

Retrofit for the future

Tenant attitudes
to decarbonising
social housing

Insight report



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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



Section 1

Executive summary

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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.



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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 reassure 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.

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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. Skilful 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 in 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.



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Research method and sample (summary)

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.

See Section 3 for more details on methodology.

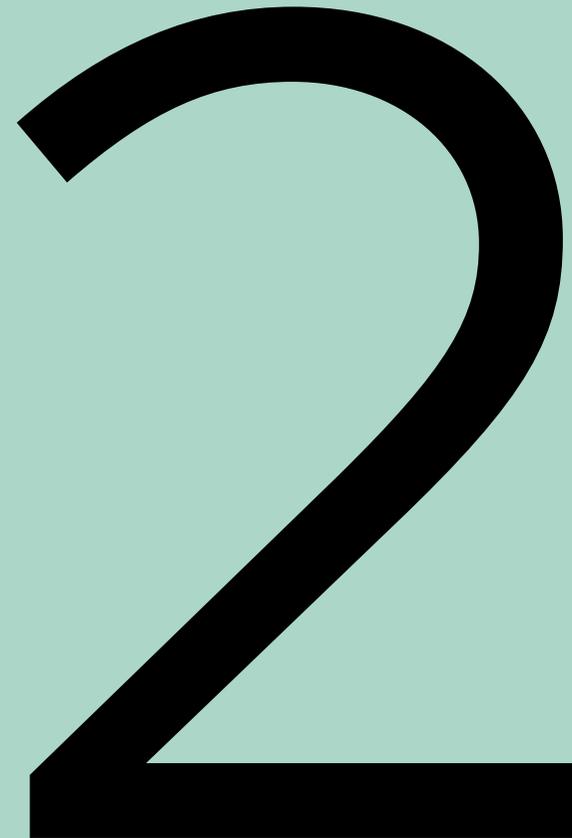


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Section 2

Detailed research findings

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Attitudes to the environment

This chapter looks at the spectrum of concern about the environment across both engaged and non-engaged customers. The research revealed that environmental issues had become an increasing concern for many customers and, for some, had become a significant area of concern.

Current attitudes to and engagement with environmental issues

The research demonstrated a spectrum of engagement in environmental issues across the customer sample. Despite a recognition that the environment is a significant issue of concern, there were varying levels of day-to-day engagement with the topic. It was also noted that some participants interpreted the word 'environment' as 'neighbourhood', for example, thinking about how green and pleasant the area they lived in was, rather than thinking more broadly about climate change.

Responses reveal that some customers are highly engaged in, and very well informed about, environmental issues. For some of those participants, such engagement was driven by a personal interest in the subject. For others, it was because they had a family member or a friend who was working or studying in the environmental sector.

Other customers were less engaged, thinking only about environmental issues sometimes, perhaps if prompted by news reports, a conversation at work, or simply by noticing air pollution. Some customers felt they were too busy on a day-to-day basis to really think about the issue, whilst others said that because they believed individuals had little control over climate change, it was of little concern to them.

Attitudes to climate change

Customers were asked to rate their degree of worry about climate change, on a scale from one 'extremely worried', through to five 'not at all worried'.

When prompted with this question, many customers claimed to be 'very' or 'extremely' worried about climate change. This was most prevalent among younger audiences with older children; retired people who worried about its effects on their grandchildren; those with a personal interest in environmental issues; and those with family or friends working in the environmental sector.

Those who professed to be less engaged were customers who had young children and busy family lives; those who believed climate change would have no impact in their lifetime; and some older people (41-60 years) who reported feeling 'powerless' about what they as individuals could contribute to, what they described as a 'global problem'.

Customers were also shown a range of statements describing whether or not climate change is happening, and what the possible causes of climate change are (human actions or the earth's natural cycle) and asked to discuss their views.

The discussions revealed that most believe that climate change is real and is caused by human action. Several expressed the view that some evidence for this had occurred during Covid-19 lockdowns. They cited a definite difference in air quality; and they had noted the positive response of nature to the reduction in car usage, train and air travel.

Other customers, whilst not denying that human action was at least partly responsible for climate change, expressed the view that the earth has experienced natural climatic and other cycles, so that this could be a contributing factor.



Attitudes to limiting environmental impact

Customers were also asked to discuss their views on people's individual impact on the environment, and asked which of a set of statements relating to this, they agreed with most. The following statements resonated the most:

I think it's important to do as much as I can to limit my impact on the environment.

