

The Devolved Retrofit Pilot

03/02/25

Devolution – Overview

- Agreed **three-year Retrofit Pilot** for the West Midlands
- Opportunity to **shape funding**
- Open to innovative approaches: **place-based, cross-tenure**
- **Domestic** and **Public** Sector buildings
- Funding: April 2025 > March 2028 **3yrs**
- Grant funding **allocative for LAs** (likely for HAs and PSBs too)
- The Catch: LAs, HAs and PSB will **not be applying to national schemes** within 7 Metropolitan Authorities

West Midlands Combined Authority deeper devolution deal	
HM Government	Contents
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Subject to ratification of the deal by all partners and the statutory requirements referred to within this document, including public consultation, the consent of the West Midlands Combined Authority and its constituent local authorities, parliamentary approval of the secondary legislation implementing the provisions of this deal, and accompanying accountability arrangements.	Summary of the deal..... 5
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Part 5: Additional Details on the Buildings' Retrofit Pilot

Functional responsibilities

63. In March 2023, as part of the announcement of the launch of the trailblazer deeper devolution deals, the government announced that a pilot of retrofitting buildings would be one of the five key themes of the deal. HMG is working with Mayoral Combined Authorities (MCAs) to design the scope of the pilot and test the approach to trailblazers.

64. The MCAs' functional responsibilities for the buildings' retrofit pilots are:

- Retrofitting social housing and all other residential buildings focusing on households at risk of fuel poverty in the local area and
- Decarbonising public sector buildings managed by the MCAs or their constituent authorities and, where deemed reasonably practicable by the DESNZ Secretary of State, by wider public sector actors.

Monitoring and evaluation

65. The MoU committed HMG to 'agree further details on monitoring and evaluation arrangements for the buildings' retrofit pilot, as part of the wider work on the outcomes framework' by spring 2024.

66. Effective monitoring and evaluation (M&E) enables HMG to understand how a policy is delivered in practice, and the extent to which it has met its intended objectives. It provides transparency and accountability for how taxpayers' money is spent and captures lessons learned for future policy decisions. The monitoring and evaluation of the buildings' retrofit pilot will seek to understand how the funding and scheme design has facilitated retrofit in the MCAs and its co-benefits, and feed into future policy decisions on devolution and buildings retrofit.

67. M&E will be based on aims and objectives jointly agreed between DESNZ, DLUHC, and the MCAs, and agreed ways of working together to monitor and evaluate the delivery of the pilot. 68. DESNZ and the MCAs will ensure the M&E activities are undertaken to a sufficient level of rigour, by ensuring appropriate quality assurance processes are in place, in line with government social research and statistical standards.

Where is Funding Coming From?

Funding Stream	WM Budget (25/26)	WM Budget (26/27)	WM Budget (27/28)	Total
Warm Homes: Social Housing Fund (WH:SHF)	£29,172,000	£35,802,000	£35,802,000	£100,776,000
Warm Homes: Local Grant (WH:LG)	£5,280,000	£12,360,000	£12,360,000	£30,000,000
Public Sector Decarbonisation Scheme (PSDS)	£3,348,000	£16,488,000	£16,488,000	£36,324,000
Total	£38,340,000	£64,650,000	£64,650,000	£167,100,000

22.6%

38.7%

38.7%

Ambitions for the Pilot

- Get the pilot **recommissioned by 2028**
- Unlock **long-term, sustainable market** for retrofit
- Champion **flexibility** and a **place-based, cross-tenure** approach
- Stimulate innovation, new offers, market growth and capacity building
- Build **evidence base** and **capacity** for place-based retrofit with real-performance data
- **Outcomes** for carbon, FP, VfM, health and wellbeing, skills, housing regeneration, economy, transport, etc.
- Benefits of **wider outcomes**
- Leverage **private investment** at scale in holistic outcomes



IMPORTANT!

