
Report to: Combined Authority

Date: 22 June 2023

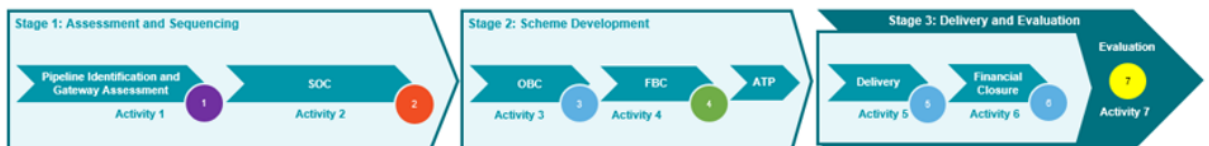
Subject: Project Approvals - Investment Priority 4 – Tackling the Climate Emergency and Environmental Sustainability

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1 Purpose of this report

- 1.1 To report on proposals for the progression of, and funding for projects under Investment Priority 4 – Tackling the Climate Emergency and Environmental Sustainability Investment, within the West Yorkshire Investment Strategy (WYIS), that have been considered at stages 1, 2 and 3 of the Combined Authority’s assurance process.



- 1.2 The recommendations can be found in Section 12 of this report.

2 Report

- 2.1 This report presents proposals for the progression of schemes through the Combined Authority’s assurance process in line with the Combined Authority’s Assurance Framework. Further details on the schemes summarised below can be found as part of this report.
- 2.2 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**.

3 Investment Priority 4 (IP4) - Tackling the Climate Emergency and Environmental Sustainability

- 3.1 The West Yorkshire Investment Strategy (WYIS) sets out the Investment Priorities for the period 1 April 2021 to 31 March 2024 across six areas. In

each, a number of priority project / programme areas have been identified that are the focus for intervention.

3.2 West Yorkshire declared a climate emergency in 2019 and has a target to be net zero carbon by 2038. Investment Priority 4 will deliver a range of programmes under Wave 1 of the Climate and Environment Plan, which will contribute to the achievement of the net zero carbon target, with the following programmes:

- Better Homes Hub
- Better Neighbourhoods
- Business Sustainability
- Flooding and Drainage
- Green Skills and Training
- Solar Panels and Battery Storage.

Background to the Climate and Environment Plan (CEP) Wave 1

3.3 The Climate and Environment Plan includes partnerships and programmes that help enable carbon reduction in future years. The plan focuses on enabling actions that maximise emissions reduction, improve nature, and prepare for a changing climate in line with the 2038 target and will be delivered in waves.

3.4 Approvals are being sought through this report for the funding for the Natural Flood Management Programme, and schemes within that programme including, Landscapes for Water, Chellow Dene Wetland, and the Better Homes Hub programme which are being delivered as part of the CEP – Wave 1 portfolio. These have been prioritised with other programmes at various stages of development, which will reduce and improve West Yorkshire’s carbon footprint and contribute towards a transition to net-zero and climate emergencies.

3.5 The habitats improved by the Natural Flood Management Programme will result in carbon sequestration and the Better Homes Hub Programme will result in reduced energy consumption supporting reduced carbon emissions and both programmes improve climate resilience.

3.6 The following approvals are being sought through this report:

Programme / scheme	Approval sought	Total programme / scheme value
Natural Flood Management – Flood Risk and Drainage Programme	£1,186,090	£7,392,862
Chellow Dene Wetland	£41,000	£75,530

Landscapes for Water	£1,984,000	£1,984,000
Better Homes Hub Programme	£2,585,000	£18,425,000
Total	£5,796,090	

- 3.7 A further SOC is in development for a range of capital flood schemes. This will be considered by the next meeting of the Climate and Environment Committee and includes a pipeline of schemes that provide increased protection within all districts of West Yorkshire.