Waste not, want not: that's important, you should live thinking about what you are doing and using.

I do a couple of things to help the environment. I'd really like to do more, well as long as I saw others were.¹

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.

Customers expressed general agreement that individuals should be doing what they can to limit their impact, although some customers also expressed the view that they felt powerless, as individuals, to have any great impact on the environment.

Some described their own commitment to 'waste not, want not' but felt it was being ignored by many in what they described as 'our throw away society'. Some customers expressed the view that there was too much food waste; that excessive packaging was used on many products; that the emphasis was still on replacing rather than re-using or recycling products; and that there was not enough emphasis on energy efficiency.

However, some customers did admit to not keeping track of energy usage in their homes, either because a warm home was a high priority for them, or because they had a home that struggled to hold heat.

When discussing their own environmentally friendly behaviours, customers tended not to focus spontaneously on the impact of their home on the environment. Most focused primarily on behaviours that have become personal habits and those where there are systems set up to make it easy for them: many said that regular recycling and using bags for life were 'standard practice' for them.

Some customers stated that they went further in their efforts to reduce their environmental impact. Those reported efforts included minimising food waste, energy-saving measures, and conserving water.

In terms of their efforts outside of the home to limit environmental impact, some said they only shopped locally, used only public transport and bought recycled products and/or upcycled some items of clothing and furniture.

¹Defra: A Framework for Pro-environmental Behaviours

Factors that prevent more positive 'environmental' behaviours

Several customers said that their busy lives effectively prevented them doing more to limit their environmental impact.

A general lack of knowledge about what actions to take to limit environmental impact was raised by several customers, who were open to being informed about actions beyond the 'standard' recycling and using bags for life.

Many customers again expressed the view that their small contributions as individuals would make little difference to what was a global problem, especially as some other countries were still major polluters and many people were still flying around the world regularly.

The rising cost of living, particularly the significant rise in energy bills, was raised by many customers as an area of concern, especially with the expectation of further rises to come.

For some customers, becoming more environmentally friendly was perceived as too expensive, and even seen as a luxury beyond their reach, because of the high cost of items like electric cars. Some engaged residents suggested that their own lifestyles were naturally lower carbon, because limited finances made them less wasteful.

Indeed, on reflection, some customers noted that energy efficiency was a positive side effect of their cost saving actions – eg reducing energy consumption to cut energy bills – even if their primary motivation to take these actions was to save money rather than out of environmental concern.



Environmental engagement

Overall engagement with others on the subject of the environment felt limited. Those customers who had family members or close friends working in the environmental sector were more likely to have discussed environmental issues with them; as were those who had children or grandchildren who had learned about climate change at school, and then discussed the topic with them.

A small number of customers actively sought out news on environmental issues and were aware of the COP26 conference last year, but there was no evidence of environmental activism.

The audience generally, across all ages, expressed an appetite for more information on how to reduce their impact on the environment. Although they felt unlikely to seek out that information pro-actively themselves, they were happy to receive such information from Sovereign.

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.



Environmental terminology

Participants were shown a list of different environmental terms and asked to discuss which they were more and less familiar with.

Although environmental language such as 'climate change' and 'air quality' were understood by participants, for most, the more technical terms like 'decarbonisation', 'fabric first' and 'embodied carbon' were totally unfamiliar; while the terms 'net zero carbon', 'carbon neutral' and 'climate neutral' were familiar, but not fully understood, particularly the differences between them.

From the evidence, it is clear that there is a need to define terms very carefully and, above all, to avoid jargon. It is also clear that when discussing or sharing information on environmental issues, given the ambiguity of the term 'environment' in particular, there needs to be no doubt about whether that information is about the environment in general or the local neighbourhood environment.

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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.

Knowledge and awareness of the impact of housing on the environment

Customers were presented with information describing the significant impact of housing on the environment, including the high contribution of carbon emissions that come from the home, either in the form of embodied carbon built into the home or emissions resulting from heating and running the home. The fact that carbon emissions from homes is higher than emissions from cars was also highlighted, as was the fact that most electricity is produced by burning fossil fuels and that switching to low-carbon electricity generation could drastically reduce emissions for the average home.



Most non-engaged customers in the sample expressed surprise at this information, demonstrating how the impact of housing on the environment had been rarely considered. This information overall often served to spark interest in the need to make changes in their homes.

The fact that housing was such a large contributor to climate change was new information for many. Specifically, the comparison to cars – that homes produce more carbon emissions every year than cars – was often highlighted as a particularly interesting and surprising fact.

