their retrofit work. Whilst the complexity, and associated risk, of retrofit service delivery makes scaling up a challenge, there is a significant level of innovation and creativity in the non-profit sector. There is also a strong appetite for collaboration and replication of successful approaches through open sharing across the sector.

The unique characteristics of local, social and placed-based organisations brings opportunities for retrofit approaches that centre the needs of the communities in which they are delivered and ensure modelled post-install benefits are secured.

We propose recommendations to better support and grow the role of the non-profit sector in retrofit service delivery. These are detailed in the report and include:

- Patient seed finance for emerging and established organisations to develop and diversify.
- Shared infrastructure and mentoring for 'fledgling' organisations.
- Funded training and peer learning opportunities for established organisations to grow their capacity.
- Support for the collaboration and strategic planning between non-profits delivering in the nascent non-domestic space.
- Greater flexibility and opportunities for capacity building in the design of non-domestic retrofit funding schemes.
- Support for the role of non-profit organisations in the growing number of area-based retrofit schemes.

Introduction

In the UK, the retrofit sector consists of a diverse range of professionals and organisations. Professionals range from surveyors and engineers, to architects and designers, retrofit coordinators, ventilation installers, glaziers, renderers, carpenters, and training and accreditation bodies. Organisations range from Tier 1 contractors (the largest and most established companies) who play a significant role in large-scale, high value and more complex retrofit projects (e.g. hospitals, social housing schemes and large office buildings); to small and medium-sized enterprises, many of which are part of the 'Repair, Maintenance and Improvement (RMI) sector, who carry out the largest number of retrofit projects. Charities and social enterprises play a small but emerging role in providing retrofit services.

It's estimated that, in the UK, 27 million homes and over 3.5 million non-domestic buildings will need to be retrofitted to meet our statutory targets for carbon emission reductions[1]. But retrofitting our buildings well is an opportunity far greater than that. It's an opportunity to make our buildings more affordable to run, to work better, and to be more comfortable to use and live in, and to lower the financial burden on the NHS that results from the use and habitation of damp and mouldy buildings. It's an opportunity to create new and higher skilled jobs in every region, and to ensure the sector is representative of the diversity of our communities. It's an opportunity to grow community resilience through neighbourhood-scale approaches and programmes.

It is estimated that we need 500,000 new professionals and trades to tackle the UK's retrofit challenge (CLC 2021). And the existing workforce also needs to be upskilled. Whilst small-scale and specialist retrofit operators (i.e. those focussed on a particular measure) are engaging with this challenge, the lack of interest from generalist builders, integral to building the critical mass necessary for supply chain growth, remains a challenge (BEIS 2021). There also needs to be a large-scale rolling out of training standards, frameworks and quality assurance processes for ensuring that work carried out is suited to the building in case, is high quality and long-lasting.

Funding programmes to date to accelerate retrofit, which have focussed on domestic properties, have been short-term, delivered at speed, focused on single measures (rather than taking an integrated whole-building approach), and without sufficient quality assurance. This narrow approach to retrofit has led to numerous unintended consequences, including damp, mould, and compromised indoor air quality, and damage to building fabric and heritage.

Programmes to help fund the retrofit of the small to medium sized non-domestic buildings occupied by community organisations are emerging – examples include Key Fund's Energy Resilience Fund and the VCSE Energy Efficiency Scheme. However, through the delivery of these

[1] We are currently in our fourth carbon budget (the carbon limit that the Committee on Climate Change sets out for the UK, in order that the UK maintains a trajectory towards meeting its 2050 obligation). The fourth carbon budget recommends a target of reducing building emissions by 25% by 2025 and 35% by 2030 (from 2007 levels). www.theccc.org.uk/publicationtype/report/carbon-budget/

support programmes, it is evident that the ability of non-profit organisations to benefit from these funds is limited by constraints in the retrofit supply chain – most notably the lack of retrofit professionals providing appropriate services for small to medium sized non-domestic buildings.

There is a potential opportunity here. Public money will continue to be invested to support community and social enterprise organisations (as well as households) to fund energy resilience improvements to their buildings. This money could be reinvested in the social economy if directed at charities and social enterprises who are themselves delivering retrofit services. Given that many of these organisations have social aims, there is also an opportunity to support the delivery of retrofit services which are designed around broader social justice principles[2] to develop approaches to building energy resilience which do not further entrench inequalities.

So, what is the current picture of non-profit retrofit service provision in England? Who are the organisations delivering services, what are their motivations, what are their challenges, and how can they be better supported? And how can this sector be supported to grow?

The Centre for Sustainable Energy was commissioned by Access (The Foundation for Social Investment) to answer these questions. We worked in partnership with People Powered Retrofit, Community Energy England, Groundwork UK and Locality to do this.

The majority of organisations we encountered and engaged with, through focus groups and interviews, were recommended through word of mouth, by speaking with others in the sector,

[2] Energy justice is the application of justice principles (i.e. how benefits and burdens are distributed) to energy policy, systems, consumption, and activism. It seeks to ensure that the costs and benefits are fairy distributed, that those traditionally marginalised and disproportionately affected by our current system are involved in decision-making on, and able to benefit from the opportunities and advantages of, energy system transitions.

and through interrogating Community Energy England's State of the Sector data[3] (the only comprehensive data set on the sector). Throughout the delivery of the research, three partnership workshops have taken place to discuss and agree the project plan, findings and emerging recommendations (see Appendix I for further details of our research approach).

While there are some prominent examples of not-for-profit organisations delivering retrofit services in England, there is no single data source or means of identifying how many organisations are active – or what they're delivering. We hope that this research will go some way towards bridging the information gap, but we believe further work remains to be done to bring together the wide spectrum of actors who are active and interested in this space and support their development alongside the development of a more recognisable sector.

[3] The State of the Sector data has provided insight into the UK community energy sector since 2017. The data is the results of an annual survey completed by community energy organisations across the UK. It is the only existing comprehensive data set on the sector.

The current picture of non-profit retrofit delivery in England

Some overarching observations

- The current non-profit retrofit delivery sector is nascent.
- The sector has a few well-established organisations, but most organisations are still early on in their business development journey.
- The majority of these organisations are focused on domestic retrofit, with a minority also delivering non-domestic retrofit services for small to medium-sized buildings.
- The complexity of retrofit service delivery, coupled with the diversity of customer needs, makes the sector a challenging (and risky!) one to enter and scale up within.
- Whilst scaling up is a challenge, there is a significant level of innovation and creativity in the sector – with actors continually making the case for retrofit, understanding customer needs, responding to well understood social and environmental challenges, and developing an alternative model to poorly-delivered government-driven retrofit programmes.
- The unique characteristics of local, social and placed-based organisations (their understanding of place, their relationships and trusted status) opens opportunities that are unavailable to other actors.

The current picture across England

During our research we identified 77 organisations delivering retrofit services in England, though we believe there are many more – likely in excess of 100.

Generally, there is an even spread across England with the exception being in the east of England (see Figure 1). This pattern is mirrored by both Locality and Community Energy England memberships, potentially indicating a less developed social enterprise sector in these areas. Organisations tend to be based around an urban centre, although some do cover a wider area encompassing the more rural parts of their community.