Scheme Summaries

<p>Landscapes for Water – Natural Flood Management</p> <p>West Yorkshire</p>	<p><u>Scheme description</u></p> <p>The scheme will implement up to 3,500 natural flood management interventions in upland areas, to manage the sources and pathways of flood waters, to slow the flow of water into rivers and reduce the risk of flooding further downstream.</p> <p>The scheme is to be funded from the gainshare allocation for investment priority 4 - Tackling the Climate Emergency and Environmental Sustainability</p> <p><u>Impact</u></p> <p>The scheme will result in more areas of the Calder and Colne catchments being governed by natural processes in combination with other strategies for flood resilience.</p> <p>The scheme aims to increase flood resilience to 1,381 homes and businesses, with interventions benefitting communities in Todmorden, Hebden Bridge, Mytholmroyd, Luddendenfoot, Sowerby Bridge, Elland, Ripponden, Rishworth, Marsden, Slaithwaite, Huddersfield and many of the surrounding rural areas.</p> <p>Due to the nature of the scheme, value for money is difficult to quantify however wider benefits include increased biodiversity and opportunities for community involvement with flood management solutions for their area.</p> <p><u>Decision Sought</u></p> <p>Approval to proceed through decision point 2 to 4 (business justification) and work commences on activity 5 (delivery).</p> <p>Total value of the scheme - £1,984,000</p> <p>Total value of Combined Authority funding - £1,984,000</p> <p>Funding recommendation sought - £1,984,000</p> <p>A decision by the Combined Authority is sought as part of this report</p>
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<p>Chellow Dene Wetland Bradford</p>	<p><u>Scheme description</u></p> <p>The scheme will reduce the risk of flooding downstream, by returning the wetland to a rewilded space capable of storing heavy rainfall. Measures will also be put in place to reduce bankside erosion, to support biodiversity and a brick weir will be replaced by a new meander slowing the flow of water and allowing storm waters to be retained in the wetland.</p> <p>Wetland wild meadow will also be sown over a 300 square metre area of the wetland and 1000 wild plug plants will be planted, providing additional food for a range of species.</p> <p>The scheme will be funded by the gainshare allocation for Investment Priority 4 (IP4) - Tackling the Climate Emergency and Environmental Sustainability.</p> <p><u>Impact</u></p> <p>Wetlands take up atmospheric carbon and reduce carbon loss, through long-term storage in both their vegetation and soil. The scheme will reduce the risk of flooding and increase biodiversity.</p> <p><u>Decision sought</u></p> <p>Approval to proceed through decision point 2 to 4 (business justification) name of business case stage) and work commences on activity 5 (delivery).</p> <p>Total value of the scheme - £75,530</p> <p>Total value of Combined Authority funding - £41,000</p> <p>Funding recommendation sought - £41,000</p> <p>A decision by the Combined Authority is sought as part of this report</p>
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<p>Better Homes Hub West Yorkshire</p>	<p><u>Scheme description</u></p> <p>The Better Homes Hub programme has been developed to promote and facilitate retrofit of all housing tenures across West Yorkshire.</p> <p>The retrofitting of housing includes measures such as insulation, solar panels, heat pumps, ventilation and double or triple glazing windows, which improve the heat efficiency and air tightness of homes to a good level of thermal efficiency.</p> <p>The scheme is to be primarily funded from the gainshare allocation for investment priority 4 - Tackling the Climate Emergency and Environmental Sustainability. A bid has also been submitted to the Department for Energy Security & Net Zero and North East & Yorkshire Net Zero Hub, for up to £1,675,000 from the Local Energy Advice Demonstrator Programme. An announcement is expected in July 2023 on whether the bid was successful.</p> <p>Longer term, the Better Homes Hub programme will require additional funding beyond the current three-year gainshare funding allocation.</p> <p><u>Impact</u></p> <p>The programme will lead to reductions in CO2 emissions, domestic energy use and fuel poverty across multi tenures.</p> <p>The programme will be delivered across West Yorkshire prioritising the most deprived areas, where feasible.</p> <p>A value for money assessment for each individual scheme will be completed as part of each scheme's individual business case development.</p> <p><u>Decision sought:</u></p> <p>Approval to proceed through decision point 2 (strategic outline case) and work commences on the development of individual business cases as outlined in this report.</p> <p>Total value of the scheme – up to £18,425,000</p> <p>Total value of Combined Authority funding – up to £18,425,000</p> <p>Funding recommendation sought – up to £2,585,000</p> <p>A decision by the Combined Authority is sought as part of this report</p>
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- 3.8 Since the Combined Authority’s meeting on 16 March 2023, when the Project Approvals reports were last considered, the following decision points and change requests have been assessed in line with the Combined Authority’s assurance process and approved through the agreed delegation to the Climate, Energy and Environment Committee at its meeting on 21 March 2023. The decisions were made by the Climate, Energy and Environment Committee following a recommendation from Combined Authority Programme Appraisal Team.
- 3.9 The full agenda and papers for the meeting can be found on the [Combined Authority website here.](#)

<p>Better Neighbourhoods West Yorkshire</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).</p> <p>Funding approved: £2,060,000</p> <p>Total value of the scheme: £2,060,000</p> <p>Total value of Combined Authority funding: £2,060,000</p>
<p>Combined Authority Assets Solar Project – Bus Stations West Yorkshire</p>	<p>Approval to proceed through decision points 2 to 4 (business justification) and work commences on activity 5 (delivery).</p> <p>Funding approved: £366,310</p> <p>Total value of the scheme: £476,203</p> <p>Total value of Combined Authority funding: £476,203</p>

4 Information

- 4.1 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.