Exploring attitudes to these facts however also highlighted some points of confusion, namely that some can struggle to understand terminology such as ‘low carbon electricity generation’. For a small number in the sample, the information also raised the issue of electricity use, including concerns about the rising cost of electricity, questions around how homes could be heated without gas or electricity, and why electric cars are considered to be the future when they believed that creating electricity requires the burning of fossil fuels.

It was noticeable that many participants in the engaged sample already understood that housing had a major impact on the environment (possibly due to their involvement in shaping strategies and plans in this area); and were not so surprised by the facts stated, although the size and scale of the impact of carbon emissions from homes was unfamiliar to some.

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Response to the net zero carbon ambition

This chapter explores how customers responded to Sovereign's ambition to be carbon neutral by 2050 and how this might be achieved.

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.

Overall responses to Sovereign's ambition

All participants were shown the following statements to explain Sovereign's ambition for decarbonisation of homes.

- By 2050 every home will be carbon neutral, aiming for zero carbon homes.
- We will play a key part in reducing the carbon footprint of social housing in the South of England.
- This plan is bigger in scope, ambition and impact than any we have delivered before.
- We will build affordable homes that enhance wellbeing for customers in every stage of life. Our homes will be built to last, adaptable, sustainable, and enjoyable to live in.
- All our homes, old and new, will help our customers move towards zero carbon, helping customers to reduce their negative impact on the environment, by reducing energy and water use, regulating temperatures at home, and saving money. We see this as a partnership with our customers, each of us doing our bit.
- Our homes will generate renewable energy, which helps to offset the carbon used to build them.
- By 2050 all the homes we own and manage will be enjoyable, have character, complement the natural and built environment and be carbon neutral.

Overall, there was a positive response to the ambition and its proactive nature. There was clearly an appetite for what many saw as a worthy ambition, with the responses of non-engaged customers including: "a great idea", "it's brilliant", "very positive" and "fantastic Sovereign getting behind it". Many customers were pleased to see that the ambition included older properties as well as new-builds.

Many customers stated spontaneously that they could appreciate that the ambition would benefit them through better heating and saving money, as well as benefiting the environment. A small number anticipated that the ambition would be good for their health and wellbeing too.

Most customers were open to the initiative, and some were also open to getting involved to some extent, doing what they could to help it come to fruition.

There was scepticism from some, who said although the ambition was very impressive on paper, they wondered how it could be implemented in reality. Some participants questioned how such an ambitious programme could be achieved, particularly given the scale of housing stock involved. Others wondered if there would be the budget and skills to undertake such extensive and specialist work.

Engaged customers also welcomed the ambition and felt proud of their own contribution to the development of the overall strategy. The scale of the ambition was also clear to them, both in terms of the costs and the time required to make it all happen, as well as the practical and financial challenges that would be involved.

Achieving net zero carbon

Stimulus was used to prompt a full discussion outlining the approach planned for the retrofit of homes, starting with an analysis of what works are required in each home. Followed by stage one fabric improvements (eg wall and loft insulation, new double or triple glazing, high performance doors) to ensure there are no draughts or gaps where heat can escape. Followed by stage two 'clean heat' installation, replacing fossil fuel powered heating systems with other forms of decarbonised heating (eg air source heat pumps or modern storage heaters).

The approach and the actions outlined were well received by customers and started to drive support of the programme itself, as it was recognised as both sensible and practical. Assessing each Sovereign home was seen as ensuring that every customer would feel included in the programme. It was suggested that successful completion of each stage would be important in building confidence in the whole decarbonisation programme.

The initial phase (stage one, fabric improvements) was well received as a sensible approach to ensure homes are well insulated before installing a new lower emission heating system. In itself, making these initial changes was seen as likely to improve warmth and the cost effectiveness of heating a home. A few participants were already in discussions with Sovereign about new windows and improved insulation and this clearly reinforced the fact that actions are already being taken to follow up on the stated ambitions.

In terms of stage two, the installation of 'clean heat' systems, customers appreciated that the use of fossil fuels needed to be reduced and that low carbon emission systems were what was needed for the future. Customers in the main, though, had little knowledge of such heating systems, eg air source heat pumps. However, most anticipated that the benefits would be improved heating systems for their homes, lower bills and a reduction in the impact on the environment.