Figure 1. The geographical spread of non-profit organisations delivering retrofit services in England

Recent growth in non-profit retrofit delivery

The involvement of non-profit organisations in the delivery of retrofit services remains nascent, but it is evolving and there are a handful of well-established organisations who are delivering increasingly complex and large-scale projects. The Community Energy England State of the Sector data reveals growth in the number of community energy organisations engaging in retrofit delivery – comparing the 2022 and 2024 datasets reveals an almost 13% increase over this 2-year period[4] (see Figure 2). There has also been an almost 4% increase in organisations stating that, although they do not undertake energy efficiency services themselves, it is an investment priority for their community benefit funds.

[4] The 2022 survey did not expressly ask any questions about 'retrofit' but instead used the term 'energy efficiency services'. For the purposes of this analysis, organisations that claimed they provided 'energy efficiency services' have been categorised as providing a retrofit service as their listed activities included, e.g. installing retrofit measures.

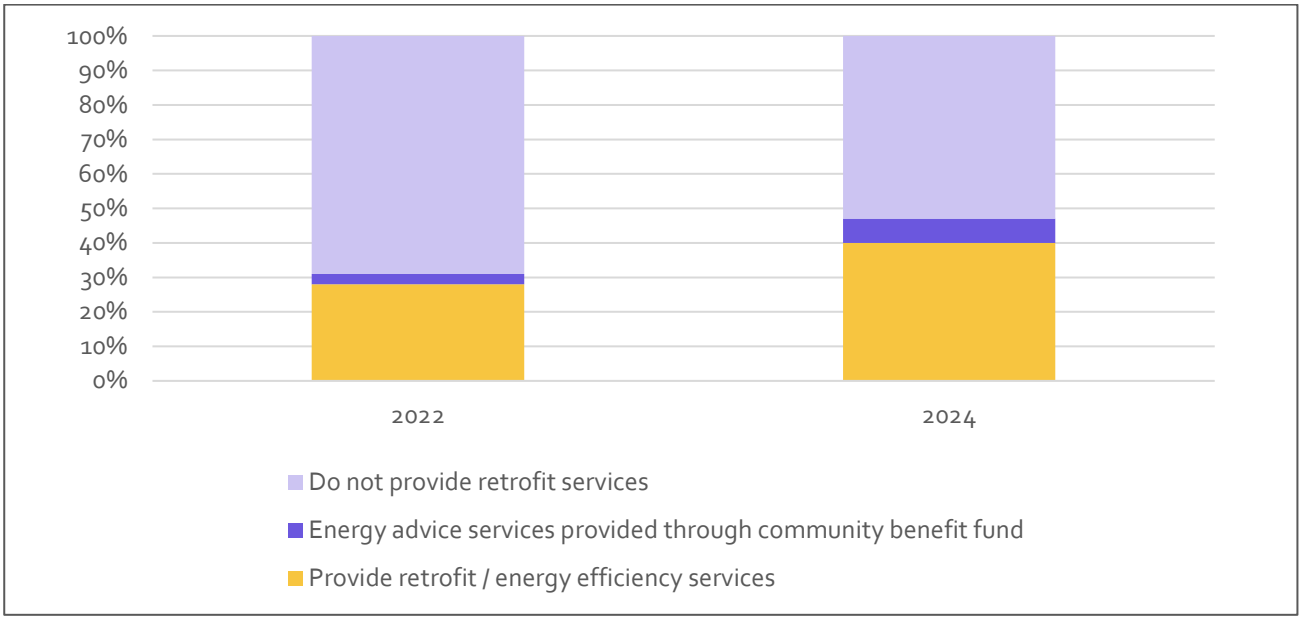


Figure 2. Proportion of Community Energy England State of the Sector survey respondents delivering retrofit services in 2022 vs 2024

Nature of organisations

Most organisations identified through our research are from the community energy sector; whilst this is in one part due to the Community Energy England State of the Sector data being one of our key data sources, it may also be reflective of the actual picture of which types of non-profit organisation deliver retrofit services. There will likely be a lot more organisations delivering light touch retrofit work, such as basic information provision, which we have not been able to capture through our research.

The organisations identified through the State of the Sector data take a variety of forms, but the most prevalent being Community Benefit Societies (63%) and Community Interest Companies (17%). The purpose of these types of organisation are to serve the interests of their communities – the former is non-profit, and the latter is required to put any profit back into the work the company does to serve the community's needs. When including organisations which we have identified through our research, but which aren't in the Community Energy England data, there is a more even spread in the type of organisation represented (see figure below).

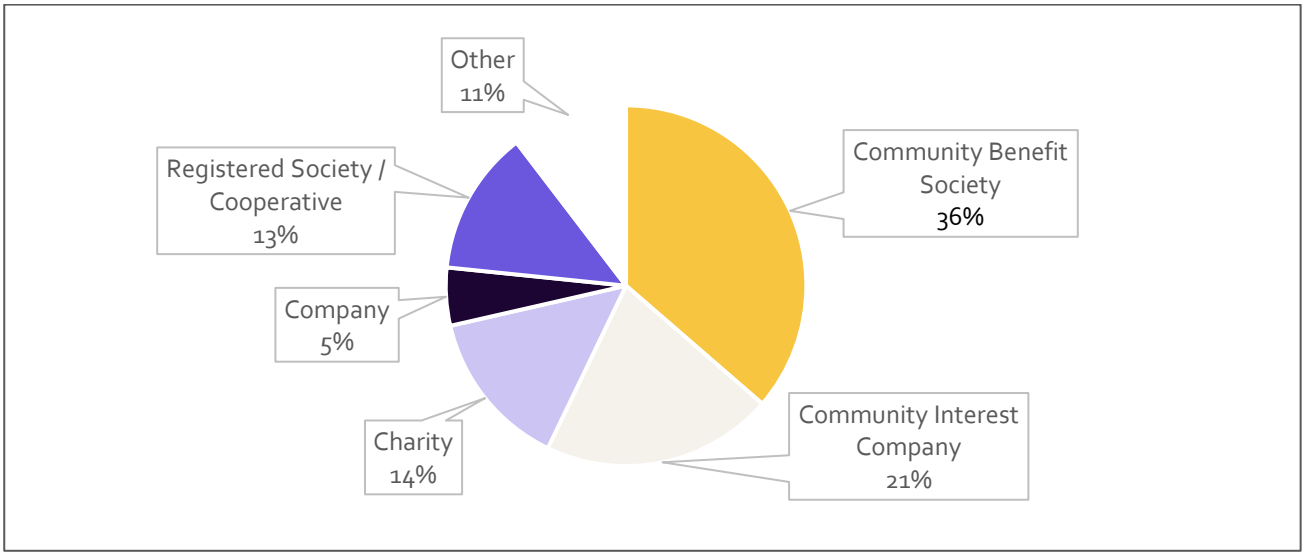


Figure 3. Split of non-profit organisations delivering retrofit by business type

The organisations vary in scale from those with no employees and a handful of volunteers, through to those with over 25 employees and hundreds of organisational members. Figure 4 shows the scale of the organisations delivering retrofit services (represented through the number of full-time equivalent (FTE) members of staff they have), combining Community Energy England data with our own research data (i.e. this includes non-community energy organisations).