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

Additional Approvals

Natural Flood Management - Flood Risk and Drainage Programme

- 4.3 The Natural Flood Management (NFM) is part of the Climate and Environment Plan Wave 1 portfolio's Flood Risk and Drainage Programme, which gained decision point 1 (strategic assessment) approval from the Combined Authority on 22 July 2022. The total forecast programme cost is £7,392,862.
- 4.4 In the region, it is recognised that land management practice in upland areas has directly contributed to the loss of biodiversity and increased the likelihood of flood risk. The ground has been overgrazed, subjected to decades of acidic rain, and has become compacted. NFM investment aims to undo this damage, through restoring catchment areas' vegetation, including trees, heath, and peatlands and treating the soil to improve infiltration rates across the landscape to slow the flow of water.
- 4.5 The NFM programme, comprises of up to nine schemes, which aim to increase flood resilience to homes and businesses by implementing a range of measures which work with natural processes to slow, store and filter water, with the effect of altering how water moves through the catchment area. Each scheme will progress through the assurance process individually.
- 4.6 Development costs of £836,240 were approved for the CEP Wave 1 portfolio at Combined Authority on 22 July 2022. A further £2,917,893 of development costs were approved at portfolio level, following approval of a change request at Combined Authority on 21 October 2022. The NFM programme was allocated development costs from both these approvals for staffing resource and business case development, totalling £421,502.
- 4.7 To expedite delivery, the programme did not develop a programme level strategic outline case, instead, each scheme has gone direct to developing its own individual business case. Landscapes for Water and Chellow Dene Wetland are the first schemes to develop and submit their business cases and are both seeking approval to progress to delivery, via this report.

4.8 In the absence of a programme strategic outline case, approval is now sought through this report, for £1,186,090 to cover remaining NFM programme costs for staffing resource, business case development and Combined Authority costs to support delivery of all schemes, taking the total programme costs approval to £1,607,592. Approval of this funding will allow the project management team to continue supporting partners to develop their scheme proposals and to cover other Combined Authority costs.

Recommendation

4.9 The Combined Authority approves that:

- (i) Programme costs of £1,186,090 are approved in order to support the delivery of the Natural Flood Management - Flood Risk and Drainage Programme. The total programme value is £7,392,862.

Projects in Stage 1: Assessment and Sequencing

Project Title	Landscapes for Water – Natural Flood Management
Stage	1 (assessment and sequencing) and 2 (project development)
Decision Point	2 to 4 (business justification)

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

- 4.10 The scheme belongs to the Natural Flood Management Programme, part of the Climate and Environment Plan Wave 1's Flood Risk and Drainage Programme and will be funded from the gainshare allocation for Investment Priority 4 (IP4) - Tackling the Climate Emergency and Environmental Sustainability.
- 4.11 The scheme will implement up to 3,500 natural flood management interventions in upland areas, including stone dams willow dams, peat dams, fascines which strengthen riverbanks and pools, across land owned by the National Trust, Yorkshire Water and third parties in the Upper Calder and Colne catchments in West Yorkshire. The interventions will manage the sources and pathways of flood waters, to slow the flow of water into rivers and reduce the risk of flooding further downstream.
- 4.12 The land where these interventions are proposed, is severely degraded with extensive areas of exposed peat soils and artificially drained land. This causes soil erosion, loss of carbon, loss of biodiversity and a reduced ability to hold water, compared to healthy soils.
- 4.13 The scheme will result in more areas of the Calder and Colne catchments being governed by natural processes in combination with other strategies for flood resilience delivering a more holistic approach.
- 4.14 The scheme aims to increase flood resilience to 1,381 homes and businesses, with interventions benefitting communities in Todmorden, Hebden Bridge, Mytholmroyd, Luddendenfoot, Sowerby Bridge, Elland, Ripponden, Rishworth, Marsden, Slaithwaite, Huddersfield and many of the surrounding rural areas.

- 4.15 The scheme is part of a wider Landscapes for Water Programme which aims to restore habitats, increase biodiversity and provide resilience to climate change. The programme sits under the Common Cause Partnership, a partnership between the National Trust and Yorkshire Water which aims to restore landscapes across National Trust, Yorkshire Water, and third-party land within the South Pennines.
- 4.16 The scheme will directly support the Mayoral Pledge to “tackle the climate emergency and protect our environment” and contribute towards achieving the net-zero carbon target.
- 4.17 The scheme is seeking approval for £1,984,000 from the gainshare allocation for IP4.
- 4.18 A summary of the scheme’s business case is included in **Appendix 2**.