Some customers raised questions at this stage of the research, which suggests reassurances will be needed about the technology and installation process, in terms of cost, reliability and effectiveness. These customers wanted reassurance that reliable systems would be selected and installed by experts. They also asked for evidence to be provided about the performance of 'clean heat' systems in similar properties to their own. Some also worried that investments might be made in heating systems

that soon became obsolete, or that much more efficient systems may become available in a few years' time.

There were concerns raised too, including the cost to customers of 'clean heat' solutions, as some had heard that these systems can be expensive to run. There was also evidence that some customers can be very attached to their existing gas central heating systems.



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Potential benefits and downsides

Benefits and downsides were explored with participants spontaneously, before stimulus was used to prompt fuller discussion. The stimulus included a range of potential benefits for customers (including more efficient and effective heating; lower fuel bills; a healthier home, with better ventilation; improved comfort for customers in the home); benefits to Sovereign (including creating comfortable, warm, healthy homes for customers; meeting Sovereign's climate commitments) and wider environmental benefits (including doing the right thing; meeting our global climate commitments; creating a sustainable world for future generations).

There was a general assumption that taking these actions would have positive outcomes overall. Customers naturally tended to focus on the benefits to them personally rather than the benefits to Sovereign. In general, they expected that 'clean heat' systems will deliver an improvement, both in terms of energy efficiency and a reduction in their energy bills. Many also expressed interest in the idea of a 'healthier home', particularly those customers with any current health issues.

The wider benefits to the environment were also considered to be motivating and provided an important 'feel good' factor for customers.

Participants were asked to consider any potential downsides spontaneously, and then prompted with stimulus, including: inconvenience of having the work done, loss of space needed to accommodate new equipment, little or no cost savings, no marked difference in warmth and comfort in the home, no visible improvement, no noticeable difference in your daily life, no wider neighbourhood changes.

One of the potential 'downsides' of actions included in the stimulus was the potential 'inconvenience of having work done in your home'; but most customers expressed the view that,

as they thought the work would have positive outcomes, they would accept the upheaval.

Most residents felt that, given the benefit to the environment, they would be happy for the works to go ahead even if there were no noticeable improvements for them in terms of costs savings or improved heating. However, on further reflection, there were concerns about the potential for any actions to have a negative effect, particularly if the new system turned out to be more expensive to run.

The rising cost of electricity, and the fears of further rises to come, was raised by many customers, particularly in January 2022, when the rising cost of energy was more visible in the media. It was stressed by many of those sampled, both social tenants and shared owners, that they could not afford to be 'financially flexible' and that any increase in household bills would have a significant impact.

The idea of a 'green rent' was also discussed. Spontaneous reactions of many non-engaged customers, when asked what they thought a 'green rent' would mean, showed this was initially assumed to be a rent reduction which, they said, could incentivise people to engage further with the programme.

Some customers appeared to expect a rent increase at some stage of the programme, and a slight increase in rent to help recoup the costs of the ambition may be grudgingly accepted, but it was noted that this could act as a disincentive.



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.

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Responses to different retrofit scenarios

This chapter explores how customers responded to a range of potential retrofit scenarios, ranging from no work required, to minor works (eg the addition of insulation), major intrusive works which could involve significant inconvenience (eg the installation of a new heating system), to needing to move home, either temporarily or permanently.

Response to scenarios overall

Most customers appreciated that there would be different levels of likely disruption to achieve the retrofit programme, and felt that upheaval would be acceptable if the actions were of benefit to them, their home and/or the environment. Many customers living in social housing expressed the view that, whatever changes were necessary it was ultimately not their decision whether or not to go ahead, as the property was Sovereign's, and Sovereign would be responsible for any costs involved.

Customers did however feel it was important that they would be given sufficient warning of the forthcoming works, particularly any major works, so that they could plan time off work and prepare. They also stated that it was important work would be completed within the timelines, to a good standard and that their homes would be 'made good' post-installation. Those who had invested significant money or time improving their property were particularly keen for assurances about how the property would be left.

Most customers assumed that their homes would be in the minor works category; with some believing that their heating systems would be updated in years to come as their boilers came up for renewal anyway.

Responses to the scenario of moving home temporarily or permanently were very varied. Customers more open to a move included those who had no family living locally; families who were struggling for space; those hoping that the move would be to a newer or upgraded home; those who were less emotionally invested in their current property; or who had transport and could therefore be more flexible.