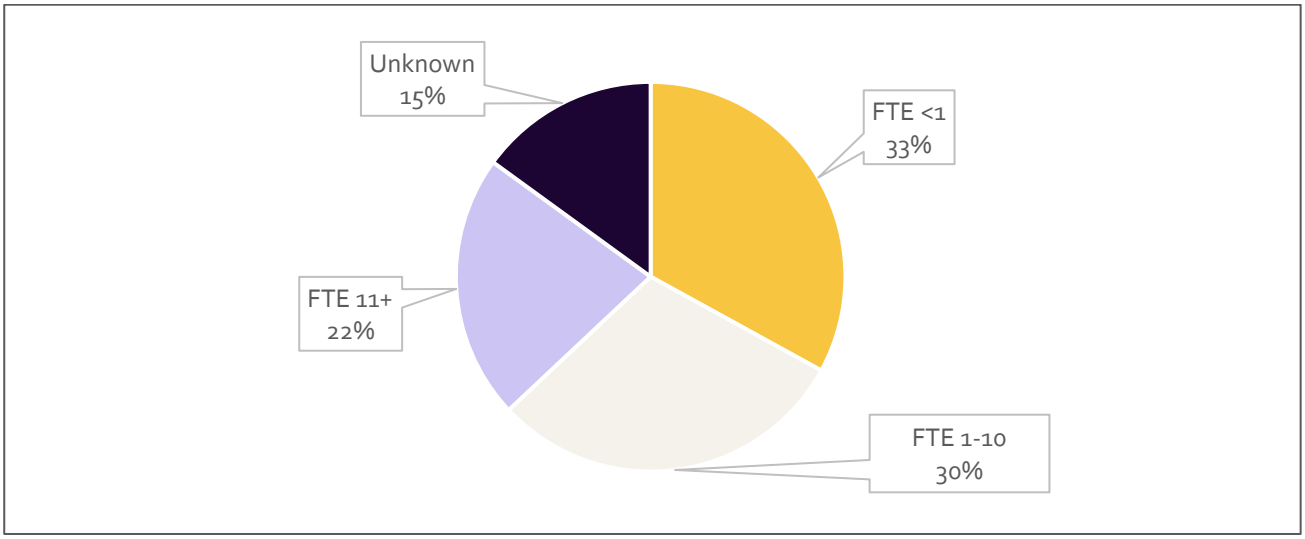


Figure 4. Scale of non-profit organisations delivering retrofit services

Motivations

Through our research we explored the different motivations for non-profit organisations delivering retrofit work. Whilst there were often numerous motivations, the factors that came up the most were:

1. **Tackling the climate crisis** by supporting domestic and non-domestic buildings to reduce their energy consumption and therefore carbon emissions.

2. **Supporting those struggling with fuel debt, fuel poverty or in poor quality housing** to improve the quality of their lives through creating warmer, more comfortable homes.

3. **Building community-centred, neighbourhood scale approaches** to addressing community needs and priorities, and building social capital.

In some cases, community organisations have been motivated through witnessing the negative impacts of poorly delivered retrofit work, combined with seeing an opportunity for themselves to play a positive role. One organisation noted:

"Lots of government funding is being channelled through private providers. We are missing a big trick here. People lack trust in these private providers. We are here and we're trusted, and we can help to train local people with investment. And we have tradespeople who are keen to use their skills and knowledge in this space…if we don't try and steward this locally, it'll happen anyway without us. And then residents will come to us when there are problems".

Within this context, others see their primary role as being advocates and intermediaries for their community and ensuring community needs are being addressed, rather than delivering retrofit. As one organisation noted:

"I don't want to do this. Our skill set is not in doing practical stuff like retrofit. Our role is to support others to do this".

The pathway to delivery

There is not a single route through which the organisations we spoke with began, and grew, their retrofit service delivery. But there are some common threads that we think are useful to draw out:

- Some community energy organisations started by providing energy advice work (covering topics such as energy reduction behaviours, managing bills, access to support), and from here have developed to provide retrofit assessments or other retrofit-related services. With the development of their retrofit expertise through recruiting in or internal upskilling, organisations have been able to secure grant funding to build their work (either area-based, or domestic delivery programmes such as the Home Upgrade Grant (HUGs)).

- Some community energy organisations, whose work was primarily focussed on the establishment of large-scale community renewables schemes, channelled revenue from these into community retrofit initiatives. Other community energy organisations, whose work included supporting building-scale renewable generation (e.g. on schools and community buildings), have then applied this building-level experience and expertise to retrofit work.

- In the case of community organisations which have a broader remit of supporting community needs, and in some cases providing a community hub for the area, a small number of these are engaging in retrofit delivery. Whilst the delivery of retrofit services is a less obvious path for them, in many cases it has been driven by the recent energy and cost of living crises, and a witnessing of their community increasingly struggling. These community organisations are providing cost of living support, food banks, basic energy advice (which in some cases includes retrofit advice) and signposting to established support services. Many of these organisations have also been on their own retrofit journey with the buildings they own or long-term lease – again, accelerated by rapidly rising energy costs and more recently the launching of funding programmes to support this.

The following figures provides an overview of the types of activities that non-profit retrofit organisations are delivering at their different stages of development.

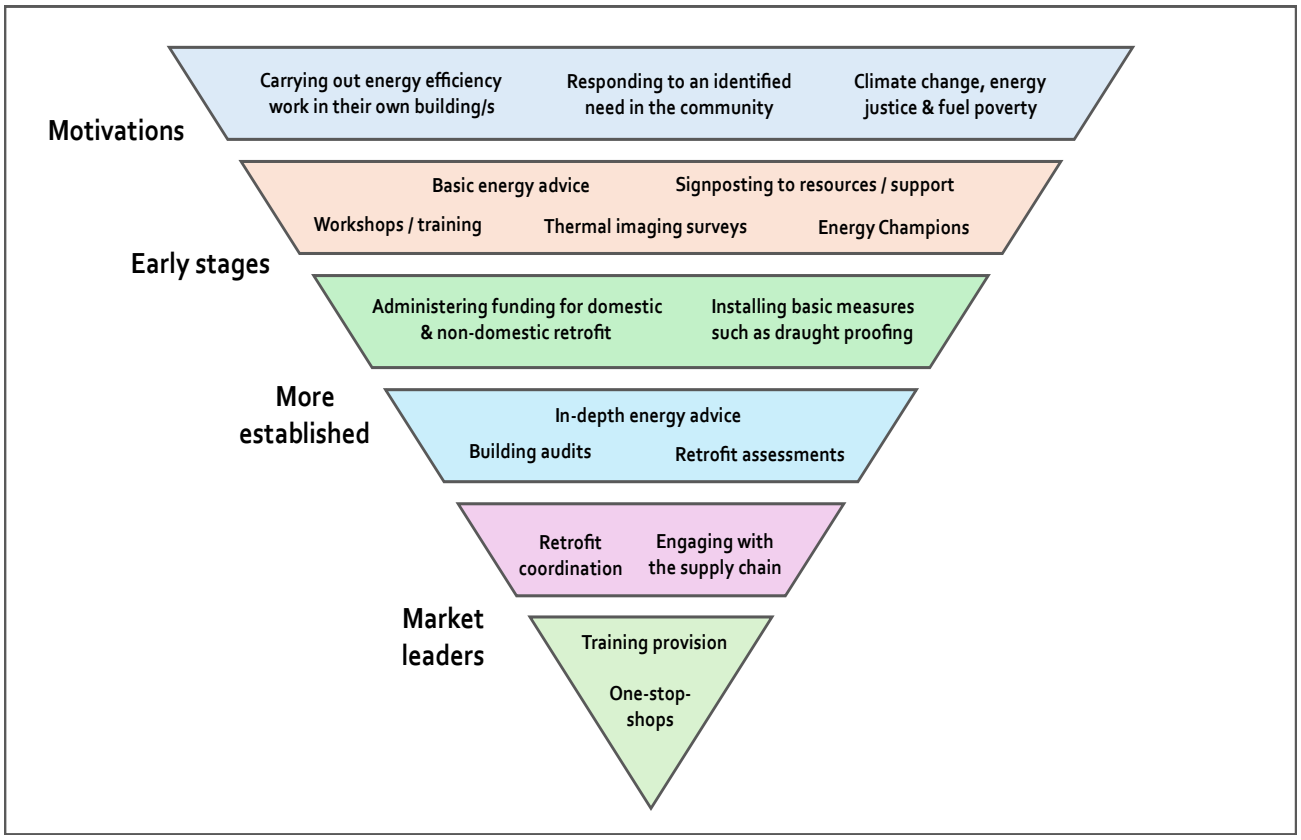


Figure 5. A diagram to show the types of activities organisations may be delivering at different stages of development

