



The Big Retrofit

Our policy recommendations

Foreword

We have one purpose – to help more people have a home, help people save for life ahead, and support long-term financial wellbeing.

As a member-owned organisation, we navigate societal shifts and see where we can make the biggest difference to our members. This is as relevant today as it has been since Skipton Building Society was founded back in 1853.

We are acutely aware of the impact we have on the planet and the need to support the transition to net zero. By working across our Group companies and partnering with others, we have developed a greater understanding of the role we can play in supporting members as they seek to make their homes more sustainable and energy efficient.

Since 2023, we have offered free EPC Plus reports to our members – something I am incredibly proud of. The report helps to understand how to make properties more energy efficient. However, when it came to implementing the proposed changes, we observed that many found the process too complex and difficult to implement.

The UK's target to hit net zero by 2050 becomes a little harder each time consumers choose to take no action. And the overall urgency has increased because of the government's planned 2035 EPC 'C' objective, which will result in 14.3 million UK properties needing upgrades¹.

The future for buy-to-let landlords is also uncertain and at the time of writing, a consultation is taking place on whether the deadline for energy efficient rental homes should be as soon as 2030²,

As one of the largest players in the UK housing market – the Skipton Group helps nearly 1 in 10 people who buy and sell homes – we are uniquely placed to support people in making their homes more energy efficient.

So that's why we chose to try retrofitting ourselves. We wanted to become better educated on the pitfalls, costs, and benefits of retrofitting. To learn what works and what doesn't, so that others can take our lessons and build on them – from members retrofitting their own homes, to policymakers trying to understand how to transition millions of homes.

1. Department for Energy Security & Net Zero and Department for Business, Energy & Industrial Strategy (2022) Reducing emissions across the economy. Available at: www.gov.uk/government/publications/net-zero-strategy/3-reducing-emissions-across-the-economy (Accessed June 2025).

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2. Ministry of Housing, Communities & Local Government and Department for Energy Security & Net Zero (2024) Reforms to the Energy Performance of Buildings regime. Available at: www.gov.uk/government/consultations/reforms-to-the-energy-performance-of-buildings-regime/reforms-to-the-energy-performance-of-buildings-regime (Accessed June 2025).

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The results are really encouraging, and I have first-hand experience of the difference the retrofit has made. I lived in the property for a week, to experience the contrast of before and after, and to better understand how we can take the learnings of this project for our members. What really stood out to me was how comfortable it felt to live inside the house, especially as my residency came during the coldness of winter. You could really feel the impact of the improved insulation, and the balanced way the whole house retained warmth and heat, with its heat pump system – it was fantastic to experience, given this will be a requirement for many homes to get us to net zero.

Now the work is complete, I have two important objectives. The first is to share the lessons we learned from retrofitting Regent Road – which includes this report you're reading. The second is to harness the learnings within the Skipton Group, to see how we may be able to assist in helping to overcome some of the problems we have experienced for making homes more energy efficient.

In the background, we support the UK Government and their endeavours to both make the lower carbon heating technologies more affordable and the system of EPC ratings become more granular and appropriate. But I think the key thing for everyone is to get started – and that's what we've been doing.

Now is absolutely the time for action. That's why my hope is that The Big Retrofit can make a meaningful difference to our members – and to the wider UK – in transitioning homes for net zero.



A handwritten signature in black ink, appearing to read 'Stuart Haire' in a cursive style.

Stuart Haire
Skipton Group Chief Executive

Executive summary

It's laudable, it's important – but is it achievable? As part of the government's target of the UK reaching net zero by 2050, it needs as many homes as possible to have a minimum Energy Performance Certificate (EPC) rating of C by 2035³. To reach this target, the government estimates 14.3 million UK properties need upgrades¹.

It's why the topic of retrofitting is set to be a major talking point over the coming years. Retrofitting is about improving the energy efficiency of a property, to reduce its carbon footprint. It's often cited that retrofitting could potentially reduce your energy bills – a big consideration after the spike in costs over the last few years – and that it could even boost the value of the property (although external evidence for this is still limited). But retrofitting can also be confusing and initially expensive.

