
Report to: Climate, Energy and Environment Committee

Date: 11 January 2022

Subject: **Capital Spending and Project Approvals**

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1 Purpose of this report.

- 1.1 To report on proposals for the progression of, and funding for, a West Yorkshire Combined Authority supported project that has been considered at stages 1, 2 or 3 of the Combined Authority's assurance process.
- 1.2 The Climate, Energy and Environment Committee has delegated decision making authority approved by the Combined Authority on 24 June 2021. Where the Climate, Energy and Environment Committee is asked to make an approval decision this will be highlighted in the summary table and made clear in the recommendations.
- 1.3 The recommendations can be found in Section 13 of this report.

2 Impact of COVID-19

- 2.1 With the impact of COVID-19 on the region and its economy, it is more important than ever to assess the changes to the landscapes of our towns and cities and the impact on current and future planned schemes, particularly, but not exclusively, those relating to transport.
- 2.2 Although it is generally expected that in the medium and long-term behaviours will return to the pre COVID-19 position, the impact of COVID-19 in relation to travel behaviour into and around towns and cities will be assessed as part of scheme appraisal and any assumptions made to address issues identified prior to the pandemic will be re-tested.

3 Tackling the Climate Emergency Implications

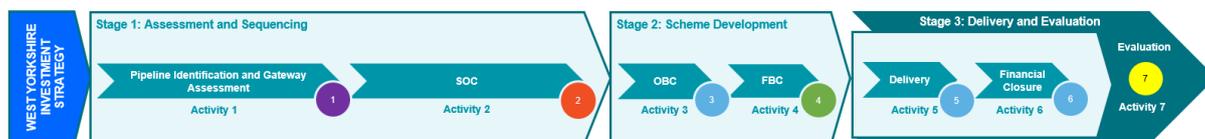
- 3.1 The Combined Authority has taken action to ensure all decisions we make include Climate Emergency considerations. The Combined Authority:

- Has strengthened how clean growth and climate change impacts are considered as part of all schemes that come through the Combined Authority's Assurance Framework.
 - Requires LEP and the Combined Authority reports to include clean growth / tackling the Climate Emergency implications, including qualitative impact assessments.
- 3.2 To fully strengthen decision making across the whole of the Combined Authority's Assurance Framework a robust, quantifiable methodology and tool for assessing all new schemes predicted carbon emissions/wider clean growth impacts is being developed.
- 3.3 Work to refine the toolkit methodology is continuing and is currently finalising the results from assessments of a selection of existing capital schemes progressing through the assurance process. The results of these assessments along with explanatory reporting are currently being prepared for publication. It is anticipated that this will be in March 2022. This represents a delay due to difficulties encountered carrying out carbon impact assessments on an initial subset of schemes. This has allowed the consultants to take these challenges into account in making improvements to the methodology. The tool will be incorporated into the Assurance Framework so that it can be used to assess future proposals as they progress through the assurance process. This part of the commission will involve a training element to ensure carbon assessment is properly embedded in the assurance process.
- 3.4 Clean growth, including climate change, impact assessment / considerations are all now included in all Capital Spending and Project Approvals reports. This ensures that the business cases now reflect the Leeds City Region Climate Emergency priority and evidence that they will reduce carbon emissions (both directly and indirectly).

4 Report

- 4.1 This report presents proposals for the progression of one scheme through the Combined Authority's assurance process in line with the Combined Authority's Assurance Framework. This scheme has a funding value of £10,381,000 when fully approved, of which £5,062,000 will be funded by the Combined Authority. A total expenditure recommendation to the value of £5,062,000 is sought as part of this report for the development and delivery of this scheme. Further details on the scheme summarised below can be found as part of this report.
- 4.2 The assurance process is a three-stage approach with the requirement that all projects subject to minor exceptions as detailed in the Assurance Framework, will as a minimum, need to formally pass decision point 2 (strategic outline case) and 4 (full business case), with the requirement to meet the intervening activities deemed on a project-by-project basis.

- 4.3 For more detail on the Combined Authority's Assurance Framework through which each of the schemes outlined in this report are being approved is provided in **Appendix 1**.



Stage 1: Assessment and Sequencing

- 4.4 Programmes / schemes will start to be developed through an ongoing dialogue with the Region's businesses, third sector and public organisations, in line with the WYIS. Schemes will access funding through either a commissioning process or through open calls. Programmes / schemes will be assessed through a Strategic Assessment (an early-stage gateway check and challenge review) to determine if they are eligible to proceed (decision point 1).
- 4.5 If approved the scheme will progress to strategic outline case (SOC), where schemes will be expected to demonstrate a strategic fit in terms of project outcomes and set out their proposed approach to establishing value for money (VfM). At this stage, a long list of options will be considered with a shortlist being presented in the SOC. Consultation at this stage will be limited, but will be a key to the next activity, outline business case (OBC) in Stage 2. At this stage, funding may be sought to enable work to progress on the OBC. Schemes will also be required to submit an Appraisal Specification Report (ASR). It is at the end of this stage where the Combined Authority approve the indicative funding, approval pathway and route and tolerance levels (decision point 2).

Stage 2: Scheme Development

- 4.6 If approved the scheme will progress to outline business case (OBC) unless the approval pathway set at decision point 2 does not require this. The OBC should revisit the options identified within the SOC to identify the option which optimises public value, confirm the affordability of the scheme, and put in place the arrangements to ensure successful delivery. The OBC should be prepared in accordance with the Green Book five-case model and should include a draft Monitoring and Evaluation Plan and a Benefit Realisation Plan. The Economic Case must be developed in consistency with the agreed ASR. Guidance will be provided to scheme promoters around the level of detail to be submitted at this stage with regards to proportionality of the business case. The scheme will be presented for approval by the decision-maker (decision point 3) as set out in the approval pathway and route approved at decision point 2.
- 4.7 If approved the scheme will progress to full business case (FBC) which will confirm the contractual arrangements for the preferred option. Affordability of the scheme is reiterated, and the scheme puts in place the final

arrangements for delivery and monitoring and evaluation of the scheme. A Monitoring and Evaluation Plan and a Benefits Realisation Plan are mandatory products at this stage. The FBC should also be prepared in accordance with the five-case model and any conditions set at OBC should be resolved. The economic case must be developed in consistency with the agreed ASR. The scheme will be presented for approval by the decision-maker (decision point 4) as set out in the approval pathway and route approved at decision point 2.

- 4.8 The FBC approval will be granted with a condition that the scheme remains within set conditions. Where this condition has been met Approval to Proceed into Delivery (Activity 5) will be granted by the Managing Director (or by an officer under sub-delegated authority from the Managing Director). If the condition(s) is not met, the project will be required to re-submit the FBC.

Stage 3: Delivery and Evaluation

- 4.9 Once a scheme gains FBC approval and the conditions set have been met, the scheme can progress into Activity 5 (Delivery).
- 4.10 Upon scheme completion, a Delivery Closure Report is required that details how the scheme has performed. This includes whether delivery has remained within the timeframes specified within the business case, has achieved the objectives of the scheme and associated outputs, documents what has been delivered and highlights the overall costs. The Delivery Closure Report will be presented for approval by the decision-maker (decision point 5) as set out in the approval pathway and route approved at decision point 2.
- 4.11 Following completion of activity 6, the scheme will be required to submit a Financial Closure Report (activity 6). The Financial Closure Report confirms the final costs for the scheme, ensuring all payments have been completed. The Financial Closure Report will be presented for approval by the decision-maker (decision point 6) as set out in the approval pathway and route approved at decision point 2.
- 4.12 The purpose of the Delivery and Financial Closure Reports is to assess the success of the scheme, identify best practice for future schemes, resolve all open issues and to capture feedback and lessons learnt to inform the development and delivery of future schemes.
- 4.13 Activity 7 (Evaluation) will be managed by the Combined Authority's Research & Intelligence team. This is a reporting point as opposed to the previous decision points in the process and will be undertaken when the scheme is completed for an evaluation of the benefits, outcomes and economic impact compared to the overall objectives set out in the SOC. Insights and learning intelligence from evaluation will also be fed back into policy and strategy in order to inform the design and development of future schemes. Interim evaluations may also be undertaken as required as set out in the Monitoring and Evaluation Plan.

Value for Money - Benefit Cost Ratios

- 4.14 The Benefit to Cost Ratio (BCR) for some of the schemes in this report potentially represent low value for money, when assessed using the Department for Transport's Transport Appraisal Guidance TAG on the appraisal of transport schemes.
- 4.15 This is because whilst calculating benefits to costs of a transport scheme there are many more journeys made by car than are made by bus, cycling, and walking and as a consequence the monetised benefits arising from improvements to bus, cycling and walking journeys may be outweighed by the monetised dis-benefits to car users.
- 4.16 However, a key strategic objective of investment is to encourage modal switch to more sustainable modes and therefore whilst the 'core' BCR (i.e. following Green Book guidance on total impact on the society as a whole) for some schemes may be low, discounting the dis-benefits to car users from the appraisal will result in a higher BCR and where possible this 'range of BCR' will be presented to support decision making. This is in line with HM Treasury guidance where appraisal should take account of all five cases (strategic, commercial, economic, financial and management) and the economic case be balanced with these.
- 4.17 Her Majesty's Treasury (HMT) have now completed the review of the Green Book. The Green Book is guidance issued by HM Treasury on how to appraise policies, programmes, and projects. This review has endorsed the Combined Authority's approach by clarifying that overall Value for Money judgement should not depend solely on the BCR but be informed by a balanced consideration of all relevant evidence, that is, appraisal should take account of all five cases (strategic, commercial, economic, financial and management) and the economic case be balanced with these.
- 4.18 In particular, HMT have clarified further that in assessing value for money, a stronger emphasis can now be placed on the strategic case and how the strategic objectives and priorities of the Combined Authority will be met through the delivery of a project. This might for example include, but not limited to, a greater focus on regional impacts to help deliver Levelling Up, ensuring transformational projects are given due consideration, supporting the climate change and good growth agenda (the Combined Authority aims to achieve net-zero by 2038), supporting an increase in active mode and public transport use, supporting / accelerating housing development and allowing a greater emphasis on the requirement to carry out equalities analysis as required by the Public Sector Equalities Duty. The specific approach will be determined on a programme-by-programme basis as funding and investment streams come forward.

**Social Housing
Decarbonisation Fund
– Wave 1**

West Yorkshire

Scheme description

This scheme will upgrade the energy efficiency of some of the most in need social housing stock within West Yorkshire. The scheme will deliver warm, energy-efficient homes, reduce carbon emissions and fuel bills, tackle fuel poverty, and support green jobs.

The scheme will be funded by Wave 1 of the government's Social Housing Decarbonisation Fund (SHDF), a £3.8 billion England only fund, over 10 years, to improve the energy performance of social rented homes, on the pathway to Net Zero 2050. The Combined Authority is expecting to be awarded £5,062,000 from Wave 1, and to deliver the schemes by January 2023.

The Combined Authority has partnered with nine registered housing providers (RPs) from the West Yorkshire Housing Partnership and secured a further £5,319,000 in match funding.

Impact

This scheme aligns with the Mayoral Pledge to tackle the climate emergency and protect our environment, the West Yorkshire Combined Authority's inclusive growth agenda, and Strategic Economic Framework Priority 3, Tackling the climate emergency and protecting our environment.

Due to the differences in circumstances of each household, an accurate benefit cost ratio (BCR) is accepted to be impossible without asking tenants for personal and sensitive information. Previous case studies including Glasgow City Region indicate a BCR range of 2.0 to 6.0 :1 is achievable with a probability that this scheme will deliver within this range or better.

This scheme will provide energy efficiency improvements to 1,316 houses of the most in need homes over a 12-month period and therefore will reduce bills and go some way to tackling fuel poverty. Social benefits include improvements to comfort, health and well-being of social housing tenants.

Potential economic and carbon benefits include the following estimated savings (on average):

- Bill reduction of £317,000 per annum, potentially £8,000,000 over the lifetime of the measures; reducing the number of households in fuel poverty
- Potential saving in carbon of 451 CO₂e tonnes per annum
- Energy savings 2.383 GWh per annum, a potential saving of 85 GWh over the lifetime of the measures
- 834 homes using less than 90 kWh/m²/year (63% of the homes treated)
- 185 jobs and five apprentice placements supported
- The primary purpose of the SHDF is to raise the energy performance certificate (EPC) rating of social homes to a minimum of EPC Band C; or to EPC Band D where Band C is not possible for EPC Band F/G homes and justification has been provided.

	<p><u>Decision sought</u></p> <p>Approval to proceed through decision point 2 (Strategic Outline Case) and decision point 4 (Full Business Case) and work commences on activity 5 (Delivery) subject to SHDF funding being secured</p> <p>Total value of the scheme - £10,381,000</p> <p>Total value of Combined Authority funding - £5,062,000</p> <p>Funding recommendation sought - £5,062,000</p> <p>A decision by the Climate, Energy and Environment Committee using the delegated authority from the Combined Authority is sought as part of this report</p>
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5 Information

5.1 The Combined Authority's assurance framework requires that formal approval is given to the following elements of a scheme as part of its development:

- The progression of a scheme through a decision point to the next activity.
- Indicative or full approval to the total value of the scheme funding requested.
- The Combined Authority's entry into a funding agreement with the scheme's promoter.
- The assurance pathway and approval route for future decision points.
- The scheme's approval tolerances.

5.2 This report provides information required to enable the Combined Authority to approve each of the above elements.

Projects in Stage 1: Assessment and Sequencing

5.3 There are no schemes requiring consideration at this assurance stage.

Projects in Stage 2: Scheme Development

Project Title	Social Housing Decarbonisation Fund – Wave 1
Stage	2 (development)
Decision Point	4 (full business case)

Is this a key decision?	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No
Is the decision eligible for call-in by Scrutiny?	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No
Does the report contain confidential or exempt information or appendices?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
If relevant, state paragraph number of Schedule 12A, Local Government Act 1972, Part 1:		
Are there implications for equality and diversity?	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No

Background

- 5.4 This programme will be funded through the Department of Business, Energy, and Industrial Strategy's (BEIS) Social Housing Decarbonisation Fund (SHDF); a £3.8 billion (2019) government manifesto commitment over a 10-year period to improve the energy performance of social rented homes, on the pathway to Net Zero 2050. It is supplemented by match funding provided mainly by the social landlords and / or other Authorities. This programme aims to support the improvement social housing stock that is currently below an Energy Performance Certificate Band C delivering warm, energy-efficient homes, reducing carbon emissions and fuel bills, tackling fuel poverty, and supporting green jobs.
- 5.5 The first tranche of the programme is called Wave 1 (awarded in financial year 2021/22) and will provide up to £160,000,000 to England only projects to support Registered Providers of social housing, including private and local authority providers, to improve the energy performance of their social housing stock. This is to be achieved by installing eligible energy efficiency measures. The West Yorkshire Combined Authority is expecting to be awarded £5,062,000 from Wave 1, and to deliver schemes by January 2023.
- 5.6 The scheme is focused on fabric first measures, which maximise the performance of the components and materials that make up the fabric of the

building itself to reduce energy bills for tenants, deliver carbon savings and contribute to more comfortable, warm homes that are free of damp and mould. A 'no regrets' approach has been taken, ensuring that the building fabric will not require any future works on the housing provider's journey to net zero emissions across its housing stock.

- 5.7 Some tenant engagement has already been carried out. For example, Connect Housing has undertaken a survey of tenant views about issues associated with heating, hot water and comfort in their homes. This work has informed the development of the scope and specification of the project. Further tenant engagement will occur.
- 5.8 Carbon emissions from buildings currently account for 41% of West Yorkshire's total emissions making it the second largest sector after Transport (44%) - with domestic buildings contributing 26% (2020). The West Yorkshire Carbon Emissions Pathways study demonstrates nearly 700,000 homes will need to be retrofitted and 665,000 low carbon heating systems installed to meet net-zero by 2038.
- 5.9 Other housing retrofit schemes currently in delivery in the region include:
- The Northeast & Yorkshire Energy Hub which was awarded £51,950,000 for delivery of the Local Authority Delivery Phase 2 (LAD2) scheme. Local authorities in West Yorkshire applied for £13,250,000 of funding and are currently delivering this scheme. Work must be completed by the end of September 2022.
 - £4,000,000 awarded under the Get Building Fund, to support domestic retrofit projects in Wakefield, Leeds and Calderdale.
 - Leeds City Council has applied independently for £10,000,000 of Social Housing Decarbonisation Fund Wave 1 funding to retrofit 650 flats in two blocks.
- 5.10 The Combined Authority has partnered with nine Registered Housing Providers (RPs) from the West Yorkshire Housing Partnership and secured a further £5,319,000 in match funding. The overall programme of £10,381,000 will regenerate local areas, tackle the climate emergency and reduce fuel poverty through the improvement of over 1300 properties. However, the scale of investment required to enhance energy efficiency in housing in West Yorkshire is immense. Lessons learned from this first wave of investment will be used to support future bids and other funding opportunities.
- 5.11 A summary of the scheme's business case is included in **Appendix 2**.

Tackling the Climate Emergency Implications

- 5.12 This scheme, though small (0.2% of the 700,000 houses requiring upgrades to reach a minimum EPC Band C) will contribute to the Combined Authority's commitment to becoming carbon net zero by 2038. Improvements in energy efficiency will not only reduce the need for

resource use and therefore reduced carbon emissions by a minimum of 11,000 tonnes over the lifetime of the measures but will also help alleviate fuel poverty.

- 5.13 The scheme fits with the Strategic Economic Framework Priority 3: Tackling the climate emergency: Growing our economy while cutting emissions and caring for our environment and, Mayoral Pledge: to tackle the climate emergency and protect our environment.

Outputs, Benefits and Inclusive Growth Implications

- 5.14 The scheme outputs and benefits include:

- A total of 1983 output measures will be delivered:
 - External Wall Insulation to 223 properties
 - Cavity wall insulation to 1080 properties
 - Underfloor insulation to 11 properties
 - Loft Insulation to 133 properties
 - Air Source Heat Pumps to 14 properties
 - High retention storage heaters to 56 properties
 - Solar PV to 14 properties
 - Double glazing to 139 properties
 - Thermal upgrades to UPVC panels to five properties
 - Internal Wall Insulation to eight properties
 - Extended roofline over EWI to 102 properties
 - High performance insulated doors to 105 properties
 - Ventilation upgrade to 53 properties
 - Smart Heating Controls to 18 properties
 - Disconnect/Relocate Gas/Electric to four properties
 - Windows and doors to 18 properties

These measures will deliver the following savings (on average):

- Bill reduction of £317,000 per annum (averages over £240 saving per home per year), potentially over £11,000,000 over the lifetime of the measures; reducing the number of households in fuel poverty
- Potential saving in carbon of 451 CO₂e tonnes per annum.
- 834 homes using less than 90 kWh/m²/year (63% of the homes treated)
- 185 jobs and five apprentice placements supported
- The primary purpose of the SHDF is to raise the energy performance certificate (EPC) rating of social homes to a minimum of EPC Band C; or

to EPC Band D where Band C is not possible for EPC Band F/G homes and justification has been provided.

- 8 to EPC Band A
- 1303 to EPC Band C
- 5 to EPC Band D
- Tenants: Improve the comfort, health, and well-being of social housing tenants by delivering warmer and more energy-efficient homes
- A BCR has not been presented; however, it is accepted that it is difficult to attribute certain benefits to such schemes due to the high number of unknowns. These include wider determinants such as household makeup and factors such as individuals health conditions, financial situations, school attainment and crime. Similar scheme's (via case studies, evaluated at significant cost), including those that have measured health impacts, have been referenced. These indicate a BCR within the range of 2.0 - 6.0:1 is achievable. It is expected this scheme will deliver within this range or better, but this would require personal data from the residents pre and many years post intervention to quantify.
- As a sector, social housing supports Inclusive Growth, tenants and communities are supported by the sector with greater diversity than other tenures. A larger proportion of tenants are from a black and minority ethnic (BME) background, more social tenant households are headed by women and half of social tenant households have a member with a long-term illness.
- In addition, fuel poverty affects around 17% of homes in West Yorkshire which is higher than the national average. In deprived areas where a lot of the SHDF work is targeted, the picture is more acute owing to income deprivation and poor quality, older housing. Such poverty is a contributing factor to excess winter deaths and affects the ability of people to participate in meaningful and well-paid work as evidenced by NICE.

Equality and Diversity Implications

- 5.15 At programme level the Equality Impact Assessment (EqIA) scored low risk (18). Each scheme will submit an EqIA prior to delivery.
- 5.16 As a sector, social housing supports tenants and communities with greater diversity than other tenures. A larger proportion of tenants are from a BME background, more social tenant households are headed by women and half of social rented households have a member with a long-term illness.
- 5.17 A key focus of the scheme is to tackle fuel poverty by increasing low-income homes' energy efficiency rating, reducing their energy bills and enabling healthier more comfortable homes. Meeting this essential need then supports people to engage in work and the benefits of economic growth

Risks

5.18 The scheme risks include:

- Supply Chain Capacity - The demand for energy efficiency services is currently high and registered housing providers have started to engage suppliers to gauge deliverability in terms of costs and timescales, to ensure these challenges can be managed and mitigated where required in order to meet the fund's January 2023 deadline.
- Price volatility and costs where final tendered prices exceed the funding allocation. Through early market engagement with contractors and the Efficiency North framework, predicted market costs have been incorporated in the submission. Contracts, once awarded, will be on a fixed price basis.
- Funding award less than applied for, mitigated by treating the worst first for better outcomes, higher RP contributions.
- Project risks will be assessed on a scheme-by-scheme basis and highlighted with the individual ATP submission. Risks will be mitigated at a scheme level with oversight from the programme.

Costs

5.19 The scheme costs are:

- The current scheme total cost is £10,381,000, with a contribution of £5,062,000 in Combined Authority grant funding from the Social Housing Decarbonisation Fund.
- £242,394 will be utilised by the Combined Authority for administration costs and overheads.
- The Combined Authority has partnered with nine Registered Housing Providers (RPs) from the West Yorkshire Housing Partnership and secured a further £5,319,000 in match funding.
- The Authority will be required to enter into nine separate funding agreements with the registered providers named in the funding profile table in paragraph 5.29. (It is recommended that authority to enter and amend these agreements is delegated to the Head of Economic Implementation in consultation with Governance Services).

Assurance Pathway and Approval Route

	Approval route	Forecast approval date
Decision point 4 (full business case)	Recommendation: Combined Authority's Programme Appraisal Team Decision: Climate, Energy and Environment Committee	11/01/2022

AtP	Recommendation: Combined Authority's Programme Appraisal Team Decision: Combined Authority's Director of Delivery	Each provider will bring individual ATP's through, the majority being February 2022
Decision point 5 (delivery)	Recommendation: Combined Authority's Programme Appraisal Team Decision: Combined Authority's Director of Delivery	01/03/2023
Decision point 6 (Financial closure)	Recommendation: Combined Authority's Programme Appraisal Team Decision: Combined Authority's Director of Delivery	01/09/2023
Decision point 7 (Evaluations)	Recommendation: Combined Authority's Programme Appraisal Team Decision: Combined Authority's Director of Delivery	01/09/2023

Other Key Timescales

- 5.20 Grant award – Expected January 2022
- 5.21 Memorandum of Understanding (MoU) signed and returned to the Department for Business, Energy and Industrial Strategy (BEIS) – January 2022
- 5.22 Delivery completed – 31 January 2023
- 5.23 Monthly reports to BEIS

Assurance Tolerances

Assurance tolerances
Combined Authority costs remain within those outlined in this report
Delivery (DP5) timescales remain within 2 months of those outlined in this report.
Outputs remain within 10% of those outlined within this report.

Appraisal Summary

- 5.24 This scheme has been rated Green/Amber at the time of writing. The key reasoning behind this is there are some elements that cannot be reduced in risk until delivery has taken place or statutory decisions made.
- 5.25 The Combined Authority's Social Housing Decarbonisation Fund programme strongly aligns with national, regional, and local policy and

strategy, the Strategic Economic Framework priority to tackle the climate emergency and the region's net zero target: by improving the energy performance of around 1,300 social houses, contributing to a reduction in carbon dioxide (equivalent) emissions from homes in West Yorkshire. Though this is a fraction of the 700,000 home retrofits needed it will tackle some of the worst properties.

- 5.26 A reduced economic assessment has been carried out but aligns with the funders requirements (BEIS) on the whole. The average cost per property across the programme is below £8,000, but some range between £33,000 and £41,000 per property. This higher cost is attributable to multiple measures per property.
- 5.27 Procurement of contractors to deliver the programme will be carried out on a scheme-by-scheme basis. Back-to-back grant funding agreements will be entered into between the Combined Authority and delivery partners; and all subsequent delivery contractor appointments will be awarded in compliance with Public Contracts Regulations 2015. The registered housing provider WDH has procured a delivery partner which will deliver measures to over 3/4 of the properties to be treated under this scheme.
- 5.28 A basic programme risk register has been provided but not costed or quantified. Individual schemes would be expected to provide a Costed Risk register as they come forward for Approval to Proceed (ATP). Benefits Realisation Plan (BRP) and Monitoring and Evaluation (M&E) plans have been constructed at programme level. There are no scheme level BRP and M&E plans at this time though this is expected to be developed based on the Memorandum of Understanding (MoU) from BEIS.

Recommendations

- 5.29 The Climate, Energy and Environment Committee approves:
- (i) The Social Housing Decarbonisation Fund programme proceeds through decision point 2 (Strategic outline case) and decision point 4 (Full business case) and work commences on activity 5 (Delivery) subject to the conditions set by PAT.
 - (ii) Approval to the Combined Authority's contribution of up to £5,062,000 is given, subject to the conditions set by PAT. The total scheme value is £10,381,000.
 - (iii) That development costs of up to £600,000 are approved in order to progress individual schemes to decision point 5 (Delivery).
 - (iv) The Combined Authority enters into a Funding Agreement with the following providers, subject to the conditions set by PAT, for expenditure of up to:

Provider	RP Funding	Combined Authority Grant	Total
Accent	£546,258	£339,451	£885,710
Chartford	£59,267	£114,933	£174,200
Connect	£216,691	£410,615	£627,306
Incommunities	£2,288,496	£1,241,592	£3,530,088
Kirklees	£163,220	£105,000	£268,220
Stonewater	£361,830	£352,933	£714,763
Together	£724,325	£774,650	£1,498,975
WDH	£648,333	£1,296,667	£1,945,000
Yorkshire	£310,696	£183,392	£494,089

- (v) That Funding Agreements are entered into with each provider in advance of the Approval to Proceed (ATP) submissions, for development costs, to provide surety to the providers and allow access to development funds to develop ATPs.
- (vi) That delegated authority be granted:
- To the Head of Economic Implementation:
 - To accept receipt of the funding from BEIS for the SHDF.
 - To reallocate funding and / or outputs in consultation with PAT but without the need to submit a formal Change Request to PAT if the funding from BEIS for the SHDF changes and / or one Housing Association is unable to use their funding allocation, but another is.
 - To the Head of Economic Implementation and the Head of Legal and Governance Services respectively in consultation with each other to finalise the Funding Agreements/letter between the Combined Authority and the Housing Associations (Wakefield District Housing Connect Housing, Incommunities, Together Housing, Accent Housing, Yorkshire Housing, Kirklees City Council, Chartford (Horton) Housing, Stonewater Housing) and all other related legal documents that may be required.
 - To the Section 73 officer so they can sign the Memorandum of Understanding and Data Sharing Agreement with BEIS as required by 31 January 2022 including any reasonable variation in terms.
- (vii) Future approvals are made in accordance with the assurance pathway and approval route outlined in this report. This will be subject to the scheme remaining within the tolerances outlined in this report.

Conditions

The following conditions have been set for each provider by PAT to gain Approval to Proceed to Delivery:

- (i) Confirmation of SHDF funding being secured and total scheme cost is within those set out in the FBC approval.

Projects in Stage 3: Delivery and Evaluation

5.30 There are no schemes requiring consideration at this assurance stage.

6 Tackling the Climate Emergency Implications

- 6.1 The Climate Emergency implications have been considered on all projects included in this report as part of their business case development.

7 Inclusive Growth Implications

- 7.1 The inclusive growth implications have been considered on all projects included in this report as part of their business case development.

8 Equality and Diversity Implications

- 8.1 Equality Impact Assessments (EqIA) have been undertaken on all projects included in this report as part of their business case development.

9 Financial Implications

- 9.1 The report seeks endorsement to expenditure from the available Combined Authority funding as set out in this report.

10 Legal implications

- 10.1 The payment of funding to any recipient will be subject to a funding agreement being in place between the Combined Authority and the organisation in question.

11 Staffing implications

- 11.1 A combination of Combined Authority and local Partner Council project, programme and portfolio management resources are or are in the process of being identified and costed for within the schemes in this report.

12 External consultees

- 12.1 Where applicable scheme promoters have been consulted on the content of this report.

13 Recommendations (Summary)

Social Housing Decarbonisation Fund

- 13.1 The Climate, Energy and Environment Committee approves that:

- (i) The Social Housing Decarbonisation Fund programme proceeds through decision point 2 (Strategic outline case) and decision point 4 (Full business case) and work commences on activity 5 (Delivery) subject to the conditions set by PAT.
- (ii) Approval to the Combined Authority's contribution of up to £5,062,000 is given. The total scheme value is £10,381,000 subject to the conditions set by PAT.

- (iii) That development costs of up to £600,000 are approved in order to progress individual schemes to decision point 5 (Delivery).
- (iv) The Combined Authority enters into a Funding Agreement with the following providers, subject to the conditions set by PAT, for expenditure of up to:

Provider	RP Funding	Combined Authority Grant	Total
Accent	£546,258	£339,451	£885,710
Chartford	£59,267	£114,933	£174,200
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WDH	£648,333	£1,296,667	£1,945,000
Yorkshire	£310,696	£183,392	£494,089

- (v) That Funding Agreements are entered into with each provider in advance of the Approval to Proceed (ATP) submissions, for development costs, to provide surety to the providers and allow access to development funds to develop ATPs.
- (vi) That delegated authority be granted:
- To the Head of Economic Implementation:
 - To accept receipt of the funding from BEIS for the SHDF.
 - To reallocate funding and / or outputs in consultation with PAT but without the need to submit a formal Change Request to PAT if the funding from BEIS for the SHDF changes and / or one Housing Association is unable to use their funding allocation, but another is.
 - To the Head of Economic Implementation and the Head of Legal and Governance Services respectively in consultation with each other to finalise the Funding Agreements/letter between the Combined Authority and the Housing Associations (Wakefield District Housing Connect Housing, Incommunities, Together Housing, Accent Housing, Yorkshire Housing, Kirklees City Council, Chartford (Horton) Housing, Stonewater Housing) and all other related legal documents that may be required.
 - To the Section 73 officer so they can sign the Memorandum of Understanding and Data Sharing Agreement with BEIS as required by 31 January 2022 including any reasonable variation in terms.

- (vii) Future approvals are made in accordance with the assurance pathway and approval route outlined in this report. This will be subject to the scheme remaining within the tolerances outlined in this report.

14 Background Documents

- 14.1 None as part of this report.

15 Appendices

- 15.1 Appendix 1 – Background to the Combined Authority’s Assurance Framework.
- 15.2 Appendix 2 – Social Housing Decarbonisation Fund programme - Business Case Summary.