Tackling the Climate Emergency Implications

- 4.19 The scheme tackling climate emergency implications are:
- wider programme benefits of flood protection, decreased carbon emissions, and increased biodiversity.
 - climate change resilience - through measures which will allow the land to hold more water, so that areas are much more resilient to periods of drought and instances of moorland fires.
 - peatland restoration within the uplands to:
 - help peat to act as an effective sponge and retain more water in the upper catchment, contributing to flood protection downstream,
 - protect already stored carbon and increase carbon storage where NFM works enable covering of bare peat.
 - Improved water quality, by increased settlement of sediment and improved filtering of impurities.
 - local communities will have improved understanding of flooding and the climate emergency, what the scheme will do and why it is needed, through public engagement, communications, and volunteer events.
 - improve knowledge of natural flood management effectiveness, by contributing to the wider evidence base and enhanced partnership working, which will help support future schemes.
- 4.20 A Stage 1 Carbon Impact Assessment has been conducted to demonstrate there will be no negative impacts. The impact will be positive in terms of climate change and biodiversity.

Outputs and Benefits

- 4.21 The scheme outputs and benefits are:
- up to 3,500 NFM dams to temporarily store water / slow the flow of water
 - creation of 35 pools to provide additional water storage

- construction of 35 fascines, (long bundles of sticks of wood or plastic bound together), to strengthen riverbanks, reduce erosion and encourage natural vegetation growth
- 25 community NFM days to engage with up to 150-200 people at each event, to raise awareness of flood management activities
- 15 NFM collaboration events to contribute to learning and best practice around techniques and interventions to improve understanding for future scheme
- increasing flood resilience to approximately 1,381 homes and business in the Calder and Colne catchment areas
- restoring the landscape across the catchment areas, increasing biodiversity, and improving resilience to climate change
- improve the understanding of relationships between catchment management and flooding.

4.22 Due to the nature of the scheme, a benefit cost ratio has not been calculated. Value for money is achieved through the wider benefits described above. This scheme has a strong strategic value and will have a positive impact for the residents and businesses in, and surrounding, the catchment area.

Inclusive Growth Implications

4.23 The scheme inclusive growth implications are:

- The scheme and wider programme will contribute to achieving net-zero carbon by 2038, thus supporting the wider inclusive growth agenda
- Increasing flood resilience to approximately 1,381 homes and businesses
- Supporting areas at risk of flooding and contributing to the development and growth of resilient communities.

Equality and Diversity Implications

4.24 An Equality Impact Assessment (EqIA) has been undertaken for the scheme and equality and diversity impacts taken account of as part of the development of the scheme and the business case development.

4.25 The schemes equality and diversity implications are:

- Increasing resilience of communities in West Yorkshire to flood risk, thus having a positive impact on social and economic success for everyone in the catchment areas.
- Deprived neighbourhoods are more vulnerable to climate events; low-income households are less able to make their property resilient, and to respond to and recover from the impacts of floods. Furthermore, the Yorkshire and Humberside region has been estimated to be the most flood-disadvantaged region in England. Increased flood resilience will support financially disadvantaged households.

- Inclusive community engagement will be undertaken to highlight the benefits of the scheme, through a number of public events, meetings, use of social media, and community volunteering days. The engagement will seek to increase understanding, awareness, and education around flooding and Natural Flood Management.

Risks

4.26 The key scheme risks and mitigations are:

- Delays with consents / agreements to start the works at proposed locations, mitigated through early conversations with Natural England, local authorities, and land tenants
- Lack of contractor availability and skilled contractors in the specialist area mitigated by early engagement with potential contractors, breaking down the procurement into a number of individual contracts, and by adding contingency into the delivery timeframe
- Inflation leading to cost increases mitigated by a contingency budget being included in the total scheme costs
- Bad weather restricts or delays works, mitigated by starting works as soon as possible following approval and by adding contingency into the delivery timeframe
- Staffing changes at National Trust and Yorkshire Water leads to delays mitigated by approval of funding which will allow skilled staff to remain in post.

Costs

4.27 The scheme has a total cost of £1,984,000, which will be fully funded from the Combined Authority's gainshare allocation for IP4.

4.28 Subject to approval, the Combined Authority will need to enter into a funding agreement with the National Trust for expenditure of up to £1,984,000.

Assurance Pathway and Approval Route

Assurance pathway	Approval route	Forecast approval date
2 to 4 (Business Justification)	Recommendation: Combined Authority's Programme Appraisal Team Decision: Combined Authority	22/06/2023
5 (delivery)	Recommendation: Combined Authority's Programme Appraisal Team Decision: Combined Authority's Chief Operating Officer	01/07/2028

Other Key Timescales

- 4.29 Delivery of the scheme will commence in August 2023 and be completed by March 2028.
- 4.30 Project evaluation will take place in April 2028, then a post-project benefits review after a two and then five-year period.

Assurance Tolerances

Assurance tolerances
Combined Authority costs remain within +10% of those outlined in this report.
Delivery (DP5) timescales remain within 6 months of those outlined in this report.
Outputs remain within 10% of those outlined in this report.