We live in a climate where there are important reasons to consider retrofitting, but too many unknowns. A 2024 report by the MCS Foundation found 43% of homeowners plan to carry out energy efficiency improvements to their property⁴. Yet 72% believe retrofitting is expensive, and 61% feel it's difficult and inconvenient⁴. Amongst homeowners who say they aren't interested in retrofit measures, one in three cite concerns over suitability or effectiveness⁴.

Why this matters to us

At Skipton Building Society, we have an acute awareness of just what a big social challenge all of this is. We head up the Skipton Group, which is

made up of different organisations with different goals. This includes the UK's largest estate agency and property services group, Connells Group, which owns Vibrant Energy Matters Ltd., one of the UK's EPC Plus providers, and retrofit assessor specialists, Harvey, Donaldson and Gibson, based in Scotland.

Together, the organisations that make up the Skipton Group provide us with a unique overview of the UK housing market and the challenges that homeowners face. All of this fuels our overall purpose of helping more people have a home, making customers' money work harder, and arranging the buying and selling of homes.

Responding to the UK Government's net zero ambitions for homes, we decided to harness the power of the Skipton Group to better understand the challenges of retrofitting on behalf of Skipton Building Society members.

And we've done this by trying out a retrofit for ourselves

We own a house opposite our Skipton Building Society head office that we were able to use to learn about retrofitting. The house on Regent Road, Skipton, is a fairly standard UK house. A mid-size, 1930s detached property. Three bedrooms, two bathrooms, a separate dining room, kitchen, and lounge. It had an EPC rating of 'D', in line with the UK average⁵.

In short, it's a great example of one of the 14.3 million homes¹ that need upgrading in the next decade.

1. Department for Energy Security & Net Zero and Department for Business, Energy & Industrial Strategy (2022) Reducing emissions across the economy. Available at: www.gov.uk/government/publications/net-zero-strategy/3-reducing-emissions-across-the-economy (Accessed June 2025). Contains Government information licenced under the [\[Government Open Licence V3.0\]](#)

3. House of Parliament (House of Commons Library) (2025), Energy efficiency of UK homes. Available at: commonslibrary.parliament.uk/research-briefings/cbp-9889/ (Accessed June 2025). Contains Parliamentary information licensed under the [\[Open Parliament Licence v3.0\]](#).

4. MCS Foundation (2024), Ramping up retrofit: What are homeowners willing to pay? Available at: www.mcsfoundation.org.uk/wp-content/uploads/2024/08/MCSF-Ramping-Up-Retrofit-Report-FINAL.pdf (Accessed June 2025)

5. Office for National Statistics (ONS), released 8 October 2024, Energy efficiency of housing in England and Wales: 2024 Available at: www.ons.gov.uk/peoplepopulationandcommunity/housing/articles/energyefficiencyofhousinginenglandandwales/2024 (Accessed June 2025).

So over a 12-week period in the autumn of 2024, we retrofitted this property. Working with other Skipton Group organisations and industry specialists, we transformed the place. Some of the measures included installing an air source heat pump, solar panels, battery storage, triple glazing, and cavity wall insulation.

We worked closely with research partners, Leeds Beckett University and the University of Leeds. They carried out before and after testing of the property, to measure the difference the retrofit measures had on energy efficiency and carbon footprint. Tests determined the overall heat loss, airtightness, and air leakage. U-value measurements (the rate of heat transfer through individual building elements) and thermal imaging were also used to identify areas of unusual heat loss, before and after the retrofit. They also worked together to interview supply chain stakeholders to get their views on how the retrofit experience was going.

The aim of The Big Retrofit was to educate ourselves as much as we can about retrofitting – and then share what we learned with our members, with policymakers, and with the retrofitting industry. We want to be open about

the costs involved, the initiatives that we discovered which worked well, and the ideas tried out that were less effective. Just as importantly, we wanted to find out the real difference that retrofit measures made. Did retrofitting our Regent Road home make it cheaper to run? Has it reduced the property's carbon footprint?

By being open and honest about our experiences and our learnings, we hope to be able to help our members consider retrofitting – and support policymakers and the government with the UK's net zero targets.

It will also help us to consider the Society's overall sustainable housing strategy – and the ways in which we may be able to help our members.

