

Leeds Low Carbon Accelerator

Discovery project case study

Organisation lead

Leeds City Council

Project partners

Lloyds Banking Group (LBG)
Ove Arup & Partners Limited

GHFA funding

£194,780

Themes

One-stop shop for retrofit and finance,
Property linked finance

What problem was your project trying to solve?

The project aimed to streamline the process of procuring retrofit solutions and accessing suitable finance products across Leeds. Overall, our project sought to overcome some of the systemic challenges hindering the adoption of retrofit measures observed in previous retrofit initiatives.

Central to our strategy was the development of a comprehensive one-stop-shop (OSS) delivery mechanism. This model was designed to guide customers through every stage of the retrofit journey, from initial enquiry to implementation. We were emphasising the non-financial benefits associated with retrofitting, aiming to shift the narrative away from solely economic considerations. By highlighting aspects such as improved comfort, energy efficiency, and environmental impact, we broadened the perceived value of these solutions.

The project aimed to achieve whole-house retrofit and decarbonisation, exploring different financing options and recognising that decarbonisation will likely be completed to a property over time, with more than one package of works. This provided homeowners the freedom to select their retrofit measure (or package of measures) in line with their life triggers and home improvement plans.

What solution did you develop, and who is this for?

This one-stop shop simplifies accessing green finance retrofit solutions by offering a centralised platform for customer acquisition, supply chain development, and quality assurance. The product aimed to approach one neighbourhood at a time by harnessing critical social relations, word of mouth, and community networks to improve delivery. The solution sought to focus its offer on owner-occupied households and those identified as middle-income or 'able-to-pay'.

Project partners



Our Discovery phase project found that retrofit is generally perceived as a practical rather than an emotional purchase, driven by financial benefits rather than intangible benefits. This is problematic when capex costs are significant and paybacks up to +30 years, making retrofit appear unattractive and unaffordable. Hence further effort is needed to simultaneously reduce upfront costs and increase the perceived value of retrofit.

Discovery phase report

Leeds City Council

Leeds Low Carbon Accelerator

Discovery project case study

What were the key things you learned during Discovery?

1) Understanding customer attitudes and investment drivers is crucial to enhancing the perceived value of retrofit

Retrofit is predominantly viewed as a practical investment driven by financial benefits rather than emotional ones. This presents challenges when significant upfront costs and long payback periods make retrofit seem unattractive. Efforts are needed to reduce costs and enhance perceived value simultaneously. The essential features sought in a retrofit customer journey included trust, personalisation of advice, local delivery, and access to low-cost finance. A one-stop-shop approach could effectively provide these features, streamlining the customer experience.

2) Financing options enable retrofit instead of driving demand

When assessing financing options, customers focus on product features such as affordable monthly payments and low-interest rates. While awareness of retrofit financing options is generally low, property linked finance (PLF), which supports homeowners in funding home energy efficiency improvements, was found to be appealing, particularly to younger, more affluent homeowners and those unable to access traditional finance. PLF is an innovative finance option where the loan is linked to the property itself, rather than the property owner, this means that repayment obligations transfer to the new owner when the property is sold.

3) Closely engaging customers builds trust and supports effective delivery

Local engagement and partnerships are crucial for building trust and supporting customers through their retrofit journey. A hyper-local approach to marketing was identified as vital for effective engagement and communication. Understanding individual needs and circumstances is essential, as motivations for improving home energy efficiency are closely tied to property type. This enables the delivery of personalised services, which play a crucial role in increasing the uptake of retrofit.

How will you take the concept forward?

Lloyds Banking Group will partner with the Green Finance Institute to explore property linked finance for retrofit. Additionally, we will continue to share our findings at public events to promote national and local engagement while maintaining strong collaboration between Leeds City Council (LCC) and West Yorkshire Combined Authority (WYCA) to drive regional involvement and support.

The Green Home Finance Accelerator (GHFA), funded by the Department for Energy Security and Net Zero's (DESNZ) Net Zero Innovation Portfolio (NZIP), promotes finance propositions that encourage domestic energy efficiency, low carbon heating, and micro-generation retrofit in owner-occupied and private rented sectors. PwC is supporting DESNZ to administer the grants and manage the programme, they are not responsible for the design, development or viability of any financial products, services or projects directly. Carbon Trust is supporting PwC by leading dissemination of project insights and learning. This publication has been prepared for general guidance on matters of interest only, and does not constitute professional advice. You should not act upon the information contained in this publication without obtaining specific professional advice. No representation or warranty (express or implied) is given as to the accuracy or completeness of the information contained in this publication, and, to the extent permitted by law, The Department for Energy Security and Net Zero, PricewaterhouseCoopers LLP, the Carbon Trust and the Project Partners do not accept or assume any liability, responsibility or duty of care for any consequences of you or anyone else acting, or refraining to act, in reliance on the information contained in this publication or for any decision based on it.

Project info



Case study
developed by:

