Retrofit London Action Plan

Delivery body
workshops report

Produced by Nesta for the
Retrofit London Steering
group, December 2021

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Project overview

This report summarises the outcomes from two workshops delivered in November 2021 by Nesta's Sustainable Future team, in partnership with London Councils and the lead boroughs for the London Retrofit London Action Plan.

Project brief

Nesta was commissioned by the London Boroughs of Enfield and Waltham Forest, with support from London Councils, to deliver workshops that could bring together partners to help identify the right pan-London delivery structure for the Retrofit London Action Plan.

Realising this ambitious plan will require an effective model for delivery which can reach scale rapidly, bringing together funding, suppliers and residents effectively. This model needs to inspire confidence among stakeholders – including government and potential funders – while meeting the needs of the local authorities and communities it works with.

London Councils had previously created high level comparisons of the strengths and drawbacks of different delivery options. This project builds on this work by developing a shared understanding among key partners, including London local authorities, on how implementation of the RLAP might happen and what the key functions of a delivery body needs to be in order to support these future scenarios.

Key project objectives
- Understand how local authorities are approaching retrofit at present, and what priorities they have for a pan-London programme
- Find out what local authorities think the delivery structure should do, e.g. financial, legal and procurement needs
- Identify the key functions that would need to be resourced
- Identify points of consensus and disagreement on the best option for delivery

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Project overview

This report summarises the outcomes from two workshops delivered in November 2021 by Nesta's Sustainable Future team, in partnership with London Councils and the lead boroughs for the London Retrofit London Action Plan.

Project approach

In our approach to this project, we understood that while all London boroughs had signed up to the Retrofit London Action Plan, their levels of engagement and retrofit preparedness was varied, and there was not yet a shared understanding of the requirements of implementing the plan. Given this, our approach was designed to:

- Take a whole systems view that enables all participants to see the same picture

- Harness the collective expertise of the stakeholders to drive forward decisions

- Help participants to think outside of their existing organisational boundaries

What we did

- 2 x 2 hour online workshops in November 2021
- Over 50 individuals attended in total
- Workshop format developed closely with Retrofit London project leads
- Pre-workshop contextual interviews with housing directors from multiple boroughs
- Workshop 1 focused on collectively mapping the future of London retrofit and identifying needs for cross-borough or pan-London support
- Workshop 2 explored the potential role and responsibilities of the delivery body in more detail

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Our mission is to transition to a net-zero economy that works better for people and the planet.

Our goal is to reduce household emissions by 28% from 1990 levels by 2030.

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About Nesta and the Sustainable Future mission

Nesta is the UK's innovation agency for social good. We design, test and scale new solutions to society's biggest problems, changing millions of lives for the better. Our work is focused on three innovation missions working to promote a fairer start, a healthy life, and a sustainable future.

A Sustainable Future

The main focus of our mission to create a sustainable future is to help rapidly decarbonise the UK's homes. We aim to make it easier and cheaper for people to heat their homes from low-carbon sources and to reduce and shift home energy demand to support a decarbonised electricity grid. We do this by working with partners to design and test new ideas (such as new business models, tools or behavioural change initiatives), building and investing in new ventures and providing evidence and ideas that can shape government policies and the actions of other influential stakeholders.

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Part 1

**What should a cross-borough delivery body do?**

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Collectively identifying the key functions of the retrofit body

Workshop 1 aimed to build a shared understanding of the roles and responsibilities required to deliver retrofit. Participants were given different scenarios to explore, such as *'It's 2025. Who is taking the lead on retrofit for private housing and how does a private resident get support to retrofit their home?'*

Responding to these, they created 'service maps' that looked at what the public, service providers, local authorities and the retrofit body would do in each scenario. This helped create a shared view of the systems and structures that will be needed to support retrofit, and identify some of the key links and dependencies between them.

This activity helped us to identify a number of key functions and enabled the issue to be addressed from an 'outcomes first' view rather than starting purely with questions of organisational structure. It also enabled participants to work across organisational boundaries and examine the plan from alternative perspectives.