For more information on the individual retrofit measures we undertook, please see our accompanying report by visiting www.skipton.co.uk/thebigretrofit

“With millions of homeowners needing to consider retrofitting in the coming years, we hope this project can help people make informed decisions on upgrading their homes to be more energy efficient. But we know that much of the drive for this will come from decisions we hope will be made by central government.”



Annie Heaton, Skipton Building Society
The Big Retrofit Project Lead

Key findings

Overall, the key lessons we've taken are:

- For most homes, retrofitting requires a sequenced planning of work.
- Without changes to electricity price premiums, retrofitting can't guarantee lower energy bills but can deliver lower energy consumption. It can also have health benefits.
- Getting the basics right first, like insulation, results in even greater energy efficiency.
- It's important to investigate grants, discounts and VAT exemptions to potentially save money on upfront costs.

More details around our findings can be found in the accompanying The Big Retrofit Report by visiting www.skipton.co.uk/thebigretrofit

The Big Retrofit has helped the property become transition ready

Going back to the government's target of getting as many homes to have an EPC rating of 'C' and above by 2035, our Regent Road retrofit activity made a positive difference.

Pre-retrofit works, the property had an EPC rating of 'D'. A post-retrofit EPC assessment saw this increase to a rating of 'B', just a few points below an 'A'. This is higher than the minimum requirement, which shows that the extent of changes we made were greater than what typical homeowners would need to complete to reach the target 'C' level. With the changes to the EPC assessment model (RdSAP) coming into effect in June 2025, we will revisit the EPC to see if this will improve it to an A.

At the same time, The Big Retrofit removed the property's reliance on fossil fuels for heating. It also improved heat retention and overall comfort levels.

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It is very encouraging to see Skipton Building Society, a lender that can help fund energy efficiency improvements in homes, calling for UK Government policy to support wider-scale retrofitting. In particular, the recommendation to extend the zero-rating of VAT on domestic renewable energy installations, a policy that The MCS Foundation campaigned to introduce, is very welcome. So too is the call to reduce the cost of electricity to incentivise the transition to electrified heating, as this will support the renewables sector, tackle fuel poverty, and help net zero all at once.

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**Garry Felgate***Chief Executive of The MCS Foundation*

Retrofit policy recommendations

Going through a retrofit journey taught us a lot about the benefits of transitioning a home in preparation for net zero – but also how challenging it is likely to prove for the millions of homeowners who need to consider it over the coming years.

There is clearly a need for more available education on this subject – not least on the potential grants and tax relief that homeowners could access. We know the government recognises this too.

In addition, we know that EPCs are not widely understood or motivating for consumers. In December 2024, the UK Government launched a consultation titled ‘Reforms to the Energy Performance of Buildings regime’². As part of this, we and many of our peers jointly provided our views on the future of EPCs and how to enhance them. We believe EPCs can be improved. Especially to give homeowners and stakeholders more meaningful and useful information about the property.

We also support wider proposals submitted. For example, the Green Finance Institute recommendation to create Building Renovation Passports⁶. This idea very much recognises that energy transition will be taking place over a period of years in lots of homes, rather than in one go. The ‘passport’ would capture each bit of progress. This allows information on the property to be transferred between owners. It would also help homeowners track their property’s progress to net zero whilst recognising homes may pass from owner to owner.

When it comes to undertaking a retrofit, we very much support industry calls for further financial support to be made available to homeowners from government-led initiatives. Recent good examples of this are the ‘Home Stretch’ report published in April 2025 by Citizens Advice⁷. And UK Finance’s call on the UK Government to develop a clear strategy, ahead of the publishing of the Warm Homes Plan⁸. Energy Saving Trust also launched a report (‘Getting home retrofit right’) in April 2025, identifying five pillars it believes the government needs to take forward⁹.

Beyond these important recommendations, the learnings we’ve taken from The Big Retrofit leave us with the following asks of the government, on behalf of our members.

1) Reaffirmation of the UK’s net zero commitment by 2050

We ask the UK Government, through their upcoming Warm Homes Plan, to reaffirm their commitment to net zero by 2050.

In recent months, some doubt has floated over whether the UK Government will maintain this pledge. We believe that this uncertainty is impacting the wider market and perhaps slowing overall retrofit activity.