Appraisal Summary

- 4.31 There is a clear demand for the scheme, to increase flood resilience of communities that are particularly vulnerable to the impact of flooding.
- 4.32 The scheme closely aligns with the Combined Authority's key strategies, including the Strategic Economic Plan and the Mayoral Pledges, by increasing climate resilience and environmental sustainability.
- 4.33 The scheme is part of the wider Flood Risk and Drainage Programme, a key element of the Climate and Environment Plan.
- 4.34 National Trust is the lead delivery partner for the scheme and is an experienced organisation, familiar with the delivery of similar schemes.
- 4.35 Although a full, quantifiable Value for Money assessment could not be undertaken for the scheme, a qualitative assessment demonstrates how the preferred scheme was selected and the positive impacts the scheme will have.

Recommendations

- 4.36 The Combined Authority approves that:
- (i) The Landscapes for Water – NFM scheme proceeds through decision points 2 to 4 (business justification) and work commences on activity 5 (delivery).
 - (ii) An approval to the Combined Authority's contribution of £1,984,000 is given. The total scheme value is £1,984,000.
 - (iii) The Combined Authority enters into a funding agreement with the National Trust for expenditure of up to £1,984,000.
 - (iv) 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.

Project Title	Chellow Dene Wetland
Stage	1 (assessment and sequencing) and 2 (project development)
Decision Point	2 to 4 (business justification)

Is this a key decision?	<input type="checkbox"/> Yes	<input checked="" 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

- 4.37 The Chellow Dene Wetland scheme is part of the Natural Flood Management – Flood Risk and Drainage Programme.
- 4.38 Chellow Dene wetlands was originally created in 2005, to improve water quality. Restoration is now required to upgrade it from amenity grassland, where grass is kept shorter, to a productive rewilded green space.
- 4.39 The restoration will reduce the risk of flooding downstream, by increasing storage capacity in the wetland by 185 cubic metres, so more water can be retained in the wetland, rather than flowing downstream.
- 4.40 Measures will be put in place to reduce bankside erosion, which will see less sediment released into the beck and remaining pond. When less sediment is transported, it enables the water and surrounding habitat to maintain higher oxygenation levels to support biodiversity.
- 4.41 A brick weir on the beck will also be replaced with a meander, slowing the flow of water, and allowing storm waters to be held creating an adjacent biodiverse wetland.
- 4.42 Wetland wild meadow will also be sown over a 300 square metre area of the wetland and 1000 wild plug plants will be planted, providing additional food for a range of species.
- 4.43 Approval is now sought for the Combined Authority’s contribution of £41,000 from the gainshare allocation for Investment Priority 4 (IP4) - Tackling the Climate Emergency and Environmental Sustainability, so that the scheme is able to proceed into delivery so the scheme can be completed without works interrupting the bird nesting season.

Tackling the Climate Emergency Implications

- 4.44 Wetlands are a vital natural asset that take up atmospheric carbon and reduce carbon loss, through long-term storage in both their vegetation and soil. The restoration and active management of wetlands is one of many solutions needed to work towards achieving net zero targets.
- 4.45 Thirty new species of wetland plant will be introduced to the restored wetland to support increased biodiversity, the capture and storage of atmospheric carbon dioxide and the capacity to retain water.

Outputs and Benefits

- 4.46 The scheme outputs and benefits include:
- The scheme will directly increase the flood resilience of 18 properties due to an increase of 185m³ of storage capacity in the wetlands.
 - A wilder enriched wetland meadow extending to 300m² will replace the current 'amenity grassland'.
 - 1000 wild plug plants will be planted in the area increasing ground level ecological flora and food sources for insects and wildlife. 30 new species of plant will also be introduced.
 - Less sediment will be released into the beck and remaining pond due to measures to reduce erosion of the bank along 10 metres of the beck. When less sediment is transported, it enables the water and surrounding habitat to maintain higher oxygenation levels to support biodiversity.
 - An artificial barrier isolating fish and invertebrate populations will be removed, when the weir is replaced by the new in the beck and a 'leaky dam' made of natural materials, which will still allow water to pass through but at a slower rate.

Inclusive Growth Implications

- 4.47 The scheme inclusive growth implications include:
- The scheme includes several community volunteering dates to provide opportunities for residents to get involved and the local 'Friends of Bradford Becks' group has been involved in consultations.
 - The scheme also includes provision for a workshop with the local primary school to explain the principles behind the scheme.
 - The scheme will provide enhanced accessibility for all to a local green space via a raised causeway and improved drainage to a wet muddy expanse on the main footpath.

Equality and Diversity Implications

- 4.48 An Equality Impact Assessment (EqIA) has been completed for this scheme confirming there are no adverse impacts on those with protected characteristics.

Risks

4.49 The scheme risks include:

- That planning permission or ordinary water course consent are not granted, requiring modifications to the design. This will be mitigated by including a representative from the relevant departments at Bradford Council on the advisory group, consultations on the scheme as it develops, and submitting the relevant applications early.
- The scheme is not delivered by the Environment Agency's Water Environment Fund, October 2023 match funding deadline, mitigated by making the ability to deliver the scheme in summer 2023 as selection criterion for the contractor.

Costs

4.50 The total scheme value is £75,530. The Combined Authority's contribution is £41,000 from the gainshare allocation for IP4.

4.51 The remainder is funded by £26,500 from Britvic and £8,030 from the Environment Agency's Water Environment Improvement Fund.

4.52 The Combined Authority will need to enter into a funding agreement with Aire Rivers Trust for expenditure of up to £41,000 from the gainshare allocation for IP4.

Assurance Pathway and Approval Route

Assurance pathway	Approval route	Forecast approval date
2 to 4 (business justification)	Recommendation: Combined Authority's Programme Appraisal Team Decision: Combined Authority	22/06/2023
5 (delivery)	Recommendation: Combined Authority's Programme Appraisal Team Decision: Combined Authority's Chief Operating Officer	30/11/2023

Other Key Timescales

- 1 August 2023 – start on site
- 31 October 2023 – finish on site.

Assurance Tolerances

Assurance tolerances
Combined Authority costs remain within +5% of those outlined in this report.
Delivery (DP5) timescales remain within 3 months of those outlined in this report.
Outputs remain within -10% of those outlined in this report

Appraisal Summary

- 4.53 The overall business case for this scheme is strong as it provides the triple benefits of a biodiversity upgrade, increased capacity to hold and slowly release storm water after heavy rain and improved access for all to a local green space.
- 4.54 Strategically the scheme is consistent with the Aire River Trust's (ART) objectives and the Combined Authority's Investment priority on tackling the climate emergency and environmental sustainability. It will provide a demonstration site for the benefits of natural flood management.
- 4.55 From an economic perspective two homes downstream from this green space have been flooded and 18, which comprises of some social housing, are at risk from future flooding, so action to prevent flooding and fear of flooding for residents in an area with low household incomes has clear benefits.
- 4.56 The options to address the challenge have been considered and the preferred way forward provides the most economically and ecologically advantageous solution. It addresses the critical success factor of maximising water retention whilst boosting biodiversity through new wetland flora and improving the access and enjoyment of the area for everyone that lives locally.

Recommendation

- 4.57 The Combined Authority approves that:
- (i) The Chellow Dene Wetland scheme proceeds through decision point 2 to 4 (business justification) and work commences on activity 5 (delivery).
 - (ii) Approval to the Combined Authority's contribution of £41,000, to the Chellow Dene Wetland scheme. The total scheme value is £75,530.
 - (iii) The Combined Authority enters into a funding agreement with Aire Rivers Trust for expenditure of up to £41,000.
 - (iv) 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.

Project Title	Better Homes Hub
Stage	1 (assessment and sequencing)
Decision Point	2 (strategic outline 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

- 4.58 The Better Homes Hub programme has been developed to promote, facilitate and deliver retrofit of housing across all housing tenures in West Yorkshire. This includes households that rent their home from social or private landlords, have a mortgage / loan on their home, or own their own home outright and will be referred to as multi tenure, in this report.
- 4.59 The retrofitting of housing includes measures which improve the heat efficiency and air tightness of homes, up to a good level of thermal efficiency, for example double and triple glazing, loft, wall, and ground floor insulation and the installation of renewable technology, including solar panels, heat pumps.
- 4.60 The programme will lead to reductions in CO2 emissions, domestic energy use and fuel poverty across multi tenures, which will contribute to tackling the climate emergency.
- 4.61 Conservative estimates indicate that up to £20.4 billion is needed to retrofit homes to a good level of thermal efficiency, so any moderate capital investment is short term in its approach.
- 4.62 The long-term Better Homes Hub programme is expected to be delivered in three phases. Phase 1 is covered by this strategic outline case and will be funded from the gainshare allocation for investment priority 4 - Tackling the Climate Emergency and Environmental Sustainability. Funding to support the later phases of the programme in later years will be required beyond the current three-year gainshare funding period.
- 4.63 The investment of gainshare funding will be focussed on the following areas rather than the delivery of a fixed number of retrofits:

Area-based demonstrators – scheme cost up to £5,110,000

- The programme will establish five area-based demonstrators in West Yorkshire. The demonstrators will pilot a range of retrofit measures, across an area/street to test what improvements can be made to properties, what impact these measures will have on the housing stock, and what benefits this will have on residents living conditions and fuel bills.
- Each demonstrator will aim to test different technological, delivery and financial models, build momentum, strengthen supply chain and communication innovations to tackle the challenges of mixed multi-tenure, whole community retrofit and create blueprints to enable scaling up at pace.

One Stop Shop – scheme cost up to £6,250,000

- A One Stop Shop (OSS) for retrofit is a virtual and/or physical place where residents can find all information and services they need to guide them through retrofitting their home. There are many different business models which can be adopted for a OSS as outlined in Section 3 of this report by [Energy Cities](#).
- Specialist consultancy support is being procured to complete an options assessment and produce a costed implementation plan to create a regional One Stop Shop (OSS), which will provide high quality tailored information and advice to residents and landlords.
- Initially, a portion of funding will be used to fund the Better Home Leeds project (also referred to as Leeds Retrofit Accelerator), which is the able-to-pay pilot project that is being delivered by Leeds City Council.

The Better Homes Leeds project aims to design and test an approach to supporting able to pay households, via a smooth customer journey and by creating new incentives or financial products, largely financed by the private sector, to remove barriers to entry. The learnings from this pilot activity in Chapel Allerton and Otley will help inform the regional OSS and help us understand the able-to-pay markets motivations, capability and understanding on retrofit. There is potential for the Better Homes Leeds scheme to be scaled up, using the key learnings to develop a regional programme. This will form part of the options assessment supported by the external consultant.

- Depending on the preferred business model for a regional OSS, phased implementation is likely. A soft launch of the OSS is planned for March 2024, which could involve the creation of a web page to initially signpost residents to financial products and services.
- Work will continue on the development of the One Stop Shop business case, following the soft launch.
- Estimated costs to set up and resource a regional OSS have been included in this strategic outline case and these will be firmed up as the project business case is developed.

Financial Packages and Offers – scheme cost up to £1,500,000

- The programme will involve work to explore financial packages and offers which will enable a wide range of residents, homeowners, and private landlords to access, and implement, retrofit measures in their homes.
- The scheme cost includes seed funding, to get the financial packages and offers up and running, using income from those able to pay. The amount of seed funding to be invested will be explored as part of the next stages of business case development.

Supply Chain engagement – scheme cost up to £750,000

- One of the key barriers to scaling up retrofit activity identified is the significant lack of skilled labour. To meet the demand for housing retrofit a 30,000 strong workforce needs to be developed and sustained over the next 18 years.
- Currently, the retrofit supply chain is not developed enough to fully meet demand in West Yorkshire. In delivering these projects it is expected that the demand for retrofit services will begin to accelerate.
- BHH activity will be aligned with the recommendations of the Green Job Taskforce and will complement existing skills programmes that take a whole labour market approach with some sector-based delivery to tackle specific challenges for retrofit.
- The programme will commission a supplier to increase understanding of the current retrofit and renewables workforce, and the challenges facing the supply chain. This will result in a report on the current provision of West Yorkshire retrofit workforce, engagement of disengaged and demand-led segments of existing workforce and develop a supply chain & skills infrastructure through market stimulation, engagement with current workforce.

Development of a 10-year programme plan – cost to be determined as part of further business case development but will require additional funding beyond the current three-year gainshare allocation.

- The programme will develop a 10-year plan which will include development of a longer-term social housing decarbonisation programme to support and deliver retrofit measures, and improvements, to social housing properties across West Yorkshire and developing an approach to tackle the regional retrofit supply chain and skills shortages, aligning with the work of the Green Jobs Taskforce.

- 4.64 Longer term, from 2025 onwards Phase 2 is expected to take the findings from Phase 1 projects and apply them collectively to specific locations within West Yorkshire with the view to trialling their effectiveness prior to a region wide rollout.
- 4.65 Phase 3 from 2027 onwards will aim for a West Yorkshire wide rollout of the Better Homes Hub, fine-tuned to take into consideration the learning from the Phase 2 pilots, enabling all residents in the region to upgrade their homes and delivering the 680,000 retrofits to meet Net Zero target by 2038.

- 4.66 Phases 2 and 3 are subject to further development based on the learning and experiences from earlier phases.

Local Energy Advice Demonstrator (LEAD) programme

- 4.67 A bid was submitted to the Department for Energy Security and Net Zero and North East & Yorkshire Net Zero Hub, for up to £1,675,000 from the Local Energy Advice Demonstrator programme, set up to fund innovative projects piloting new approaches to providing local in-person energy advice, with a particular focus on harder-to-treat properties and digitally excluded groups. An announcement is expected in July 2023 on whether the bid was successful.
- 4.68 The UK has the oldest building stock in Europe. In-person visits can better capture the complexities of these building types, which are harder to address through digital and telephone advice. Local, in-person advice may also extend the service to certain groups for example, older people, disengaged, those with limited internet access and minority ethnic groups.
- 4.69 This funding will allow the Better Homes Hub to explore and understand different ways to engage with some of the hardest to reach and digitally excluded residents such as, older residents facing deprivation, those with low proficiency of English and people with disabilities, using a combination of approaches that build on social relations and different methods of engagement, to increase understanding of retrofit across the community.
- 4.70 Learning from previous programmes, including the UK Community Renewal Fund Retrofit Hub scheme, has demonstrated the need for a tailored approach to engaging with different groups of residents and the range of range of challenges they may face.
- 4.71 Unlike other schemes focussing on the “Able to Pay” market, the One Stop Shop will provide information and advice for all residents, and private landlords. Accessibility and motivation for each of these groups may be different, and so this LEAD proposal seeks to test approaches to provision of in-person advice that can increase inclusion and equity for future delivery. The Better Homes Hub Programme contributes towards delivery of the Climate Plan objectives and aligns with the West Yorkshire Investment Strategy Investment Priority 4 - Tackling the Climate Emergency and Environmental Sustainability.
- 4.72 A summary of the programme’s business case is included in **Appendix 3**.