Retrofit delivery models

Through the course of the research, we identified 3 different approaches to retrofit which we have categorised as follows:

1. Individualised services for domestic buildings
2. Area/place-based retrofit initiatives
3. Non-domestic building retrofit services

There are also additional services which do not fit neatly into this categorisation – including training provision and software development. Figure 6 shows the proportion of organisations delivering these different types of service (taking organisations' primary delivery model where they are delivering against multiple types), combining Community Energy England data with our own research data (i.e. which includes non-community energy organisations.)

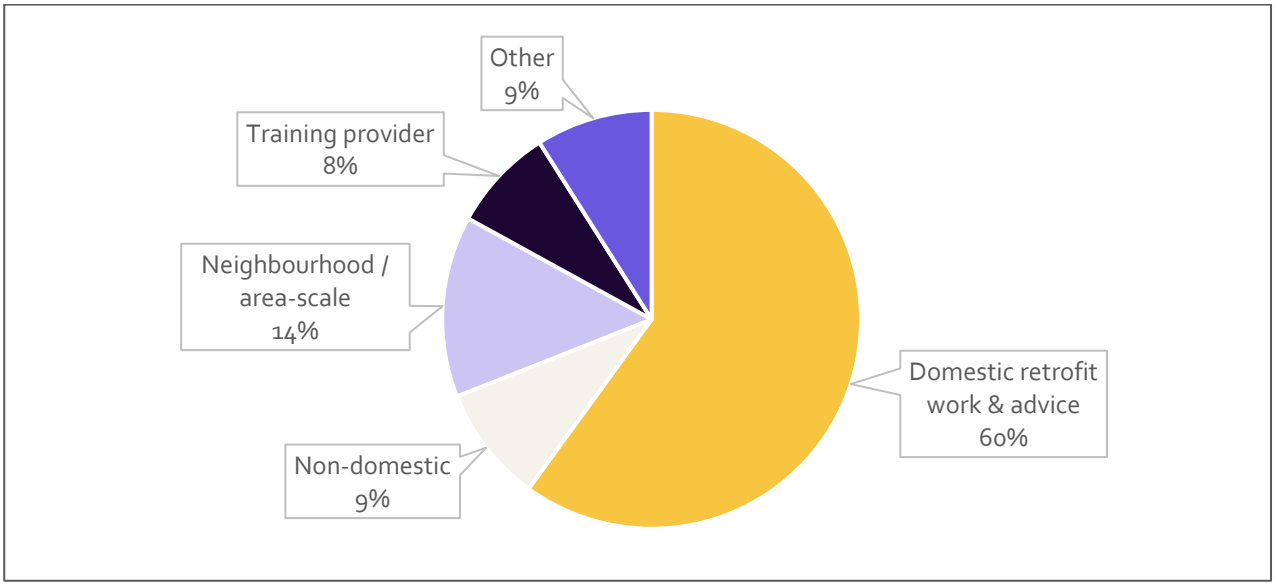


Figure 6. Proportion of non-profit organisations delivering different types of retrofit service

These different approaches are detailed below, with accompanying case studies.

1. Individualised service for domestic buildings

This type of approach was the most prevalent amongst the organisations identified in this project. These services can vary and include: coordinating the full retrofit journey; the delivery of household surveys; the installation of basic measures; and full house retrofit. Some organisations provide an end-to-end (or in support of end-to-end) 'one stop shop' approach (i.e. supporting households through their energy retrofit journey, from early advice through to install and post-install monitoring).

This individualised approach is funded in different ways depending on the household. Some households self-fund, accessing government grants as and when these have been available (e.g. the Boiler Upgrade Scheme which seeks to support the decarbonisation of heat within buildings). For lower-income households, government-funded and Energy Company Obligation (ECO) programmes have been key, requiring non-profit actors to collaborate with local authorities. An example of this is Ecoflex, a government scheme that requires energy companies to use revenue generated to support their vulnerable customers, via partnerships with local authorities.

One-stop-shops are beginning to emerge, although still nascent. People Powered Retrofit in Manchester are one of the few non-profit organisations offering this service, which is aimed at the self-funded market in the city. Other organisations are starting to establish themselves delivering similar roles – key examples are Retrofit West (funded through the West of England Combined Authority); and York Community Energy (with Innovate UK's Net Zero Living Programme funding[5]).

Case study – B-Inspired

B-Inspired are a community anchor organisation with hubs based in Braunstone in the west of Leicester. They provide a wide range of services to their local community through their different hubs including youth and neighbourhood support, food banks, social groups, volunteering, access to welfare and debt and energy advice.

Over the last couple of years, they have begun to deliver more projects responding to the energy crisis's effects in their community. EnergyWise was a project delivered in partnership with their local advice centre which trained up advisors in deprived communities around food banks and fuel debt. They provided support through things like helping people switch energy tariffs and provided

[5] The Net Zero Living Programme, funded through Innovate UK, has allocated £25 million across seven projects to tackle the barriers to climate change, speed up the progress to net zero and unlock investment opportunities. All projects are delivered in partnerships between local authorities, private sector and non-profit organisations.

practical energy saving tips and help with negotiating debt. They also delivered a project called WarmCare, funded by National Grid's Community Fund and led by their foodbank Coordinator who was trained to level three in home energy efficiency advice. This project trained up six volunteers to demonstrate energy efficiency measures either directly in people's homes or in community spaces. Volunteers were drawn from the men's group, training up some retired construction professionals. They also produced warm care packs containing things like draught excluders, thermos flask and blankets to help people stay warm during the winter.

Case study – Cumbria Action for Sustainability (CAfS)

CAfS is a charity and company limited by guarantee, with an overarching mission to work with individuals, communities, businesses and local authorities to live and work more sustainably and reduce the county's carbon emissions.

CAfS' Cold to Cosy Homes Cumbria service targets hard-to-reach consumers and hard-to-treat homes in rural Cumbria. Cold to Cosy Homes Cumbria aims to help 600 households by delivering in-depth home energy advice and equipment including support on energy saving equipment, advice on heating and bills, support on damp.

CAfS also offers in depth retrofit advice for paying clients. This starts with a Home Retrofit Planner energy audit and can be followed by a Bespoke Retrofit Plan. Further support includes a range of Standard Specifications or, where the householder engages an architect for a more complex retrofit, a Design Review where the architect can obtain the input of a retrofit specialist. Creation of the design support and subsequent "on site" support services have been funded by Energy Redress.

The Cold to Cosy Homes Cumbria service provides retrofit advice through a home visit or a Full Home Retrofit Planner audit. This is offered to homes that qualify for grants such as the Home Upgrade Grant (HUGs), Great British Insulation Scheme, Boiler Upgrade Scheme or Energy Company Obligation scheme (ECO).