The UK Government could remove this doubt by reiterating the 2050 commitment – doing so could act as a catalyst for greater industry and homeowner action.

2. Ministry of Housing, Communities & Local Government and Department for Energy Security & Net Zero (2024) Reforms to the Energy Performance of Buildings regime. Available at: www.gov.uk/government/consultations/reforms-to-the-energy-performance-of-buildings-regime/reforms-to-the-energy-performance-of-buildings-regime (Accessed June 2025). Contains Government information licenced under the [\[Government Open Licence V3.0\]](#)

6. Green Finance Institute (2024), Building Renovation Passports: Creating the pathway to zero carbon homes. Available at: www.greenfinanceinstitute.com/wp-content/uploads/2024/06/GREEN-FINANCE-BUILDING-RENOVATION-final.pdf (Accessed June 2025)

7. Citizens Advice (2025), Home Stretch: How to make energy efficiency upgrades affordable for all homeowners. Available at: www.citizensadvice.org.uk/policy/publications/home-stretch-how-to-make-energy-efficiency-upgrades-affordable-for-all/ (Accessed June 2025)

8. UK Finance, Warm Homes Plan – Consumer misinformation must be tackled. Available at: www.ukfinance.org.uk/news-and-insight/blog/warm-homes-plan-consumer-misinformation-must-be-tackled (Accessed June 2025)

9. Energy Saving Trust, Getting home retrofit right: what the UK needs from the Warm Homes Plan and beyond. Available at: www.energysaving-trust.org.uk/warm-homes-plan/ (Accessed June 2025)

2) Set out clearer expectations of requirements for homeowners

At the moment, there is little to no guidance for homeowners on expectations for getting their property transition ready. The only exceptions are private landlords, local authorities, and housing associations, who have tangible deadlines and guidelines on what they're expected to do to their properties.

The government has targeted that all fuel-poor homes should be at least 'C' by 2030, and as many homes as possible be at least Band 'C' by 2035. This is a start, but still largely vague and not on most homeowners' radars.

Making the requirements and timescales clearer will bring vague concepts to life, create an important sense of urgency, and help homeowners plan more meaningfully. We think this should include guidance around the sequencing of retrofit work.

3) Extend 0% VAT on energy savings measures for longer, and make grant funding options more accessible for the general public

We found during The Big Retrofit, a lot of energy saving measures and heating systems are currently VAT-free for homeowners, which reduces the overall cost. The 0% VAT policy is due to end in April 2027, at which point the cost of retrofitting could significantly increase.

We ask the government to extend the availability of 0% VAT beyond April 2027, to make retrofit more affordable, and to communicate this

alongside other grant schemes more clearly, for homeowners.

We also ask that the UK Government provides long-term funding for the grants, so this support is sustainable. Given there are many different schemes, we would also encourage the UK Government to make it easier for homeowners to access information about the funding, and with clearer application processes (which at the moment vary considerably by funding type).

4) Reduce the cost of electricity as a way to incentivise the transition to electrified heating

We support the recommendations outlined by the Climate Change Committee's seventh carbon budget review¹⁰. This especially includes the call to rebalance policy levies, to ensure fair pricing and support for energy efficiency measures.

We want to see the government consulting on options to identify practical approaches to addressing the price imbalance which currently positions the price of electricity as too high for many to incentivise action.

10. Climate Change Committee, The Seventh Carbon Budget. Available at: www.theccc.org.uk/publication/the-seventh-carbon-budget/ (Accessed June 2025)

What we're doing to help

- We aim to use The Big Retrofit learnings to help us consider our future financial/service propositions.
- We are training our colleagues, ensuring they understand the benefits, risks, and processes of retrofitting – so they can better guide members.
- Eligible homeowners of Skipton Building Society can get a free EPC Plus report from Vibrant Energy Matters Ltd to understand their home's starting position and see which measures would help with their home's energy efficiency*.
- We are communicating to members, brokers, industry organisations and policymakers about our retrofit experiences, to help steer the wider conversation and support the UK's net zero pledge.

*The offer is not available on properties constructed within the last 10 years. Full terms and conditions apply. To find out more and view the terms and conditions, visit: www.skipton.co.uk/member-benefits/epc-plus

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