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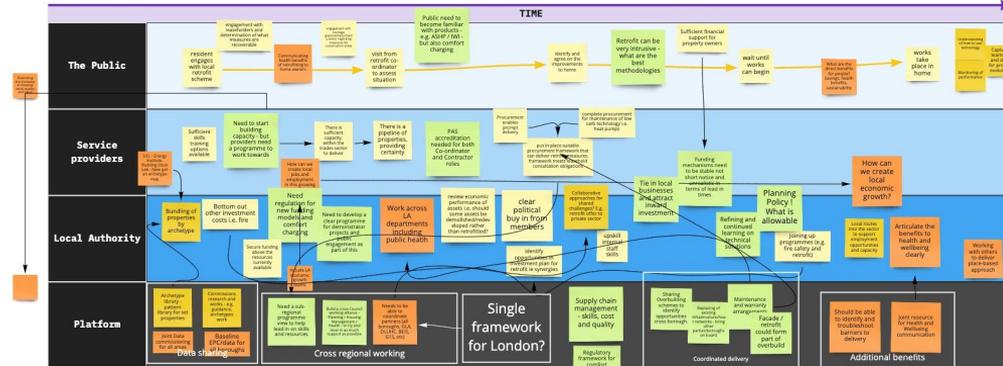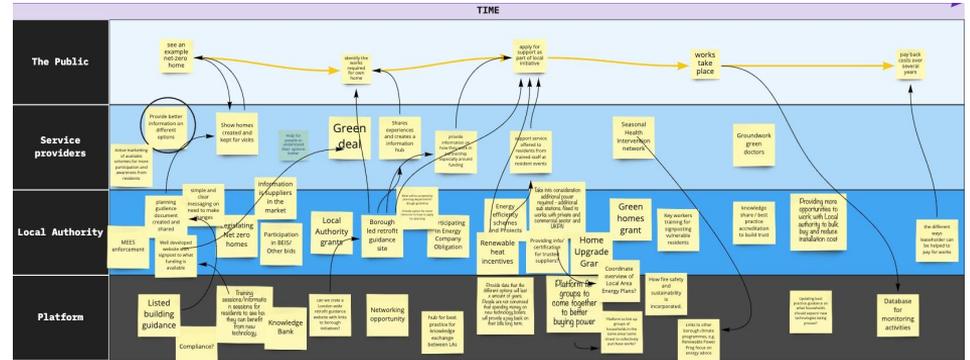
The workshops identified 10 functions that a cross-borough delivery body could potentially perform

Awareness raising and engagement
facilitating consultation and providing simple, clear and compelling information for residents about retrofit plans

Building market confidence
demonstrating a clear direction of travel to the market, public and government so that the right decisions can be taken

Providing guidance and strategy
providing up to date and relevant policy information, clear guidance (e.g. planning), and a consistent retrofit framework

Building knowledge and skills
exchanging cross-sector knowledge and best practices, encouraging continuous learning, and providing the training needed to build skills capacity

Forming broad alliances
bringing together all relevant stakeholders to ensure place-based approaches that can achieve multiple benefits

Managing data
overseeing cross-borough data collection, monitoring and analysis and ensure this data informs and supports retrofit work

Supply chain and procurement
coordinating the procurement of products and services, building local supply chain capacity and reducing costs through joint purchasing

Influencing power and policy
effective representation of retrofit interests at government and regulatory level, in order to reduce barriers to delivery

Attracting and deploying funding and investment
securing and managing resources to support implementation and delivery of the programme

Programme delivery
Providing a service that takes on the end-to-end management and delivery of retrofit projects, so boroughs can work together at scale

* It should be noted that whatever the approach it will need to align with wider governance structures and be adequately resourced.

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Funding is the highest priority, but many other functions are also deemed important

In a straw poll, participants rated ability to raise and deploy funding and investment as a particularly important function.

Functions that focus on relationship building, communication and influence were in general rated lower.