- Discussions with government are **ongoing** in relation to:
 - Outcomes and targets
 - Monitoring and Evaluation
 - Fraud monitoring
 - Technical assistance support
 - While we have a good idea of how we would like this to work, **none of this is finalised** – lots to work out still
 - Our approach has been shaped through engagement with LAs and regional stakeholders, but all of you have the **opportunity to input your views** – we want to make the pilot work with your aims as best as we can
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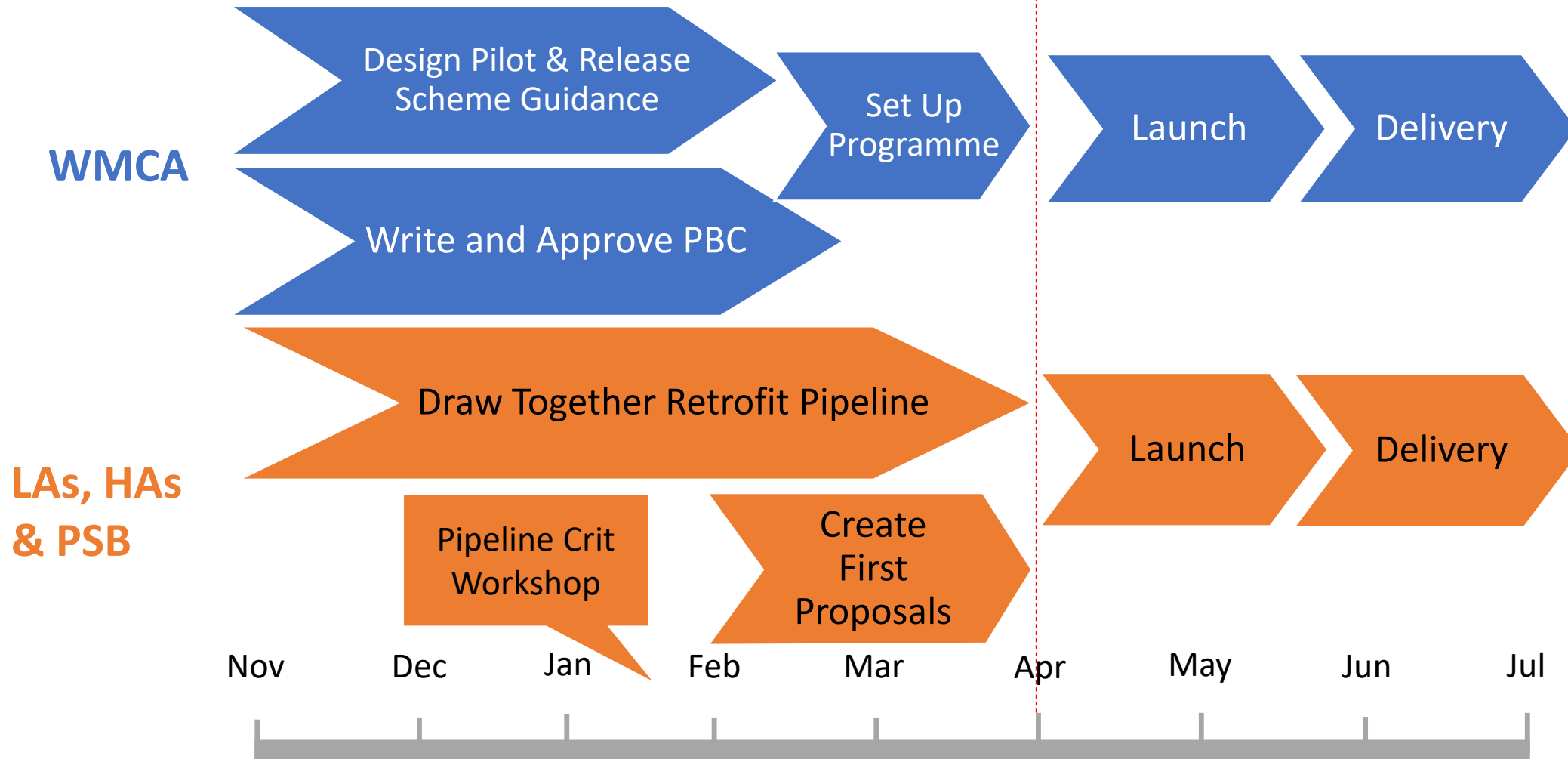
Approach for the Pilot

- Collaboration and Flexibility
- Place-based and for West Midlands priorities
- Non-competitive and outcomes focused
- Long-term market building
- Innovation supporting

WMCA Role: co-ordination of learning, programme admin/reporting, data management, research and intel, sponsor market dev., attract investment (LNZA)

LA/HA/PSB Role: deliver devolved retrofit funding, build pipelines of place-based retrofitting, M&E reporting, develop retrofit market

Pilot Timelines Until Launch



Outcomes and Funding

Retrofit Pilot Outcomes

Primary DESNZ Outcomes (key targets):

- Fuel poverty reduction (domestic buildings)
- Lower carbon emissions (domestic & public buildings)

Secondary DESNZ Outcomes:

- Improved VfM
 - More comfortable and healthy homes (H&WB)
 - Growth in local supply chain (capacity and capability)
 - Market development and innovation (WTP & ATP offers, research for future climate resilience)
 - Pilot learnings/evidence-base building (real-world data)
 - Partner organisation capacity and capability building
 - MCA capacity and capability building
 - Unlock retrofit across more of building stock/use classes/tenures
-

