

Retrofit for the future

Tenant attitudes
to decarbonising
social housing

Executive summary





Foreword

At Sovereign we believe that everyone should live in a home and a place where they feel safe, part of their community and where they can thrive. Sustainability is at the heart of that commitment, and we have set out ambitious plans to achieve net zero carbon.

We understand our responsibility to future generations, who will inherit the built environment we are investing in today. The Homes and Place Standard, our new quality standard for homes, is explicit about the need to build in a way that is sustainable and to build homes that can be sustainably maintained. Our homes will also help people move towards zero carbon, reducing energy and water use and saving money. In the housing sector, in most of government and amongst policy makers in general, the case for decarbonising housing has been made.

But to deliver that, we need to make that case to every tenant in every home. We need them to see the benefit not of 'greener homes', but of their greener home. That means reassuring people that improvements will really improve a home and that cleaner energy doesn't mean colder houses or higher bills. In some cases, it will mean people leaving for a new home. In every case it will mean ensuring the best outcomes for our customers, their communities and the generations to follow them.

Sovereign has already embarked on a major programme of strategic asset management to implement our Homes and Place Standard. As we move to the next phase, piloting retrofitting and deciding where best to invest, we wanted to do so with our eyes open to our customers' concerns. As with Homes and Place, this research was co-created with our customers. I want to thank them for their invaluable contribution and interest in the work we do.

I am proud that Sovereign is leading the way on setting the very highest standards for affordable homes and great places to live. In sharing our research findings, we hope others will benefit from the insight we've gained and join us in our commitment to creating a sustainable future.

Mark Washer
Chief Executive Officer



Executive summary

Engaging customers on our net zero carbon journey

Sovereign is committed to decarbonising our housing stock and achieving net zero carbon by 2050. This will involve a significant programme of investment, retrofit and regeneration, which will inevitably involve upheaval for some of our customers.

Key to a successful programme will be taking customers with us. We wanted to understand more about customers' current views on the environment and climate change, and how these might influence how they engage with our decarbonisation strategy. This research will help to take our customers with us on our journey to net zero carbon.



Highlights

Climate change has become established as a genuine concern for most customers; although for many, reducing energy usage can be primarily driven by the need to cut expenditure rather than environmental concern, and there can be financial and practical barriers to adopting more environmentally friendly behaviours.

Customer reactions to Sovereign's net zero carbon ambition are mostly very positive; although there is also recognition of the significant scale of the work and the costs involved – sharing progress as the programme rolls out will continue to build trust.

A striking feature of the research was the low awareness amongst non-engaged customers of the significant contribution that housing makes to carbon emissions. Once aware of the connection, customers were more engaged with the issue, which made them more receptive to the ambition.

Customers are open to learning more and are happy to hear from Sovereign in this area, including being provided with simple practical advice on how they can limit their impact on the environment, and how to improve energy efficiency to make cost savings.

Generally, customers are prepared to accept the potential changes that might need to be made to their property and the resulting upheaval this might bring, to achieve the ambition. However, the potential scenario of having to move home, either temporarily or permanently, is a concern for some, especially for those strongly attached to their home and local community, who often included more vulnerable customers.

Customers are concerned about the financial implications for them of the ambition, particularly in view of the recent increases in energy prices and the prospect of future rises. There is also an assumption that 'clean heat' technologies are relatively new, and customers therefore asked that any new alternatives should be tried and tested, with evidence to prove their efficiency and affordability before installation.

Shared owners want to be involved in decision-making about what decarbonisation actions should be taken in their home, given the emotional and financial stake they have in their properties. Many of those sampled assumed they would be expected to be responsible for the cost of a new heating system but, if that is the case, they may want to wait until their current heating system needs to be replaced.

Such is the scale of the ambition, good communication will need to instil confidence and reassurance at every stage to ensure success. All three of the broad communications themes tested – highlighting the benefits of affordable warmth, improved health and wellbeing, as well as positive benefits for the environment – were well received.

Customers are open to the initiative and to getting involved and doing their bit to help. The issues are complex and existing awareness and understanding about the impact of housing on the environment is low, but once engaged, customers could become strong advocates for the programme. Customer voices will be key to engaging others and spreading the word organically.

Summary findings

Attitudes to the environment

Most customers who participated in this research agreed that climate change was real and caused by human action, and that 'we should be doing all we can' to reduce our impact on the environment.

Energy efficiency was very important to most of those sampled, partly because of recent price hikes and warnings of further increases to come. In the main, customers try to keep their energy usage to a minimum – driven primarily by a desire to save money rather than environmental concern.

To limit their own impact on the environment, most participants said that regular recycling, and using bags for life, were 'standard practice' for them. However, some customers viewed becoming more environmentally friendly as a luxury, often citing the high cost of electric cars as an example.

Only a small number of those sampled actively sought out environmental news and information; and only those who had friends or family working in the environmental sector, or children or grandchildren who were learning about climate change at school, admitted to having discussions about environmental issues. There was no evidence offered by those sampled of environmental activism.

However, there was strong evidence that customers would be happy to learn more about the actions that they could take to reduce their impact on the environment, although they would be unlikely to proactively seek it out; the research also suggests they would be happy to hear such information from Sovereign.