But overall, it was hard to identify clear priorities - most functions were deemed somewhat important, and another group may have placed these functions in a slightly different order.
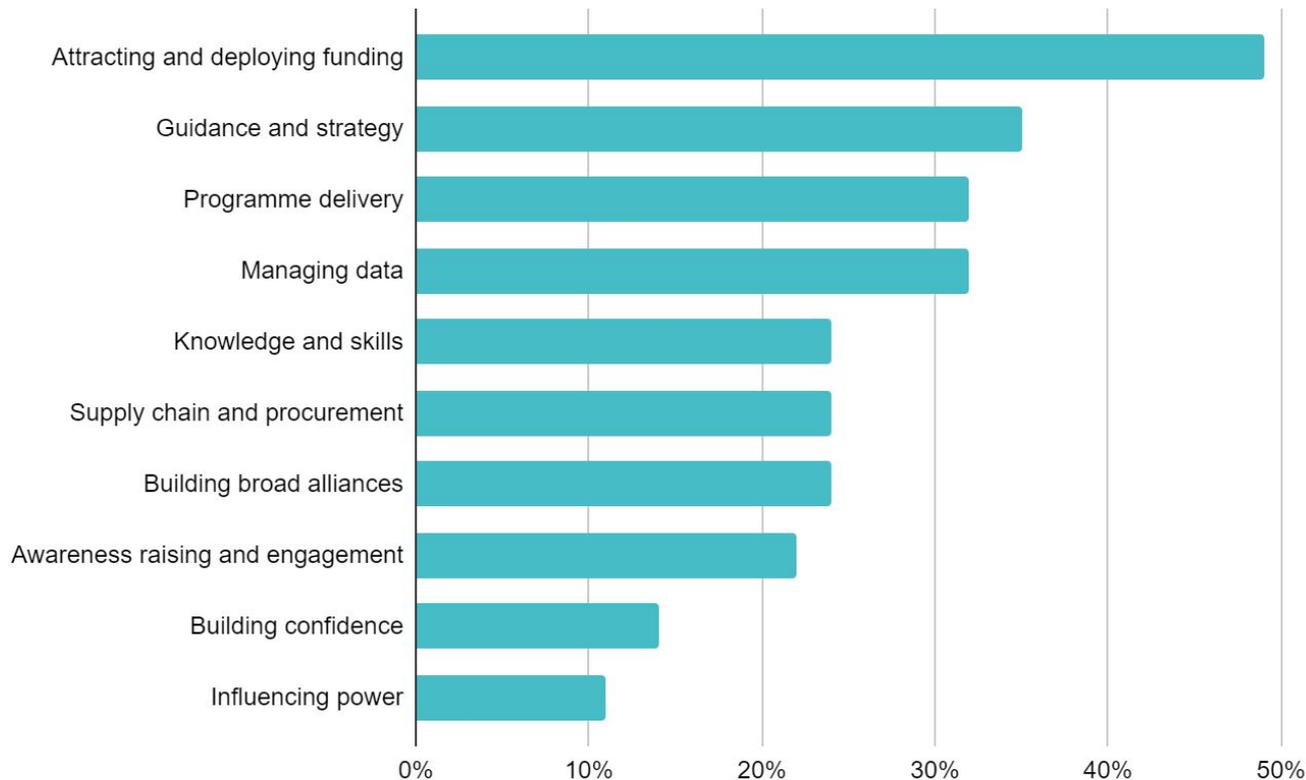
Percentage of people placing each function in their top three. N=37.

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Part 2

To deliver these functions, how should a cross-borough delivery body operate?

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How should a cross-borough delivery body operate?

Having identified what the body needs to do, we asked participants to consider the capabilities and characteristics that it would need.

Using the 'top five' functions as a starting point for conversation, we prompted participants to think about:

- **Value proposition:** what would a cross-borough delivery body offer that existing structures and organisations can't do already?

- **Capabilities:** What would it need as an organisation in order to do this?

- **Principles:** what should guide how it operates?

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How should a cross-borough delivery body operate?