Customers who were more resistant to moving home tended to be older and more vulnerable; those most anxious about moving somewhere different, with new neighbours; those with children with specific needs; and those who had lived for many years in their homes and were well-connected into their local community. As people have a range of emotional and practical reasons which drives attachment to their home, 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.

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.

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Shared owner attitudes

The net zero carbon ambition was well received by the shared owners sampled, who perceived it to be a positive initiative. Many shared owners reported that they were fully engaged with environmental issues and had a good degree of knowledge of 'green' technology. Shared owners would want decision-making about any actions to be taken in their home to be made in partnership with them.

When discussing the ambition and various retrofit scenarios, the issue of responsibility for costs was quickly raised. Some said that they assumed it would be their responsibility as homeowner to pay for improvements and expressed interest in whether Sovereign could offer support by passing on grants, or using its purchasing economies of scale to make the cost of new technology more affordable for them. But this approach was challenged by others who highlighted how the driver for change wasn't theirs, which placed responsibility on to Sovereign to contribute to, or pay for, the costs.

In terms of the technology itself, some also wanted evidence about the track record of any proposed new heating system for their home, expressing concern about new and untried technology. Some would also want to wait until their existing heating system needed to be replaced.

Shared owners also expressed greater concern about any potential inconveniences that may occur as a result of the installation process, perhaps due to the emotional and financial stake they have in their property, which can also lead to greater concern about having workers in their home, and how their property would be left after the works were completed, in terms of décor.



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.

Communications

This chapter explores how customers responded to different communications themes, and the channels of communication that would be most engaging for them.

Communicating the ambition

Participants in this research were keen to find out more details of the ambition and the journey to net zero carbon, and to be made aware of any potential impacts on them and their homes, with as much warning as possible. Some customers were particularly interested in finding out about any proposed new heating system for their home, and to learn how to use the system efficiently once installed.

At a broader level, there was also interest in simple practical advice so customers can limit their own environmental impact and be energy efficient. Indeed, some engaged residents suggested laying the groundwork for later planned retrofit work on the home with wider environmental campaigns, so customers could learn more about the actions that they could take themselves to reduce their impact on the environment.

In terms of preferred communication approaches, participants generally did not think that letters were the right approach as they could easily be ignored. They suggested talking to customers to explain the ambition; using social media; and holding community events.

Disseminating information through 'customer champions' or customer groups was seen as a good way to spread information about the ambition within communities. A few of the participants were keen to be involved in such customer groups.

Response to communications themes

Stimulus was used to prompt the discussion around the potential benefits of the retrofit programme, grouped in three broad communications themes: affordable warmth, improved health and wellbeing, and positive benefits for the environment.

The concept of affordable warmth was consistently well received. The possibility of saving money on fuel bills was also a motivator but raised a potential 'watch out' around whether cost savings could be guaranteed, particularly in the context of rising energy costs. As noted earlier, participants were alert to any assumption that they were able to be flexible with their finances as any increase in bills could have a significant impact. Across the sample, and particularly for people with respiratory health conditions, having a healthy, well-ventilated home also resonated.

The positive impact on the environment was also an engaging outcome and an important secondary benefit for most, whilst being a primary driver for only a small number. It was most positively received when combined with the other themes: affordable warmth and/or healthy home.

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.

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Response to intervention ideas

Participants were also shown a range of ideas for how the new technology and planned changes to homes could be showcased with customers, including: case studies showing how other residents have benefited; demonstrations of the technology in action; a personalised plan for each home; talking through the plan with knowledgeable staff.

Several customers suggested that the communication of 'real-life examples' of how customers had benefited from improvements to their home would prove a very effective way to engage more people.

Many customers also liked the idea of a personalised plan for their home, as they would then feel more informed and engaged. Participants responded well to receiving information and support to understand more about the plan for their home and the new technology from trained, knowledgeable staff who would be able to explain and answer any questions. The idea of demonstrations, so they could see the technology in action and learn how to use it properly, also appealed.

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.