This service has been funded through the Energy Redress fund and the Local Energy Advice Demonstrator (LEAD) to deliver advice and install energy efficiency measures. Last autumn and winter, the service delivered over 400 home visits & 300 phone calls to vulnerable residents in Cumbria.

2. Area or neighbourhood-scale retrofit initiatives

Rather than at the individual household level, area or neighbourhood-scale retrofit initiatives are delivered at community-scale, from a single street to a whole neighbourhood. These initiatives are often motivated by a goal to empower communities through collective action, to build

community resilience, maximise social benefits, and to realise efficiencies through economies of scale. These commonly combine different tenures and can include both domestic and non-domestic buildings.

There are fewer examples of non-profit organisations taking this kind of approach. Where this is happening, this is often working in collaboration with other organisations and the local authority.

Case study – Brighton & Hove Energy Services Co-operative (BHESCo)

Brighton and Hove Energy Service Cooperative is a social enterprise dedicated to accelerating the transition to energy efficient buildings and local sustainable energy.

Their Carbon Neutral Communities Retrofit Programme was a place-based approach to delivering retrofit. After holding a competition in November 2023 to identify an enthusiastic community to participate, the group '4 Streets in Hove' were selected as the successful location and partnership. The project used the fairer warmth app to engage households with the aim to get 100 households signed up to install at least one retrofit measure and 50 households engaged in a community solar programme from an area of around 350 homes. With the properties being of similar archetypes, the idea was that measures should be suitable across multiple properties and installed on a street-by-street basis to deliver financial savings to participants, rather than being reliant on each homeowner taking the initiative to commission individual retrofit assessments and installations. Based on the properties signed up, a package of energy efficiency and renewable energy installations are designed. BHESCo has supported with the project management of installations, retrofit coordination and access to grants for homeowners.

The project was funded by the Greater South East Net Zero Hub and ran from October 2023 to August 2024. *https://community.bhesco.co.uk/*

Case study – Repowering London

Repowering London are a community energy organisation based in London. Repowering has a social mission to install low carbon infrastructure, develop local communities and support local people. The aim is to build social infrastructure that empowers residents to understand and demand the technical infrastructure required for a low carbon future.

They began in 2012 with the ambition of exploring how the community renewables ownership model seen in rural communities could be applied in an urban setting, bringing the benefit of community ownership to more disadvantaged communities – through installing solar panels on an estate in Brixton. They have since worked to replicate the model in other communities across London.

With an overarching social mission of empowering communities, increasingly witnessing the delivery of low-quality retrofit work, and with the end of the feed-in-tariff making the renewables business model more challenging, Repowering London have diversified into retrofit activities. They are currently partnering with South East London Community Energy (SELCE) to deliver a holistic retrofit coordination service for households and residents. They take a place-based approach, focussing on their local areas of Lambeth and Newham.

Working across two different workstreams Repowering are delivering ECO[6]-funded projects across their communities, and beginning to develop and deliver whole house retrofit plans. They are also working to develop a comprehensive retrofit model for blocks of flats to ensure those living in them are not disadvantaged and excluded from retrofit opportunities and benefits.

3. Non-domestic building retrofit

This area of work applies to a range of small to medium-sized non-domestic buildings. The complexity of retrofitting non-domestic buildings – due to each having a unique construction, being used in a huge diversity of ways, and being run and managed in a variety of ways – combined with the lack of formal frameworks or toolkits to support this work, makes this a much more complicated space to operate in, and in turn more challenging to create a sustainable business model.

[6] The Energy Company Obligation (ECO) is a UK government scheme that requires larger energy companies to help provide energy efficiency measures to low-income households and properties that are more difficult to treat.

Despite this, there are non-profit organisations delivering non-domestic retrofit services – although far fewer as compared with domestic retrofit. Examples include Plymouth Energy Community, People Powered Retrofit, and the Centre for Sustainable Energy.

The 2024 Community Energy England State of the Sector data revealed that of those delivering retrofit services, 36% were offering these in both domestic and non-domestic settings. Whilst not an insignificant proportion, this result is skewed by much of this work relating to building-level renewables (and not fabric retrofit). The other key services community energy organisations are delivering in the non-domestic space (but to a lesser degree) are the installation of energy efficient lighting and the delivery of building audits.

For the broader group of organisations who were captured through focus groups and interviews, there is again more emphasis on domestic retrofit work, with about a quarter working with non-domestic buildings. This is more the case with longer-established organisations who have been delivering domestic retrofit services and are diversifying into non-domestic work; or where organisations have been doing building-scale renewable energy projects (e.g. on schools and community buildings), and are building on this experience, relationships with stakeholders, and an understanding of the requirements and complexity of non-domestic spaces, to diversify into retrofit.

Case study – Low Carbon Hub

The Low Carbon Hub (LCH) is a social enterprise based in Oxfordshire. They are the at the centre of a growing network of people and organisations across Oxfordshire working together for a low carbon future. LCH own a range of renewable energy generation assets and use revenue generated to support their retrofit work. LCH have been delivering several differently funded projects over the last few years focused on increasing retrofit in both domestic and non-domestic buildings. In the case of non-domestic buildings, this evolved from their previous experience and skills working with businesses to install solar PV systems.

Using EU funding, and working alongside Oxford Brooke's Environmental Information Exchange (EIE), the Oxfutures project provided free energy assessments and up to 25% match funding to deliver recommended measures. They found through the project that just providing advice was helpful but not enough to encourage retrofit delivery. The match funding supported organisations to take the actions suggested through their energy assessments.

They are also working with schools in partnership with the local authority. They provide specific energy advice on school buildings and estates to get them ready to apply for 0% loans.

4. Other services – training provision and software development

There are other retrofit activities that organisations we engaged through our research are delivering that don't fit under the three categories highlighted so far. These are highlighted below with case studies.

Case study – People Powered Retrofit's open-source tools and software

People Powered Retrofit (PPR) is committed to sharing their tools and processes to enable others to support the acceleration of retrofit elsewhere in the UK, through the creation of open-source software and working with organisations to successfully implement and use their tools and approaches. PPR has created the Home Retrofit Planner (HRP) – a web-based tool – which provides a comprehensive system for producing in-depth home retrofit surveys with accompanying retrofit scenarios (low, medium and high levels of intervention). The software is available under license to other non-profit organisations, and what is significant is that currently six other non-profit organisations are using the software to deliver their own services (including Cumbria Action for Sustainable and the Centre for Sustainable Energy).

Case study – Canopy and Giroscope's retrofitting of empty homes

Canopy Housing (Leeds) and Giroscope (West Hull) are both non-profit organisations who work with volunteers to retrofit empty homes, which then provide affordable homes for those in housing need.

Canopy Housing works in partnership with local housing providers and the local authority to negotiate lease arrangements on properties they own. Canopy work with over 100 volunteers every year, training them up on how to install retrofit measures on site. They started with the aim to combat the issues of homeless and empty properties. Canopy's work is as much about training and engagement as it retrofit. They are also focusing on the environmental impact of their work and try to use more environmentally friendly materials such as wood fibre and lime and try to minimise the use of plastic and other highly manufactured materials. Canopy are in the process of developing a four-step guide which will focus on ow to replicate their business model in other areas of the UK, the important role of the site coordinator, information for the volunteers and information for the tenants who move into the renovated properties. This will be published in early summer 2025.

