

25th November 2015

# Fuel Poverty and Renewable Technology



Hosted by Severn Vale and sponsored by Daikin UK, around 20 senior delegates attended the latest Green Housing Forum event to discuss the issue of fuel poverty and renewable technology and innovative approaches to balancing sustainability and cost. Discussions included how organisations might work together to procure energy and/or heating products, and how investing in new hybrid heating technology can deliver a measurable return on investment for both landlords and residents.

## Keynote Speakers



**Andrew Eagles**  
Managing Director,  
Sustainable Homes

**The event opened with a presentation from Managing Director of Sustainable Homes, Andrew Eagles. Sustainable Homes supports housing organisations to benchmark their energy efficiency, delivers independent sustainability assessments and provides assistance in meeting related targets. It represents 80 providers and more than one million homes.**

Andrew explained that there is a significant gap between meeting the IPPC goal of ensuring no more than a 2 degree rise in global temperatures and the reality of the overall energy efficiency of the 26m housing stock across the UK – but acknowledged that despite funding challenges, there is still a commitment to sustainability within the social housing sector. Using a graph of the ‘Swanson effect’, he explained that to have real impact and to reduce up front costs, scalability is

key. Sustainable Homes has also been talking to Government about the possibility of flexible rents – where investment in green technology that saves money for residents might be offset by a small increase in rent for those properties.

Andrew then focused on the impact of energy inefficiency on residents and explained that housing associations are now using intelligent approaches to help them to take strategic decisions in relation to stock investment planning. Andrew ended his presentation by exploring the potential link between energy inefficient homes and lost income around voids and arrears – a study exploring this will be published by Sustainable Homes in 2016.

**For more information about Sustainable Homes, see [www.sustainablehomes.co.uk](http://www.sustainablehomes.co.uk)**



**Michael Craggs**  
Asset Management Director,  
Severn Vale Housing

**Director of Asset Management, Michael Craggs, then talked about the work that Severn Vale Housing has been doing in relation to energy efficiency and how, central to this, sharing learning across different organisations, including a local consortium of Registered Providers (RPs), has been key. Exploring the potential for wider collaboration, he floated the idea of RPs working together to form an energy company, benefiting both customers and each organisation.**

Michael also explained that customers don’t always want their landlord in their home and the need for organisations to be smarter in relation to identifying the signs of fuel poverty. He then shared some of the detail of the installations completed by Severn Vale to improve SAP ratings including the installation of 33 air source heat pumps from 2009 onwards, the use of PV panels and Rointe heaters and the work done to clad post war, aluminium walled properties with timber frames in order to enable insulation to be added. Severn Vale is an early adopter of Daikin’s hybrid heat pump technology which has had a positive reception from residents. **Michael can be contacted at [michael.craggs@svhs.org.uk](mailto:michael.craggs@svhs.org.uk)**



**Iain Bevan**  
Southern Sales Manager,  
Daikin UK

**Iain Bevan from Daikin UK then introduced the new Altherma Hybrid heating pump which has been developed following discussion with housing associations in response to the need to find a sustainable and affordable alternative to gas, but in a way that retains the familiarity of the boiler to residents.**

The hybrid works by combining existing heat pump and condensing boiler technologies into a single solution that is responsive to both temperature and energy cost – so will flip between the use of the heat pump and the boiler as needed to deliver cost efficiencies for the resident as well as providing a greener

solution for the landlord.

Resident testimony and case studies were shared, with one example showing a 40% drop in running costs and others showing the return on investment to the landlord as a result of the hybrid being eligible for the Renewable Heat Incentive (RHI).

**For more information about Daikin’s hybrid technology, please visit [www.daikin.co.uk](http://www.daikin.co.uk) or email [heating@daikin.co.uk](mailto:heating@daikin.co.uk)**



## Q and A session and round table discussions

An interactive Question and Answer session was followed by a round table discussion. A snapshot of some of the areas covered is below:

**To what extent is the impact of fuel poverty understood across the different roles within your organisation?  
What more could be done?**

"The simple answer is we don't know. The answer to this has to be education and wider than the housing sector alone. As an example, in schools there is a lot of focus on the academic side, but no concerted focus on how to run a home. To be successful we need to educate and also to tap into the mind-set of the tenant of tomorrow and talk to younger people about their expectations of a home as well as to educate them on issues relating to fuel poverty. Many young people are happy to engage on green issues – and also have different preferences to older generations, preferring showers rather than baths for example – yet baths are standard in most homes. We've got to engage with schools and we've got to change how we work. On the other side, older residents don't always understand the link between the size of their home and the size of their fuel bills. The government wants us to downsize older people into smaller homes – but it's easier said than done. We should also remember that around 75% of the UK's housing stock is privately owned. We can do our bit, but there has to be a wider focus."

**Tim Knight, CEO,  
Severn Vale Housing on behalf  
of the round table group**

**What are the whole life costs of the hybrid compared to other technologies?**

"While bench testing has been conducted and can demonstrate savings to residents as well as a return for the landlord, because the technology is relatively new, real life costings are the next stage of the process – there's strong interest in this and we're happy to share the detail when this is complete. In terms of maintenance, servicing costs are similar to what you would usually pay – and there is a school of thought that says because the heat pump and the boiler are not being used at full capacity, the life of each may well be extended beyond their usual lifespan. We recognise how important whole life costing is and will be in a position to share more information with you very soon."

**Iain Bevan,  
Daikin UK**

**What's the typical capital purchase and installation cost for hybrid?**

"As with anything, this depends on the number of units purchased and the local installer cost which can vary by geography. A typical range would be up to £8k. The reason we suggest a partnership procurement approach is because if you are willing to look at single supplier models it can attract a significant discount. Procurement Consortium, Advantage South West is a good example of how a collaborative approach can work."

**Iain Bevan,  
Daikin UK**



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