Although environmental language such as 'climate change' and 'air quality' were understood by participants, most did not recognise more technical terms like 'decarbonisation', 'fabric first' and 'embodied carbon'. This suggests that communication with customers should avoid jargon and use accessible terminology wherever possible, to avoid confusion or disengagement.

The research also revealed that the word 'environment' for some simply means their own neighbourhood. It is, therefore, important to clarify, when communicating with customers, whether the message is about the environment more generally or their local neighbourhood 'environment'.

One of the most striking findings to emerge during the research was low awareness of the significant contribution of housing on carbon emissions; with many customers expressing surprise. This information overall often served to spark interest in the need to make changes in their homes and the wider programme.



Response to the net zero carbon ambition

The net zero carbon ambition was welcomed and feels impressive, particularly as it includes all properties, and not just new-builds.

The plan to assess every property and to decide what actions need to be taken was well received. Participants also appreciated the practical details of the programme and thought it made sense to first carry out fabric improvements, like wall and loft insulation and new window glazing, before addressing the heating system itself.

Support for stage one of the plan, the fabric improvements, was mirrored by support for stage two 'clean heat', completing the decarbonisation of homes by replacing fossil fuel-powered heating systems. Although there was very low awareness of these heating systems amongst participants, they appreciated that 'clean heat' systems were the future; that fossil fuel usage needed to be cut; and were interested in learning more about these modern systems.

Concerns about the ambition and programme surround the general scale and cost of the task and the efficiency and affordability of new systems for customers. Skillful communication and successful completion of each stage will build confidence in the programme, as it rolls out.

There was a general expectation that 'clean heat' systems would be more efficient than existing heating systems and, in the longer term, reduce customers' energy bills, as well as being good for the environment. But customers also sought reassurance that tried and tested systems would be selected. There will also be a need to ensure

customers know how to operate new systems effectively after installation.

None of the potential downsides discussed presented a major barrier, as the general assumption remained that the work would bring positive outcomes. Most anticipated some disruption if a new heating system was installed in their home; and even if there were no savings on household bills brought by the change of system, customers were still supportive because of the environmental benefits.

There were some concerns expressed by customers about whether the decarbonisation of their home could actually generate a negative outcome, if the new heating system proved more expensive to run longer term, perhaps simply because of the rising cost of energy. This highlights a need for transparency on any financial impacts.

The net zero carbon ambition was well received by shared owners, who thought it was a positive initiative, but were quickly thinking about who would be responsible for any resulting costs. Whilst some assumed it would be their responsibility to cover the cost, others felt that Sovereign should also make a contribution. Naturally, shared owners would want decision-making about any actions to be taken in their home to be made in partnership with them.

Responses to different retrofit scenarios

The four possible retrofit scenarios presented in the research – no work, minor works, major works and moving home (temporarily or permanently) – were generally accepted. Participants asked to receive clear information on what action was to be taken on their home; that good notice is given; that timescales are realistic; and that the work should be completed to a good standard.

Having to move home either temporarily or permanently evoked a range of responses, whether from customers open to, or resistant to, such a move. As customers can have a strong attachment to their homes, even if a customer's property needed a lot of work and a 'better' property could be offered, they may not want to move home. Individual situations will need to be considered carefully and support and engagement should be provided throughout, tailored to individual circumstances.



Communications

The research suggests that customers are keen to hear about the net zero carbon ambition, so they can prepare themselves for change - as change is always uncomfortable. They need as much warning as possible about interventions for their property, and welcomed the idea of a personalised plan for their home.

In terms of communications themes, participants responded well to messages about affordable warmth and healthy homes, with the benefit to the environment being an important secondary supplementary message.

The most effective communications approaches included using 'case studies' - to show real examples of improvements to a home and the benefits it brought - explaining to customers face-to-face, staging community events or using social media, as well as disseminating information through 'customer champions' or local customer groups.



Research method and sample

Sovereign commissioned qualitative research to understand customer attitudes to decarbonisation and retrofit of homes, explore responses to various retrofit scenarios and discuss how best to engage customers on our net zero journey. The research was conducted during December 2021 and January 2022.

The research used a mixture of qualitative methods: including focus groups, triads (three person interviews), paired depth interviews (two person interviews) and one-to-one depth interviews, using online video conferencing platforms or via telephone.

Qualitative research allows for in-depth examination of attitudes and how they can be influenced through various stimuli. Qualitative methods allow participants to express their views and attitudes freely to generate depth of understanding.

The sample included a mix of Sovereign's customers, both social housing tenants and shared owners. 37 customers who are not already involved in Sovereign's engaged customer groups (non-engaged customers) were recruited by an external market research recruitment agency, QRS. Discussions were then moderated and analysed by Solutions Strategy Research Facilitation Ltd, a specialist research agency. 20 engaged customers (who are already involved in customer panels and groups) were recruited internally by Sovereign. Four focus groups were moderated and analysed by Sovereign's Head of Creative and Insight.

This research report brings together the findings from both audience samples.

Read the full report



Our research partner

Solutions Research is a boutique research and insight agency, committed since 2001 to seeking out truths about people and the world we live in to make a positive impact on people's lives. Exploring lived experiences and human stories drawn from all walks of life to build deeper insight into customer behaviours, hopes, aspirations and even fears.

Whether it's uncovering attitudes (perceived or real), strengthening communities, or helping customers feel more engaged. Above all, it's about the impact on their lives and the benefits that come from understanding this.







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