Giroscope has been operating for over thirty years. Their aim is to regenerate and renovate their area of west Hull to provide opportunities and enhance employment opportunities for their

community. They purchase the properties to renovate into affordable accommodation for those in need. A building services manager is on site to oversee all the construction staff and volunteers. Volunteers get hands on training as well as training in Health and Safety and other basic skills such as maths, English and IT.

In both cases, prospective tenants are encouraged to be involved in the retrofit and renovation of the homes, providing hands on experience in most of the building trades, as well as qualifications recognised under the Construction Skills and Certification Scheme. Both recruit volunteers from diverse backgrounds or from marginalised communities and support their volunteers to progress into employment.

Case study – B4Box's construction training provision

B4Box are a construction training provider based in Stockport. They have an innovative social value procurement contract with Stockport Homes Group in which the two are partners, with Stockport Homes buying in employment and local skills training in a construction setting from B4Box. This provides security of work for B4Box that allows them to focus on upskilling local people through only employing staff from within a five-mile radius of a project. Training takes place on site rather than in a classroom allowing apprentices to build up practical knowledge and experience. B4Box create partnerships with the local community to attract trainees from backgrounds that face barriers to employment. They are currently designing a blueprint to allow others to replicate their model.

Recommendations for supporting the sector

Introduction and lessons learnt

If done well and conscientiously, tackling the retrofit challenge required to meet our net zero transition could offer huge opportunity and empowerment to disadvantaged communities. This was a discussion point across our interviews, focus groups and stakeholder workshops. Unlike, for example, the development of large-scale renewables, building retrofit is a critical part of our net zero transition which is and will continue to happen *up close* – in our homes, community buildings, schools and shops. This requires engagement and approaches which are inclusive and fair; approaches which are built on trust, address community needs, and which are holistic and longer-term.

There are many challenges faced by the broader retrofit sector which are currently constraining this opportunity (and these are well documented – e.g. Catapult Connected Places 2024; Ashden 2022; BEIS 2021); those which are of particular relevance for this research include:

- There is a lack of understanding amongst those wishing to retrofit about what their best retrofit options are, and how to get unbiased advice on this.

- There is a lack of trust in the delivery process. This has been compounded by stories of bad retrofit – where short-term and profit driven approaches have resulted in poor retrofit work which hasn't been sensitive to building fabric and has resulted in damp and mould. Related to this, there is a stark difference in quality of domestic retrofit work delivered for self-funded households compared with those who can't afford to self-fund and are grant-funded, with the latter being of lower quality.

- In the non-domestic setting, overly technical approaches, which are delivered at speed and which do not start with an understanding of the community, its assets and its needs, do not have longevity or end up realising the post-install benefits they are modelled to.

The organisations that we engaged with through our research feel that, through their retrofit work, they bring benefits which speak directly to these challenges:

- They are seen as trusted and impartial, driven by community goals rather than profit. As one interviewee said "We are the place to go for retrofit to either deliver or sign post. Deep local, stay with people throughout the journey, paid or not".

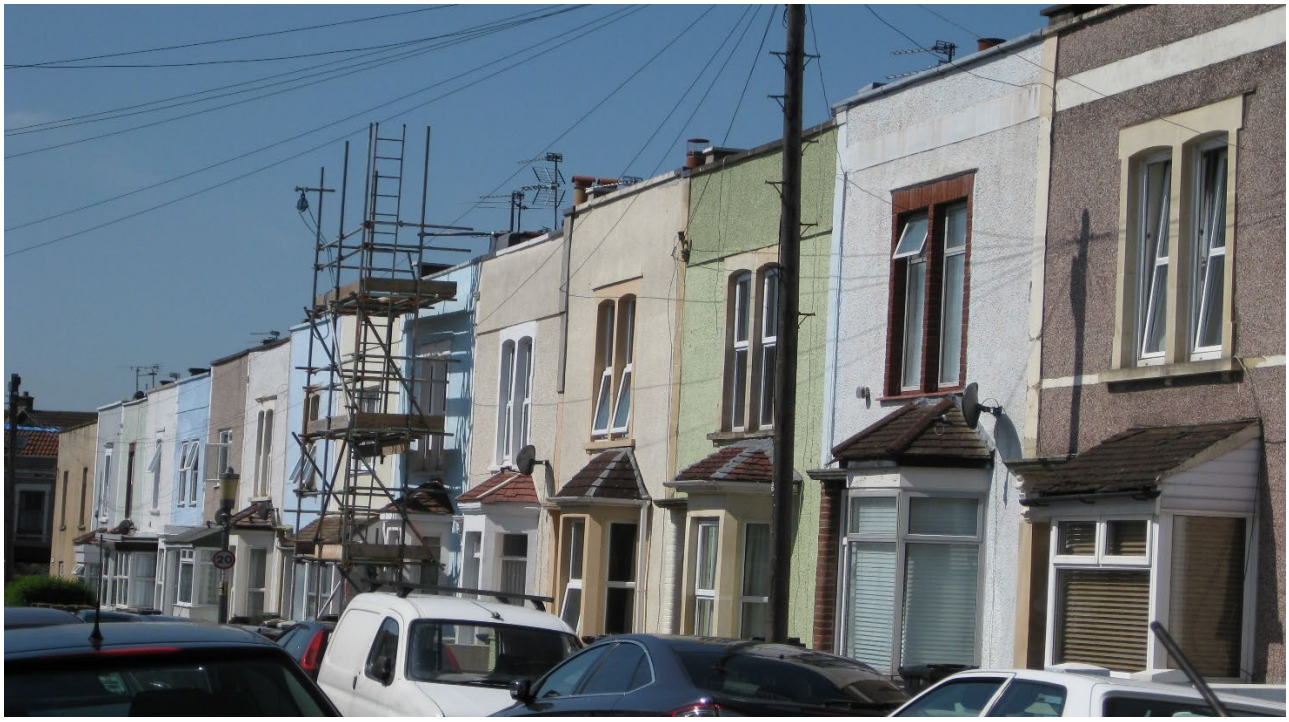
- Many are rooted in and committed to their place. They understand: their residents' needs; the latent skills and knowledges amongst residents; and the local building stock. Being

from the community also means they are invested in the longevity of their community's assets (e.g. their local library). They have developed invaluable learnings around how to deliver retrofit which is sensitive to place. With a growing awareness of the importance of local retrofit delivery models which can better ensure that the social and financial benefits of the retrofit work are retained within the community, their learnings are invaluable.

- For some community-based organisations, with their daily experience working with their community, they are well equipped to support with engagement which is fair, inclusive and sensitive to diversity.

- Many non-profits are keen to collaborate, share learnings, and develop open-source tools and frameworks for others to use, driven by wanting to get the best result for people and planet.

- Many non-profits have been piloting, testing and delivering retrofit activities in spaces which aren't profitable, and long before there have been any established funding programmes or financial models to sufficiently fund their time (e.g. providing support to community buildings to understand their retrofit options decades before there were national grant programmes; working with tenants to understand how they can, without landlord engagement, improve the energy efficiency of their privately rented homes). This demonstrates their openness to innovation, but it's not sustainable and they need to be sufficiently funded for this work.



Recommendations

Building on our lessons learnt, this section outlines recommendations for supporting the role of charities, social enterprises, and other non-profits delivering retrofit services, and addressing key challenges faced by this sector. These recommendations were co-developed through our research workshops with the project partners and other stakeholders.