Outcomes: very simplified overview

Funding allocation
(e.g. £100m)

Outcomes
(e.g. 20,000 tCO₂
abated in homes)

=

Average cost
(e.g. £5,000/ tCO₂)

NOTE:

Each project will need to work out the best way to meet these outcomes. E.g. a more intensive approach for a smaller number of properties, or a lighter touch approach to a larger number of properties. It could also mean using additional funding (existing repairs budgets, solar PV finance) to make grant funding go further



Funding Allocation & Drawdown

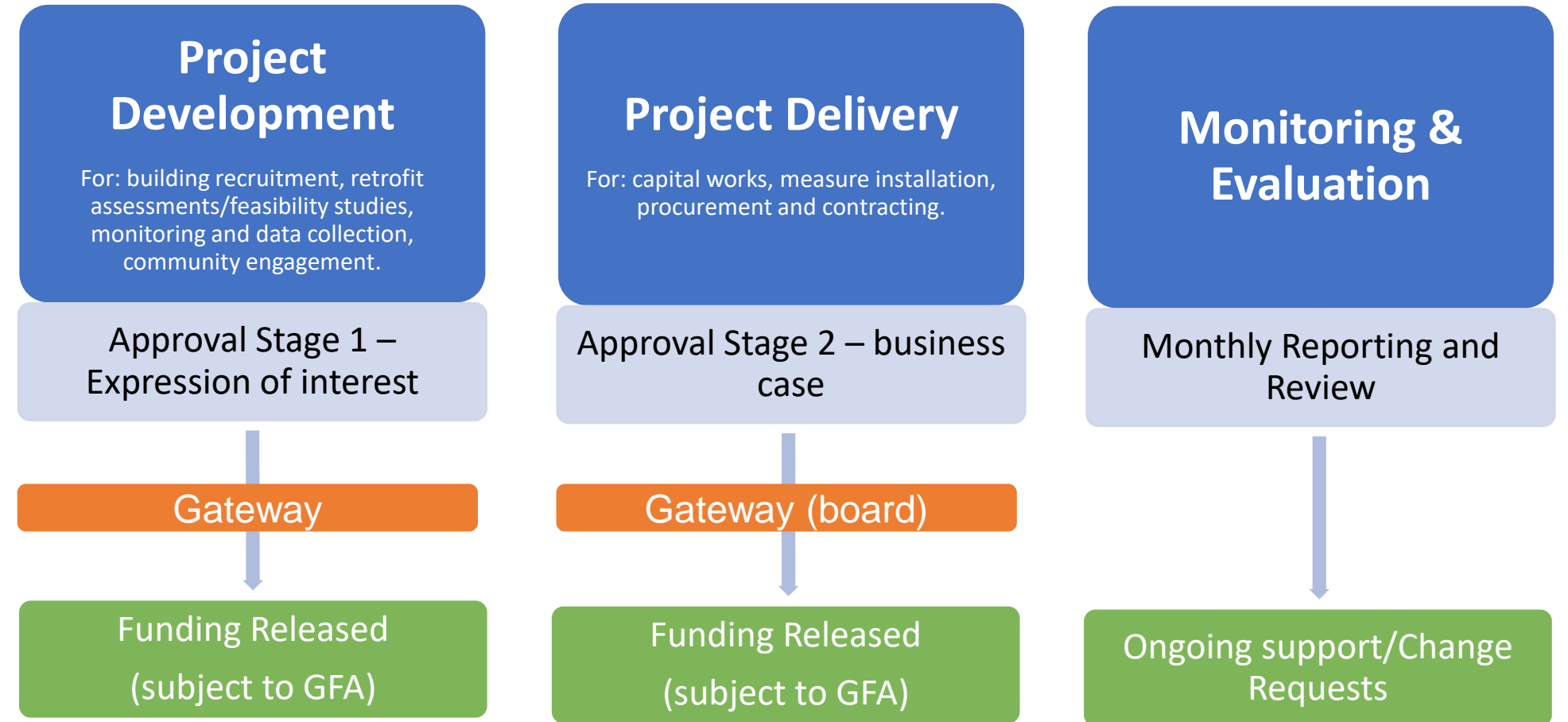
Proposed Funding Drawdown Model

- Organisations with a funding allocation to bring forward projects that meet fund requirements/outcomes
- Projects developed collaboratively through gateway process (go/no-go)
- Specific governance arrangements TBC, but likely through a monthly Programme Board (PBC being developed)