Guidance and strategy

Value that the body will offer

Influence strategy by convening a forum for partners

Provide consistent standards and approaches (e.g. for planning and archetype solutions)

Ensure long term skills base through shared knowledge across partners

Capabilities required to provide this

Coordination and potential enforcement of planning agreements

Accreditation of training and skills across boroughs

Ability to get consensus across boroughs

Principles of how it should operate

Wider focus on social justice and local benefits

Independent and balanced management

Voluntary arrangement between partners

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How should a cross-borough delivery body operate?

Managing data

Value that the body will offer

Consolidate the evidence needed to make case for funding and practical support

Create a single access point and procurement route for data that's accessible to all, by ensuring standards across partners

Enable shared planning and sequencing of works through sharing building and project data

Capabilities required to provide this

Right to manage data on behalf of other organisations

Code of conduct regarding accuracy and accountability for users

Ability to check and validate data shared by partners to ensure accuracy and fit

Principles of how it should operate

High integrity required in order to trust in information

Qualified leadership who are engaged with the project

Long term view on ownership of data for collective benefit

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How should a cross-borough delivery body operate?

Programme delivery

Value that the body will offer

- Able to deliver whole area benefits by combining work at strategic level
- Realise economies of scale by jointly procuring work between boroughs
- Better procurement through sharing knowledge and joint standards

Capabilities required to provide this

- Ability to bring together works to procure across boroughs
- Ability to pre sign-off plans based on a common framework so that joint projects can progress
- Able to offer guidance to local authorities and residents on best practices

Principles of how it should operate

- Transparent and accountable leadership
- Open and collaborative working with regular sharing of knowledge
- Evolving practice, learning from examples and mistakes

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How should a cross-borough delivery body operate?

Knowledge and skills

Value that the body will offer

Greater retrofit skills base through better training and clear pathways to work

Greater confidence in retrofit from housing providers because of clear and consistent approach being taken

Joint working between boroughs on skills development

Best practices are being used across sectors in London because of knowledge sharing

Capabilities required to provide this

Able to accredit standards of training and skills

Able to recruit and pool resources between organisations who need them

Able to define and promote collectively agreed standards and offer guidance on best practices

Principles of how it should operate

Aiming for high quality future standards on sustainable retrofit

Facilitate authorities and be a helpful guide rather than creating barriers to jump

Create a shared community of practice around skills

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Ways in which the new body can add value

From the details developed by participants, we have identified a set of activities where the retrofit body can offer substantial new value for boroughs, building on existing capabilities.

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- Providing **project management support** to ensure that retrofit work is being done to shared standards and verifying quality

- Providing a **forum for boroughs** and other partners to identify priorities, blockers and speak with one voice

- Providing **a single point of contact** for stakeholders involved in retrofit

- Providing **a digital platform** that can aggregate data, borough-level plans and procurement opportunities

- Providing **financial skills support** to boroughs to help them develop new external investment

- Providing practical **support for community consultation** and engagement to ensure that retrofit work has wider place benefits

- Providing a **shared view of project planning** so that work can be aggregated and boroughs are not competing for same skills

- Providing an **overview of retrofit skills demand** in specific locations across the whole of London, and an opportunity to connect individuals with employers

- Providing **generalised planning guidance** and examples of best practice for common property types that can be adopted by all boroughs

Capabilities potentially required by the new body

Based on the activities identified in the session, we can identify an important set of capabilities that the delivery body would need in order to realise the value on the previous page.

How many of these might be needed will be dependent on the organisation type, and which functions are prioritised first.

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- **Manage and raise funding** – for example fundraising, lending, receiving grant funding and holding money on behalf of boroughs for procurement

- **Hire and pool resources** – for example taking on staff, building a project team, or embedding specialist resources from a central pool within boroughs

- **Manage data** – for example accountability and agreement to combine records of planning, resources or training into one shared platform

- **Manage membership** – for example agreeing a constitution or incentives for members that would guarantee access in exchange for sharing resources, and a means to enforce this

- **Represent the collective** – For example speaking on behalf of members and putting questions to government around policy as one entity

- **Guarantees and accreditation** – For example the power to issue guarantees for retrofit work done by private contractors, and accreditation for training that would be recognised by all boroughs.

- **Sign off development plans** – for example the delegated authority to sign off plans for works that met agreed shared planning codes, particularly when aggregated across boroughs

Future organisational principles

From the group's input, there were also a clear set of emerging principles in relation to how the delivery body should be run and managed. These are applicable to any structure for the organisation and help to frame some of the following questions around organisational design.

- It should be **independent and balanced** – representative of all boroughs, with a long term view, led with relevant skills and experience alongside cross party governance.

- It should **empower others to act** – being an enabler for authorities to lead delivery, providing helpful guidance rather than barriers, and creating a community of practice that people can learn from

- It should always be **learning and evolving** – taking on lessons from specific projects by authorities, unafraid to change approach, and helping exchange knowledge between partners

- It should be **purposeful and accountable** – clear on its agenda and policies, with transparency on how it is performing and clear criteria for who it will or won't work with

- It should **lead by example** – creating new standards on future-proofed and sustainable retrofit, ensuring work has wide social benefits, and prioritising a diverse local workforce

- It should be **actively engaged** – led by stakeholders who want to be a part of it rather than compelled, and creating regular space for engagement with credible leadership who are involved in the project

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Part 3

What does this mean for designing a cross-borough delivery body?

Putting the pieces together: how might cross-borough collaboration be delivered?

- Wide range of potential functions, few clear priorities
- Capabilities needed vary considerably depending on function
- Principles that can underpin different organisational types

→ **There may not be one type of delivery arrangement that can deliver everything**

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Two emerging directions for delivery arrangements

Option 1
Retrofit platform

Enables local authorities and partners to coordinate delivery, shares good practice, provides guidance, sets up high-impact projects to solve common problems

Characteristics:

- Agile: structure and role can evolve over time
- Distributed power
- Facilitative
- Coordinating
- Convening

Possible model: delivery team employed or contracted by an accountable body, which reports to a partnership board

Option 2
Retrofit delivery authority

Takes responsibility for leading delivery across boroughs, has capability to raise funding and investment, has authority to act on boroughs' behalf, may in time have additional delegated powers

Characteristics:

- Clear, fixed purpose and structure
- Centralised power
- Managerial
- Delivery focused

Possible model: company or joint venture

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Comparing options: functions

Both options could deliver a range of support functions.

As a more agile, flexible structure, the retrofit platform might be better placed to form alliances, engage the public and help boroughs and other stakeholders share knowledge. However, it's unlikely to be the right option for raising funding and investment and delivering retrofit programmes.

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Option 1
Retrofit platform

Well placed for:
- Awareness raising and engagement
- Building knowledge and skills
- Forming broad alliances
- Using revenue funding for shared aims

Could do:
- Building market confidence
- Commissioning and providing guidance and strategy
- Managing data
- Supply chain and procurement
- Influencing power and policy

Less suited for:
- Attracting and deploying capital investment
- Delivering retrofit programmes

Option 2
Retrofit delivery authority

Well placed for:
- Building market confidence
- Attracting and deploying funding and investment
- Delivering retrofit programmes

Could do:
- Awareness raising and engagement
- Providing guidance and strategy
- Building knowledge and skills
- Forming broad alliances
- Managing data
- Supply chain and procurement
- Influencing power and policy

Comparing options: strengths and drawbacks

Option 1
Retrofit platform

Strengths:
- Quicker and simpler to get up and running
- Structure and role can evolve over time as programme needs and demands change
- Easier to get borough buy-in

Drawbacks:
- May not have the 'teeth' to drive forward delivery at the pace and scale needed
- Reduces scope for efficiencies and collaborative action

Option 2
Retrofit delivery authority

Strengths:
- The Retrofit London Action Plan is highly ambitious and will require an estimated £49-98 billion to deliver; delivering a programme of this scale and complexity effectively may require a delivery body with a stronger mandate, more autonomy and capability

Drawbacks:
- Much more complex and time-consuming to establish and manage
- Getting buy-in from all boroughs and necessary stakeholders likely to be difficult
- Boroughs' experience of joint ventures has not always been positive
- Higher risk profile

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Potential project roadmap

From discussion with the project team there is a sense that option 1, the retrofit platform, would be preferred for its simpler setup and ability to adapt over time.

