COMMUNITY WEALTH BUILDING PRACTICE

Place-Based Retrofit Model for the South of Scotland

This case study outlines the development of a collaborative retrofit initiative in the South of Scotland. Built on the foundations of the 2021 CLES report and a recent pilot project led by Loreburn Housing Association, the initiative unites six Registered Social Landlords (RSLs), South of Scotland Enterprise (SOSE), local authorities, academic institutions, and third-sector partners.

Together, these organisations aim to deliver a replicable, place-based model that addresses carbon reduction, fuel poverty, and regional economic regeneration. Partners are exploring funding opportunities including via the Borderlands Energy Investment Programme.

Understanding the Regional Challenge

The South of Scotland presents a complex retrofit challenge. Housing across Dumfries and Galloway and the Scottish Borders performs significantly below the national average, with typical Energy Performance Certificate (EPC) ratings equivalent to a D. Upgrading this housing stock (particularly the 24,000 properties managed by the participating RSLs) is a

critical step toward meeting national decarbonisation targets, addressing fuel poverty, and preventing the loss of social housing that may otherwise become non-compliant.

The policy backdrop is pressing. Under the Scottish Government's Energy Efficiency Standard for Social Housing 2 (EESSH2), all RSL homes must reach EPC D by 2025 and EPC B by 2032. However, delivering these upgrades in rural regions, where costs and logistical challenges are higher, is particularly difficult. At the same time, the need for a just transition (ensuring that no community is left behind in the shift to net zero) has never been more urgent.

The 2021 CLES report, part of the Scottish Government's Community Wealth Building (CWB) pilot programme, recognised the potential of RSLs as anchor institutions. By aligning procurement and investment strategies with local economic development goals, RSLs can help redirect wealth into communities, boost local employment, and support the growth of a resilient, low-carbon construction sector. This case study reflects those ambitions and the work that has been undertaken since the CLES report was published.

Designing and Testing the Pilot

In partnership with the University of Edinburgh, Loreburn Housing Association initiated a pilot project that applied an archetype-based retrofit strategy. Drawing on research by Dr Julio Bros-Williamson and Professor Sean Smith, homes were mapped by archetype according to wall type, enabling the team to estimate the type and extent of retrofit works required across the housing stock. The development of an interactive map allowed for more strategic decision-making, with the potential to extend this approach across all participating RSLs.

Loreburn selected one housing archetype and retrofitted six properties to two energy efficiency standards: one aligned with the AECB (near Passivhaus) benchmark, and the other with EESSH2. The aim was to explore cost-effectiveness, technical feasibility, and tenant satisfaction across different levels of retrofit. While the works were intrusive—requiring the removal of windows, doors, and occasionally walls during winter—tenant satisfaction remained high across both retrofit levels.

Lessons from Pilot Implementation

One of the most significant constraints encountered during the pilot was the nature of the funding cycle. With only four months to deliver the work, Loreburn was forced to rely on national procurement frameworks, limiting their ability to engage local suppliers. This highlighted a key tension in retrofit delivery: while funding is urgently needed, inflexible timescales can prevent the inclusion of the very small and medium-sized enterprises (SMEs) that the project aims to support.

In addition, contractors were often unfamiliar with deep retrofit standards, and both contractors and RSL asset management teams required further technical upskilling. The

pilot revealed the need for a parallel programme of workforce development—supporting both the supply side and client organisations to build retrofit expertise.

The tenant experience was another critical consideration. With residents remaining in their homes during construction, the disruption was significant. The success of the pilot relied heavily on intensive tenant engagement and support. Any scaled-up programme will need to include dedicated roles focused on tenant liaison to maintain satisfaction and minimise distress.

Scaling the Model for Community Wealth

The success of the pilot has laid the foundation for a broader regional programme that integrates the principles of Community Wealth Building more explicitly. A data-led approach will allow the consortium to target retrofitting in the areas of greatest need, drawing on RSL data, EPC scores, and deprivation indices. This level of precision can help ensure the programme has the greatest social and environmental impact.

"It would be brilliant to get to a point where the whole region no longer lags behind Scotland in terms of the energy efficiency of its building stock... and even better, if we can do it in such a way that it creates meaningful, sustainable, well-paid employment."

Expanding the scope to include mixed-tenure buildings creates further opportunities. Rather than contracting scattered properties, whole-building retrofits can be packaged into more attractive contracts for local firms, reducing logistical complexity and encouraging participation from regional suppliers.

Through consistent retrofit typologies and a structured delivery model, the programme will also stimulate demand for retrofit expertise. This creates a strong incentive for local contractors to invest in upskilling, particularly if supported through local training providers and colleges. Over time, this can help establish a retrofit-ready workforce in the South of Scotland and ensure that the economic benefits of decarbonisation are retained locally.

The Path to Scale

A broader partnership has now come together to deliver this model at scale. In addition to the six RSLs and SOSE, the programme includes the University of Edinburgh, Changeworks, BE-ST, and both local councils. The approach builds on the archetype methodology developed during the pilot and introduces a phased, region-wide delivery plan.

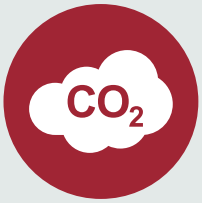
The initial focus will be on aligning and classifying data from the different RSLs to create a coherent dataset. Properties will then be selected based on dominant archetypes, enabling the development of an 'Archetype Pattern Book' with recommended solutions for each building type. The programme will establish energy performance benchmarks and define implementation pathways tailored to each RSL's needs.

A new procurement framework will be created to support the participation of local contractors, and, a robust monitoring processes will track building performance before and after retrofit. This will ensure the programme not only meets energy and carbon targets but also delivers measurable improvements in quality of life for tenants.

Expected Outcomes and Modelled Impact

Green Jobs: Up to 6,690 direct jobs by 2045, including 1,205 in social housing.

Economic Impact: £59.8 million in additional GVA.



Carbon Reduction: 95,000 tCO_2e reduction.

Job Creation: 115 new full-time equivalent jobs in path to scale phase

These outcomes reflect not only a significant technical and policy achievement but a genuine opportunity to reverse regional economic decline through investment in people, place, and purpose.

Conclusion

The South of Scotland retrofit initiative offers a compelling case for how decarbonisation can be aligned with social justice and economic renewal. Grounded in collaboration, driven by data, and framed by the principles of Community Wealth Building, this approach has the potential to be both locally transformative and nationally replicable. As the scaling work progresses, updates to the case-study will be made.