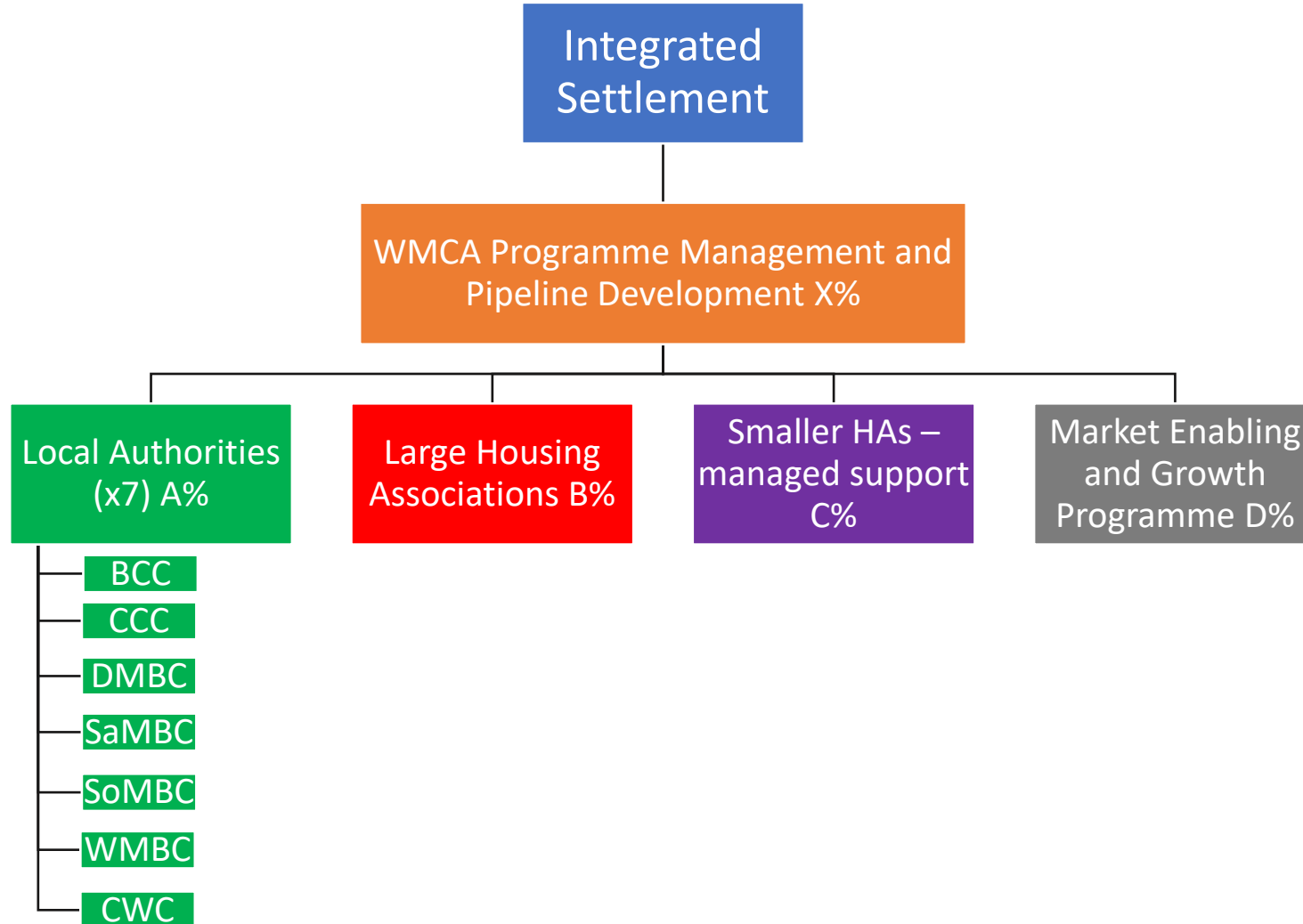
Pre-Launch

**WMCA Letter
of Intent/
Scheme
guidance**

Post-Launch

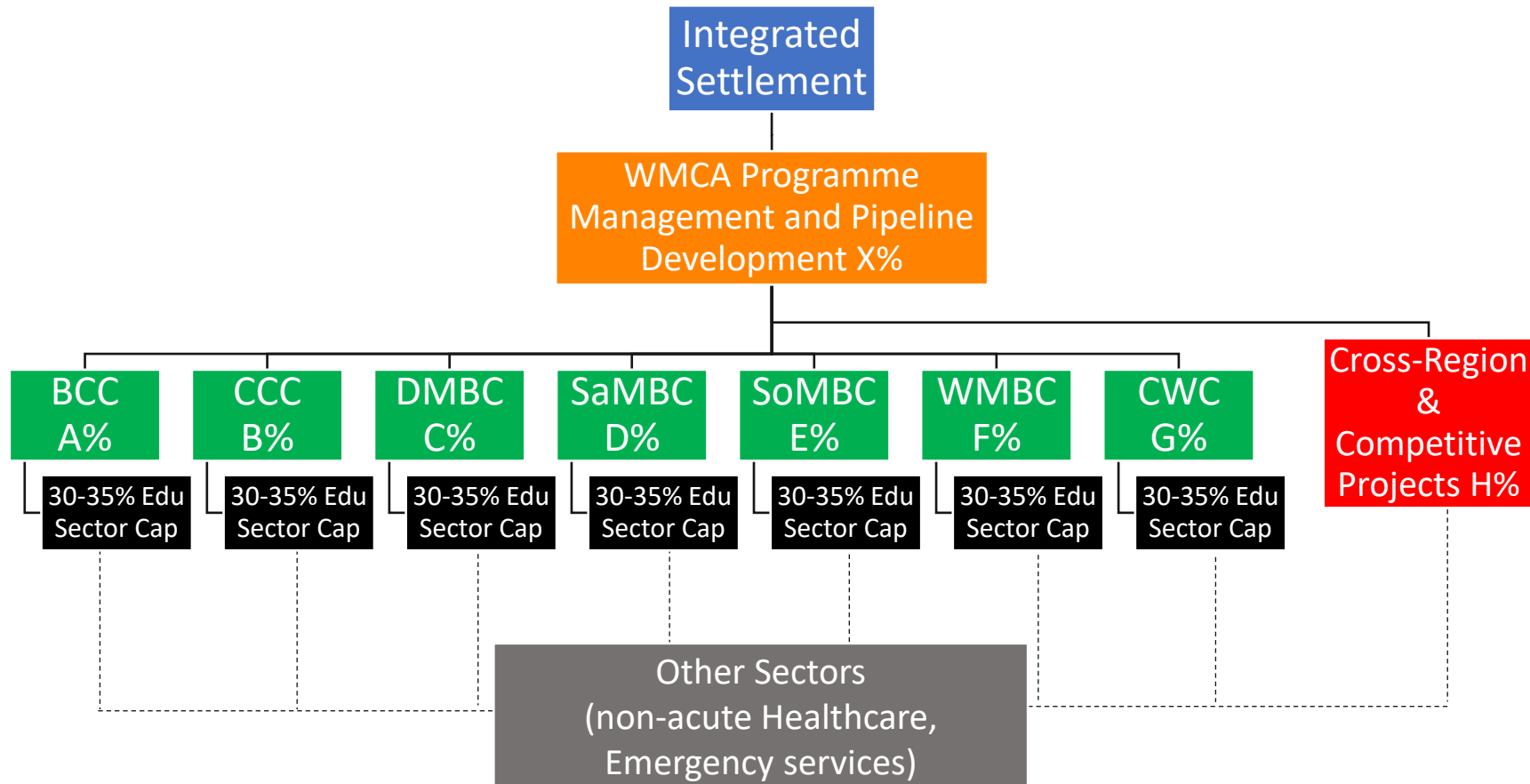


Proposed Funding Structure (domestic)



- LAs will have nominal funding allocation based on fair share. Funding also to be allocated to large HAs. Pot made available for small HAs on a fair share basis.
- Established managed support service for RPs.
- Market enabling and innovation funding to be top sliced – aiming to build market capacity and activity

Proposed Funding Structure (public)



- LA-collaboration primary route (pot A-G)
- Direct, competitive route available (pot H)

What Next?

- LA, HA and PSB to develop their pipelines (develop projects/programmes) ready for submitting to WMCA from April 2025. Ongoing discussions with LAs/HAs/PSBs taking place now on **priorities and projects over next three years**.
 - **WM HAs please complete funding allocation survey:**
<https://forms.office.com/e/c1pxCrz506>
 - Get in touch with the team if you would like **early visibility on your indicative allocation**.
 - WMCA to develop/sign-off:
 - Programme Business Case
 - Scheme guidance and associated documents
 - Negotiate outcomes framework and targets
 - Check out our website: [The Devolved Retrofit Pilot](#)
 - **Seeking to engage suppliers using pipelines this year** (March event). We expect LAs/HAs will already be speaking to supply chain and have existing partners.
 - Events to Engage: [Energy Capital collab days](#), webinars, supplier events, etc.—to be confirmed soon.
 - Get in touch to sign up to events and send on your pipelines and projects:
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More Information

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Submit Qs to our central inbox:

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