A. Support emerging and established organisations with seed finance

The delivery of domestic and non-domestic retrofit services is complex in many ways. The resource needed to start up and build a retrofit organisation can be significant – organisations need time and resource to develop their business plan, recruit appropriately skilled people (or upskill within the organisation), test their delivery models, and gain market traction. This resource brings with it high risk, which can make it prohibitive to new entrants.

For those organisations able to establish themselves, once they up and running, there are huge market challenges. For example – it is difficult for non-profit organisations to be commercially competitive whilst delivering retrofit through grant-funded schemes (aimed at fuel poor households) where organisations are judged solely on their person-hours against install numbers. As one interviewee noted 'it's difficult to say no to giving support even where it's not funded because our ultimate goals are tackling climate change and improving lives'. Concurrently, self-financing domestic customers can be harder to reach and target. Another ongoing challenge is the significant lack of appropriately skilled tradespeople across the retrofit sector, heightening the competition for good staff (and, in turn, the need for competitive salary offerings).

To support emerging and established organisation through their high-risk development work, we recommend the following:

A1. Seed finance for 'fledgling' organisations in the early and high-risk stages of their development. This seed finance needs to be patient and open to risk.

A2. Seed finance to pilot the replication of established and successful (but small-scale) models. Approaches which demonstrate positive outcomes across multiple social and environmental objectives, whilst tackling retrofit sector challenges (e.g. the lack of a skilled workforce), should be especially supported.

A3. Seed finance for established organisations to diversify their delivery approaches – for example: from domestic into non-domestic retrofit service delivery; or supporting organisations to partner in regional training programmes (alongside local authorities and educational institutions), through providing real-world experience to trainees alongside formal education.

B. Support emerging organisations with shared infrastructure and mentoring

Alongside seed finance for individual organisations, to increase efficiencies, and in line with the sector's spirit of collaboration, we also recommend the development of assets which can be shared across organisations. To support emerging organisations, we recommend the following:

B1. 'Support infrastructure' can be developed and shared across 'fledgling' organisations, to lower their infrastructure barriers and costs. Examples include: business development support, legal advice, branding expertise, and customer relationship management (CRM) systems.

B2. Mentoring from established organisations to emerging organisations should be supported and funded. People Powered Retrofit's mentoring / consultancy offer is a great example. Ideally this would be delivered through regional partnerships which share the load of advice provision. Mentoring programmes previously delivered for community energy organisations have struggled with uptake, so barriers should be understood, and approaches designed accordingly.

B3. Open-sourcing of retrofit tools and processes to support those who are building their approach. People Powered Retrofit's Home Retrofit Planner is a good example, currently being used by five other organisations in their domestic retrofit delivery.

C. Support organisations to expand their capacity through the provision of training and peer learning opportunities

The overall lack of skilled individuals within the retrofit sector is a wider challenge that is well documented but as non-profit organisations who are not always able to offer salaries that are market competitive, this can make finding (and retaining) the right people with sufficient technical expertise – especially given the complexity of the service delivery – more challenging. There is then the added challenge of staying abreast of technical developments. However, it is also the case that organisations upskill employees from within the organisations, and where this has been employees who have been delivering energy advice (often to fuel poor households), this leads to the development of retrofit professionals who bring valuable prior experience and skillsets which can then be applied to their retrofit roles.

To support organisations to expand their capacity, we recommend the following:

C1. Funded opportunities for training and upskilling in non-profit delivery organisations. This is to build: 1) technical knowledge – which should include traditional and heritage upskilling, and approaches to non-domestic retrofit (where there is the desire to diversify); and 2) community and engagement expertise – community expertise is latent in communities but needs to be amplified, prioritised and brought to the centre to guide retrofit approaches.

C2. Peer-peer support programmes for established delivery organisations should be organised and facilitated by a central body (e.g. a similar model to the Co-op Business Mentoring Support offer). Whilst sharing exists, the network of established non-profit retrofit organisations is dispersed and very busy. Focussed resource is needed to ensure ongoing and structured peer-peer knowledge transfer and support provision.

C3. There are some non-profit organisations who are leading the way in tackling injustices and inequality through their retrofit delivery approaches. Civic Square, a CIC based in Birmingham, is an inspiring example. Delivery models and learnings from such approaches should be shared with the broader non-profit delivery sector (in a sustainable and funded way), especially the community energy sector given their strong role in non-profit retrofit delivery, so that there can be broader sector upskilling; and more widely to other retrofit stakeholders who shape policies and programmes.

D. Recognise the complexity of non-domestic retrofit work, and support collaboration between non-profit organisations delivering in this nascent space

To support those delivering non-domestic retrofit services, we recommend the following:

D1. Beyond peer learning, established and ambitious organisations should be supported to strategically plan (through organising opportunities, and bringing stakeholders together), especially around the delivery of non-domestic retrofit work to support the sharing of approaches and the collaborative development of standardised frameworks and tools that can be shared.

D2. The funders delivering and developing funding programmes for charities and social enterprises should engage with non-profit delivery organisations to understand how their retrofit work, approaches and frameworks can be better supported through their programmes.

E. Design greater flexibility and capacity building into non-domestic retrofit funding schemes.

Funding programmes are predominantly focussed on measures delivered rather than process and outcomes, with incredibly short timeframes in which to deliver work (the same applies to domestic retrofit). Stringent KPIs don't provide flexibility to tackle both the basics (e.g. maintenance issues) and the complexities of retrofitting buildings (e.g. how a building is used, and energy within it managed (or not), will shape retrofit options and outcomes).

We recommend the following design principles for non-domestic retrofit funding schemes:

E1. Measures-related funding programmes for non-domestic buildings (e.g. the current VCSE Energy Efficiency Scheme) need to have longer-term timeframes to ensure good retrofit choices are being made and work is being done to a high standard. Non-domestic retrofit is far more complex than in a domestic setting, not only with complex building structures and variable use patterns, but also added requirements around health and safety compliance, permissions relating to different lease arrangements, and more complicated risk management. A staged approach with sufficient timeframes is essential.

E2. Many charities and social enterprises are themselves on a retrofit journey. As key organisations in their communities, this is an opportunity for their retrofit journey to be empowering and upskilling (which, in most cases, it currently isn't). Funding programmes should include funds for organisations' project management time so there is space and time for internal upskilling and the making of well-informed decisions. They should also design into their

programmes facilitated learning between grantees as well as other non-profit organisations who are grappling with how to make their buildings more affordable to run and comfortable to use. Whilst these organisations are, in most cases, unlikely to themselves become retrofit delivery organisations, they have a potential role to play in being a hub through which they can promote broader awareness, understanding, and share learning with other community hubs.

E3. Funding programmes for charities and social enterprises to retrofit their buildings would also benefit from providing funded support time from established non-profit retrofit organisations (ideally in geographical proximity). Not only is this investing in the capacity of the non-profit retrofit sector, but it also supports applicants to understand their options and develop better proposals. The Bristol City Leap Community Energy Fund (which funds retrofit projects) is an example of such an approach, where Bristol Energy Network (a membership-based CIC working towards a just energy transition) is a contracted partner on the fund whose primary role is to outreach to, and provide support to, organisations with developing their proposals.

E4. Funders should ensure they are learning from each other about what is and isn't working, the key issues that are emerging, and how non-profits organisations are (or not) being enabled on their retrofit journey. Access's Energy Efficiency Upskilling Programme for social investors is an example of where this is starting to happen.

