

How to save £millions and still improve homes and customers lives

You can improve homes, increase customer satisfaction and save £millions in capital investment and operating costs. For over 30 years the default approach to upgrading heating to homes has been simple: whatever the situation, whatever the property type, we all knew what to do – put in gas heating or upgrade gas heating.

Taking this approach made total sense. The choice was simple – electric was cheap to install, but more expensive for customers; gas was more expensive to install, carried a bigger maintenance cost, but cheaper for customers. Gas also had the added advantage of improving the energy efficiency of homes and helping everyone to hit SAP targets.

But in the last few years these assumptions have been challenged and there are new options including significantly improved heating systems. They can deliver lower capital costs, reduced operating costs and at the same time lower heating costs, improve comfort and customer satisfaction. The introduction of new technologies and products such as High Heat Retention Night Storage Heaters, amongst others, has given the sector the tools to take a different approach that delivers for them and their customers.

So what kind of savings are we talking about? For every £1m expenditure, there can be savings of £125k in capex and just under £1m in operating costs over the project lifetime. At the same time customers will see a 20% energy saving, reducing their bills by over £3m over 20 years and saving over 1 million kg of carbon.

But don't think it's all about the tech – the key is building an approach that assesses homes and solutions to meet your corporate objectives. Instead of the technology driving the choices, it's about getting the objectives to drive choices.

To find how to take the simple key steps to achieve this, see page two of the newsletter. You can also find out how housing providers are delivering on the promise of communal heating systems and also saving money.



“For over 30 years the default approach to upgrading heating to homes has been simple: whatever the situation, whatever the property type, we all knew what to do...now these assumptions have been challenged.”

ADECOE – THE AWARD WINNING TEAM 2018

Adecoe was pleased to be part of the team to win this year's Housing UK Innovation Award. The team developed an innovative new model that generates new investment from energy and maintenance savings.

[Read more here](#)

How communal heat can deliver on its promise and deliver savings

It's clear that there are many communal heating schemes that are costing too much to run and customers can often be paying more than they should. Communal heating should deliver low cost, low carbon heating that is simple and cost effective. The experience of the majority of housing providers we come across is completely the opposite of this.

This is a problem many are trying to tackle in the sector. In fact, we have yet to come across a housing provider who has problem free systems. We have seen schemes with efficiencies of less than 20%, many schemes that cost housing providers £tens of thousands, as well as schemes that are more expensive for customers than electric heating.

You name the problem; other housing providers are experiencing it. You are not alone. The problems include scheme design, poor commissioning, inaccurate metering and billing, poor customer service, customer complaints, repairs and maintenance issues, plant room and equipment failures and of course schemes losing money.

Some of the issues are technical, but as many aren't. One of the challenges of communal systems is that they are seen only in technical terms. Whilst there are some key technical elements, many of issues are about people and getting the right information.

Many start by tackling their number one problem, but the complexity of schemes can often thwart the best intentions. Communal heating schemes can be many good things, but they are never as simple to manage as other heating and have unique challenges that are not helped by an undeveloped supply chain.

With some simple steps, all the issues with communal schemes can be addressed. The most important step is to start. What needs to be done to improve your schemes and putting in place a step by step programme can be done quickly. Not only will it deliver efficient, low cost and well-run schemes, it can all be done at no additional cost.

The 5 simple steps to saving millions and still improving your homes

- 1. Set out your strategic objectives and place them at the heart of your approach.** There are many objectives to choose from, including capex and opex cost reduction, improving customer satisfaction, and reducing fuel poverty and carbon emissions. The good news is that they are not mutually exclusive: you can deliver more than one.
- 2. The key is taking a flexible and intelligent approach to building your investment programme.** The biggest change is to get away from simple black and white choices or even using the same solution in every situation.
- 3. It's important to stay open to new approaches and getting the technologies and products to work for you.** And we are not even talking about untried or untested technologies. All of the savings we have seen with housing providers have been delivered with established gas and electric heating systems and familiar insulation measures.
- 4. Almost forget the tech – it's about the approach. And this can very straightforward.** The cornerstone of this is getting the right data on your homes and building an assessment process and team that delivers your objectives using the right solutions. And nor is about buying any new software – it's about building your own solution.
- 5. Build your knowledge database and learning as you develop your approach and it will deliver the long-term dividends and savings sooner rather than later.** How you build the assessment process, who is involved, and the decisions made will all help to deliver the strategic objectives and be flexible as new challenges and solutions emerge.

And once it's up and running, these savings and improvements just keep multiplying each year. For each £1m in programme, it can mean saving £125k in capex and £1m in operating costs.

if you want to find out more about how to deliver great homes and save money [drop us a line.](#)