However, option 2's potentially stronger capabilities are also recognised as a benefit.

One possible roadmap shown here is to start quickly with option 1, increasing its responsibilities through time and eventually moving towards a body that has more of option 2's functions.

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2-3 years

Phase 1 Startup with limited focus area	● Establish platform and start operations within six months of agreement on a low-complexity structure and responsibilities ● The platform supports retrofit within one or two initial functions, for example data and project management through guidance rather than full scale management ● The platform could be incubated by an accountable body (e.g. a London borough) or by a partner/consortium of partner organisations commissioned on boroughs' behalf
Phase 2 Broaden focus to wider retrofit activities	● Over following 1-2 years, the platform broadens its focus to other identified functions ● With programmes established in initial areas such as data, and programmes and standards up and running, it is able to take on more functions such as skills training, public engagement and planning guidance ● These may be delivered by the platform organisation or through contracts with boroughs and partner organisations
Phase 3 Review options for formalised retrofit authority	● After 2-3 years options for a more formal arrangement of the platform's functions could be explored ● With increased capabilities in boroughs and more coordinated retrofit activity across London there may be an opportunity to formalise delivery, funding and investment activities in one new authority to ensure that progress can continue to scale ● Other platform functions would come under the authority but day to day running would be unaffected
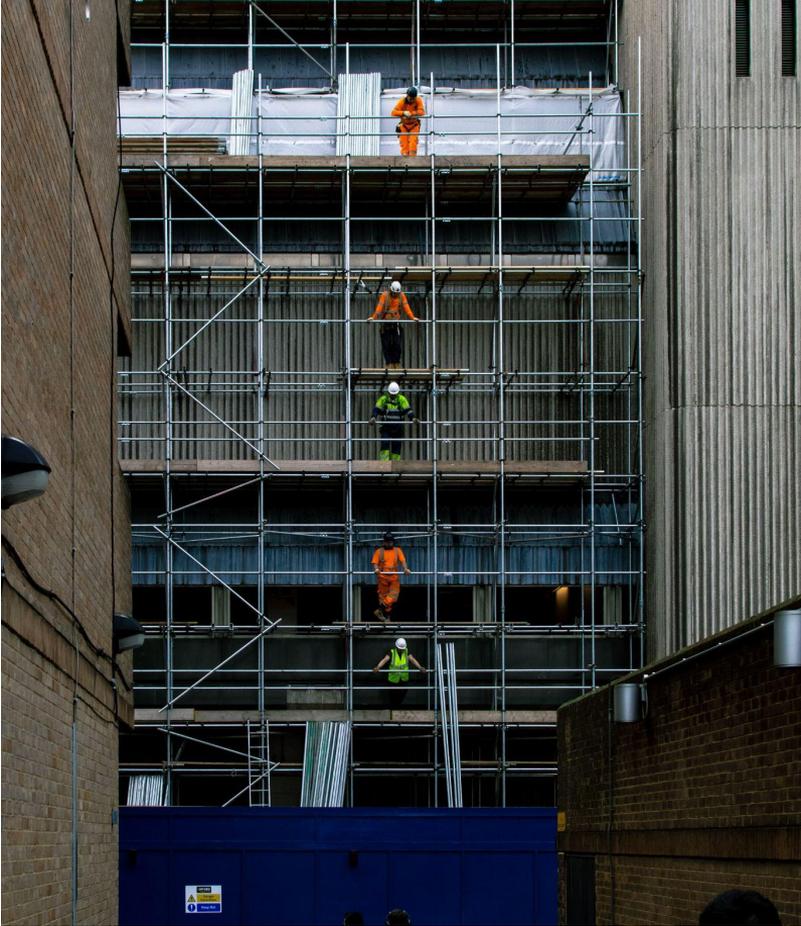
Credits

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