

How new technology saved £3.7m in tenants' energy bills

New technology can help landlords achieve VFM while improving SAP ratings and reducing residents' energy costs, landlords' operating costs and capital expenditure. This case study looks at how new technology enabled Places for People to save £3.7m in tenants' energy bills.

How?

Places for People (PfP) started by setting a clear target to enable it to consider if there was a better way to meet its corporate SAP target to benefit the organisation, customers and the environment.

PfP with Adeco built a unique assessment tool and strategy that allowed them to review and assess homes and schemes with different measures and technologies against key cost and energy saving targets to meet the corporate SAP target of 70. It allowed them to identify capital, operating and customer costs for a range of solutions on any given project. The tool and methodology was placed at the heart of the landlord's internal process and brought key people together from around the organisation including data managers, asset management, programme management and delivery. The tool has enabled them to develop a systematic approach and methodology (see Figure 1) for upgrading homes and heating systems that has revolutionised the way PfP invests in homes.

Results

In its 2017/18 programme alone they saved over £500,000 in capex, £3.7m in operating costs, £3.7m in tenants' bills and 1 million Kg of carbon emissions. Since 2016 PfP has assessed more than 30 schemes and hundreds of homes, radically altering the investment choices. Five years ago PfP replaced electric systems only with gas and no other measures, restricting the number of homes upgraded and leading to higher capital and operating costs. Now a full range of measures are used (including gas and high heat retention night storage heaters and other measures including insulation and renewable) to upgrade homes. As new technologies become available, they will be integrated into the tool.

Savings	Per Scheme	2017/18 Programme
Capex Saving	£26,235	£498,465
Opex Saving	£197,248	£3,747,714
Customer Saving over 20 years	£195,817	£3,720,519
Kg CO ₂ Saving	54,476	1,035,035

Benefits

This new approach ensures investment decisions are consistent and transparent but flexible in how PfP addresses different property types and measures. It has allowed PfP to meet its corporate SAP target and significantly reduce capital expenditure and operating costs at the same times as reducing costs for customers and reducing its carbon emissions.

Lessons and opportunities for social landlords

The choices for upgrading homes are changing quickly and housing providers now have more options than ever before. With the drive to decarbonise heat, new environmental targets and the development of new and lower cost solutions, these choices are set to expand rapidly over the next few years. The sector is uniquely placed to capitalise on these solutions. The key is harnessing these new options to deliver clearly defined objectives that can provide substantial benefits for customers, landlords and the environment.

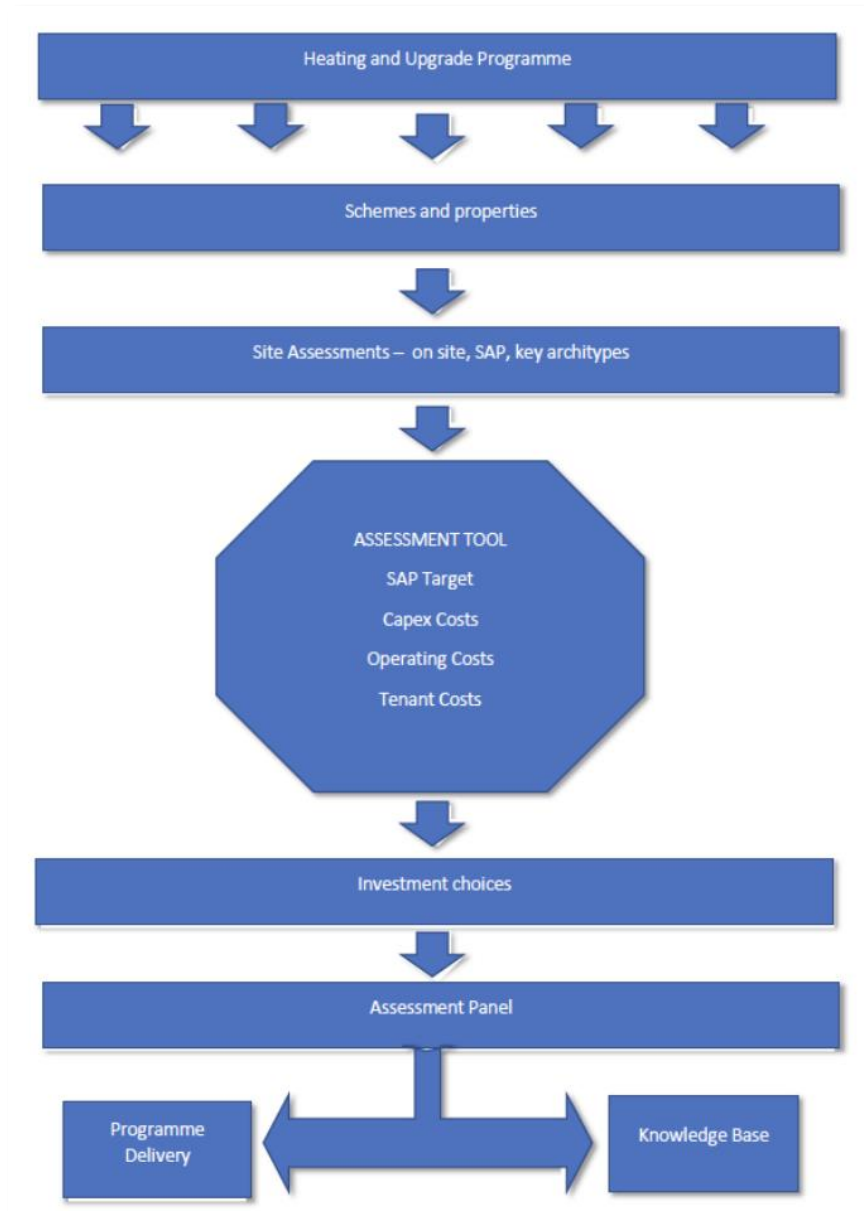


Figure 1: Assessment Methodology