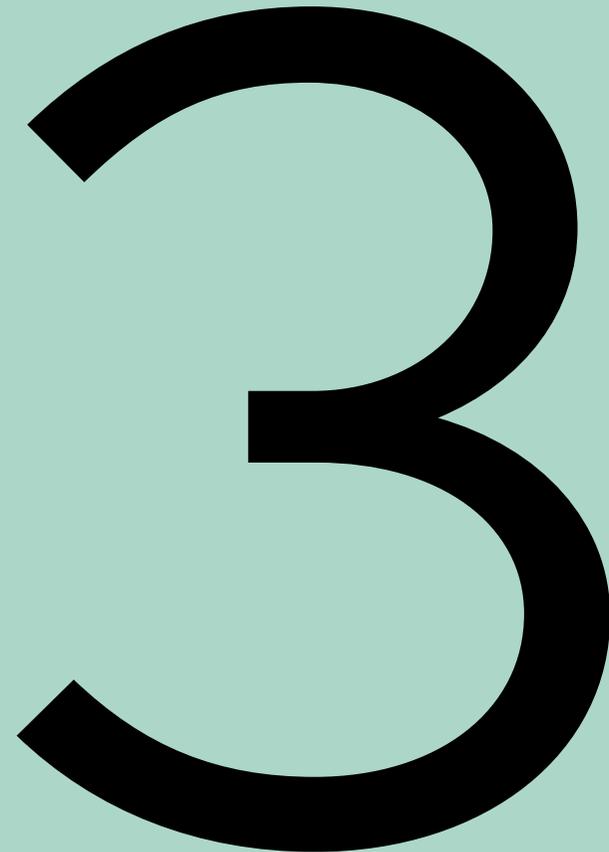


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Section 3

Research methodology

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The research task

Research background

Sovereign is committed to decarbonising its housing stock and achieving net zero carbon by 2050. This will involve a significant programme of investment and stock renewal to make all our homes net zero carbon.

To inform operational and communication plans to support these projects, Sovereign 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.

Research objectives

Sovereign commissioned qualitative research conducted between December 2021 and January 2022 to support the move towards decarbonisation of our housing stock. The research was designed to understand customer attitudes to environment in general, and the ambition to move towards net zero carbon; responses to various potential retrofit scenarios in their own home; and to explore how to create interest and engagement in the programme.

Specific objectives

The research explored the following specific objectives:

- to what extent fundamental beliefs about the environment might influence attitudes to a range of potential interventions;
- to pinpoint what other factors might influence attitudes and behaviours towards potential retrofit scenarios;
- to test reactions of customers to a range of such scenarios;
- to understand what would be the barriers and the enablers;
- to understand how to raise customer interest in, and engagement with, sustainability and environmental issues, and in particular potential retrofit of their home.



Research method and sample

The research used qualitative methods involving a mix of focus groups, triads, paired depth and depth interviews. Most research sessions were held using online video conferencing platforms (either Zoom or Teams), as well as five in-depth telephone interviews with people who had limited confidence in using online technology.

Qualitative research allows for in-depth examination of attitudes and how they can be influenced through various stimuli. The nature of the qualitative method means samples are necessarily smaller than quantitative ones and are specifically designed to reflect the range of audiences of interest. As a result, they do not have the quantitative base to identify proportions of populations holding particular views. For these reasons, it is not appropriate to present qualitative findings in terms of the numbers of participants expressing certain views. Instead, qualitative methods allow participants to express their views and attitudes freely.

A full discussion guide was created for the research sessions which used a range of techniques to stimulate discussion. Each topic was explored initially with broad open-ended questions, followed by more detailed question prompts, and finally pre-designed stimulus, to draw out views around the topics of interest. All participants were encouraged to share and discuss their individual opinions, to create a broad understanding of different perspectives.

This research project was carried out according to the Market Research Society's Code of Conduct and Ethics.

The sample was divided into two core audiences: engaged customers who were already involved in engaged customer groups, and non-engaged customers who were not involved in any of these groups.

37 non-engaged customers, including both shared owners and those in social housing, were recruited by an external market research recruitment agency, QRS. These sessions were moderated and analysed by a specialist research agency, Solutions Strategy Research Facilitation Ltd.

20 engaged customers, including both shared owners and those in social housing, were recruited internally by Sovereign. These groups were moderated and analysed by Sovereign's Head of Creative and Insight.

The sample of both engaged and non-engaged customers was divided into smaller sessions using a range of criteria to encourage both good session dynamics and ensure that a broad spectrum of the customer population was included.

The sample variables included: tenancy type (social housing tenants and shared owners), life stage, length of tenancy, type of property and location type. The audiences were grouped into broad life stages as follows: younger (young singles and couples, young families), mid-life (established families, empty nesters, mid-life singles and couples), and retired (including customers living in supported housing).

The research highlighted some clear differences between the engaged and non-engaged customers in terms of their understanding of both general environmental issues and Sovereign's net zero carbon ambition. This research report combines analysis of the findings from both audiences.

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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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