F. Support the role of non-profit retrofit delivery organisations in the growing number of area-based retrofit schemes.

To support this role we recommend the following:

F1. Local authorities are increasingly looking at how to develop effective retrofit programmes across their localities. Given that they are democratically accountable to their communities, their role is critical. But there needs to be an upskilling and relationship building programme for Local Authorities to understand this component of the supply chain (which is very different to social housing projects with larger contractors), who the non-profit organisations (as well as smaller businesses) are in their area who they could collaborate with, and the breadth of benefits this would bring. For local authorities it can be challenging to work with small non-profits without having to undertake a huge amount of due diligence; there needs to be an understanding within local authorities, as well as for non-profit organisations, of the requirements around procurement and the capacity of local authorities to support the non-profit sector in their area.

F2. Where possible, Local authorities should use their procurement power to support the work of sufficiently developed non-profit retrofit delivery organisations. This could be through the straightforward and direct contracting of retrofit services, with sensible procurement rules which include explicit criteria coupled with sufficient weighting, to enable the prioritisation of long-term quality and social outcomes (alongside price), or through the use of social value clauses.

F3. As the number of area-based programmes grows (e.g. Innovate UK's Net Zero Living Programme alone has seven demonstrator projects across the UK), learnings from across these should be captured in an integrated and centralised way.

F4. The added social value in the delivery approaches adopted by non-profit organisations needs to be recognised in these competitive area-based schemes. Programmes should have longer time frames and should not rely on the voluntary and unpaid time of volunteers; this is neither sustainable for an already over-stretched sector, nor is it viable in more disadvantaged communities.

F5. As interest in neighbourhood-level approaches grows, there is and will continue to be a growth in the 'marketing' of opportunities to communities. Community-based non-profit organisations need to be upskilled, their capacity built, and be better connected to their peers, so that they are better able to effectively scrutinise these opportunities.

F6. More place-based retrofit projects should be supported which work with underrepresented groups (with a minimum timeframe of 3 years). Large-scale programmes should make it a requirement that all applicants demonstrate how they will centre underrepresented groups, and this be core criteria in the competition decision making. The allocation of funds itself could also be more needs-based, focussing in disadvantaged areas and where there are the most resource-constrained local authorities (Dyson 2023).

F7. There should be greater emphasis through all place-based programmes on health, wellbeing and resilience benefits, alongside carbon and cost savings. This will make a more friendly programme environment in which non-profit delivery organisations can engage and bring their more holistic approaches to the table.

Recommendations – summarised and tabulated

In this section we have grouped our recommendations by approach, and provided detail on projected timeframes as well as the scale of investment need to support each recommendation. Next to each recommendation we have noted which above section it is drawn from.

Capacity building and upskilling

	Timeframe needed to implement (short-mid-long)	Investment requirement (£, ££, £££)	Scale of potential impact (*, **, ***)
Training and upskilling for non-profits			
Provide funding for retrofit training and upskilling in non-profits (C1)	Mid	££	***
Include project management time for upskilling in non-domestic funding programmes (E2)	Short	£	**
Upskill local authorities to better collaborate with non-profits (F1)	Mid-long	££	**
Build capacity and skills in community-based non-profits to scrutinise area-based programmes (F5)	Mid	££	*
Peer learning and mentoring			
Fund mentoring from established to emerging delivery organisations (B2)	Short	£	**
Facilitate peer learning among established delivery organisations (C2)	Short	£	***
Promote learning between grantees and potential grantees in funding programmes (E2)	Short	£	**

Support infrastructure and collaboration

	Timeframe needed to implement (short-mid-long)	Investment requirement (£, ££, £££)	Scale of potential impact (*, **, ***)
Shared infrastructure and tools			
Develop and share support infrastructure (business support, legal advice) across organisations (B1)	Mid	££	**
Support the development of open-source retrofit tools and processes to help new organisations (B3)	Mid	££	***
Support the collaborative development of standard tools, frameworks and approaches for non-domestic retrofit (B3 and D1)	Mid	££	***
Centralised learning and resource sharing			
Share models and lessons from leading non-profits across the sector (C3)	Short	£	**
Centralise and share learnings from area-based programmes (F3)	Mid	£	**
Funders should share what works and address emerging issues together (D2 and E4)	Short	£	***

Funding and procurement strategies

	Timeframe needed to implement (short-mid-long)	Investment requirement (£, ££, £££)	Scale of potential impact (*, **, ***)
Longer-term and flexible funding			
Seed finance for fledgling organisations, which is patient and open to risk (A1)	Mid	££	***
Seed finance to pilot the replication of established and successful (but small-scale) models (A2)	Mid	££	***
Seed finance for established organisations to diversify their delivery approaches (A3)	Mid	£££	***
Recognise the added value of non-profit approaches in procurement programmes (F2 and F4)	Mid	£	***
Extend timeframes for non-domestic retrofit funding to ensure quality (E1)	Short	£	***
Design into retrofit funding programmes for the VCSE sector, funds for project management and upskilling (E2)	Short	£	**
Design into retrofit funding programmes for the VCSE sector, the opportunity to contract support and services from established non-profit retrofit delivery organisations (E3)	Short	£££	***
Focus place-based retrofit projects on underrepresented groups with a minimum 3-year timeframe (F6)	Mid-long	£££	***
Emphasise health, wellbeing, and resilience in place-based programmes (F7)	Mid	£	***
Enhanced collaboration with local authorities			
Use procurement power to support non-profit retrofit organisations (F2)	Mid	££	***
Help non-profits navigate local authority procurement requirements (F1)	Short-mid	£	**

Concluding comments

This research has been a critical first step in developing a picture of the non-profit retrofit sector. It is in no way comprehensive but gives us insight into the breadth and diversity of inspiring work being done to support and deliver retrofit through the social economy. There is a significant level of innovation and creativity in the sector and the unique characteristics of local, social and placed-based organisations (their understanding of place, their relationships and trusted status) opens opportunities that are unavailable to other actors, and for delivering retrofit that centres the needs of the communities in which it is delivered.

There is a lot to learn from the approaches being used by charities and social enterprises delivering retrofit services. And their role needs to be recognised and supported. Through our research we have learnt about some of the key challenges they face, and we hope that the recommendations outlined form an action plan for key stakeholders moving forward.

References

Ashden (2022) Retrofit: Solving the Skills Crisis. https://ashden.org/sustainable-towns-cities/retrofit-solving-the-skills-crisis/

BEIS (Department for Business, Energy & Industrial Strategy) (2021) Evaluation of the Supply Chain Demonstrator Project. Final evaluation report. https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/1024376/supply-chain-demonstrator-project-evaluation_.pdf

CLC (Construction Leadership Council) (2021) Greening our Existing Homes. National Retrofit Strategy. A consultative document. www.constructionleadershipcouncil.co.uk/wp-content/uploads/2021/05/Construction-Leadership-Council-National-Retrofit-Strategy-Version-2.pdf

Catapult Connected Places (2024) Housing retrofit challenges and future opportunities explained. https://cp.catapult.org.uk/articles-blogs/?_sectors=homes-housing

Dyson, J (2023) Enabling locally led retrofit: Reforms to scale up effective delivery. www.e3g.org/wp-content/uploads/2023_07-locally-led-retrofit-report.pdf

Power to Change (2023) The role of community energy in a just transition to net zero. www.powertochange.org.uk/evidence-and-ideas/research-and-reports/the-role-of-community-energy-in-a-just-transition-to-net-zero/