Tackling the Climate Emergency Implications

- 4.73 The scheme tackling climate emergency implications are:
- This programme will contribute towards reductions in carbon emissions through raising the profile of retrofit measures that can be introduced.

Outputs and Benefits

- 4.74 The programme outputs and benefits include:

- Provide five multi-tenure retrofits in a local area / street demonstrator by March 2026 to demonstrate benefits to all and increase skills in retrofit.
- Deliver the multiple benefits of retrofit activity to social housing by continuing the strong progress of Social Decarbonisation Housing Fund for those homes containing some of the most excluded in our region.
- Development of options for the creation of a One Stop Shop to provide a single point of advice and support for all tenure householders on retrofit measures that could be delivered.
- Ensure retrofits are completed and certified to the right quality standards, and in accordance with the British Standard for retrofits which is PAS2035.
- Provide data and learning on all housing tenure support needs and benefits to inform the scaling up and roll out of future waves across all housing.

Inclusive Growth Implications

4.75 The scheme inclusive growth implications include:

- The programme will apply to all households including those living in poor housing in all tenures.
- Completing retrofits will help lift people out of fuel poverty by reducing energy emissions and therefore costs.

Equality and Diversity Implications

4.76 The scheme equality and diversity implications are:

- The programme will be delivered across West Yorkshire including the most deprived areas.
- The programme will support residents with differing needs, to improve the energy efficiency of their homes. For example, for some groups, the intervention may require information, advice, and signposting. Other groups will require more support such as translation skills and signposting to financial support.
- Funding from the Local Energy Advice Demonstrator programme will provide local, in-person advice specifically targeting groups including older people and minority ethnic groups.
- An Equality Impact Assessment (EqIA) has been undertaken for the programme and equality and diversity impacts taken account of as part of its development and will continue as part of the development of individual scheme business cases.

Risks

4.77 The scheme risks include:

- Increased costs due to inflation and rising costs through the supply chain. This is mitigated by procuring a financial consultant for advice on the scheme costs and monitoring scheme costs throughout programme development and delivery.
- Insufficient interest in the market or inability to procure an appropriate consultant to provide support in the development of the programme. This is being mitigated by engaging with the market in advance to locate multiple consultants and to build interest before the opportunity to bid is finalised.

Costs

- 4.78 The total programme cost is up to £18,425,000.
- 4.79 The Combined Authority's contribution is up to £18,425,000 comprising up to £16,750,000 from the gainshare allocation for IP4 and up to £1,675,000 from the Local Energy Advice Demonstrator programme. A bid was submitted to the Department for Energy Security & Net Zero and North East & Yorkshire Net Zero Hub, for up to £1,675,000 from the Local Energy Advice Demonstrator Programme. An announcement is expected in July 2023 on whether the bid was successful.
- 4.80 As the programme develops, it is anticipated that additional funding beyond the current three- year Gainshare Funding allocation will be required if West Yorkshire is to deliver Net Zero.
- 4.81 Development costs of £332,302 were approved as part of the CEP Wave 1 portfolio decision point 1 (strategic assessment) approval at Combined Authority in July 2022. A subsequent change request, approved by Combined Authority in October 2022, approved a further £385,991 of development costs, taking the total Better Homes Hub programme approval to £718,293.
- 4.82 Approval is now sought for a further £910,000 of development costs to secure staffing resources, consultancy support, undertake research work, and develop individual scheme business cases. This takes the total programme approval to £1,628,293. These development works will facilitate the creation of a blue print for One Stop Shop, a strategic plan for the multi-tenure retrofits in a local area / street demonstrators and facilitate development of the finance and skills elements of the programme.
- 4.83 Approval is also being sought through this report to accept and spend up to £1,675,000 from the Local Energy Advice Demonstrator Projects, subject to confirmation of a successful bid from government, so that delivery can start in line with the delivery timeframes, taking the total programme approval to up to £3,303,293.
- 4.84 Further ongoing public sector funding will be considered and applied for as and when opportunities become available.

Assurance Pathway and Approval Route

Better Homes Hub Programme

Assurance pathway	Approval route	Forecast approval date
2 (strategic outline case)	Recommendation: Combined Authority's Programme Appraisal Team Decision: Combined Authority	22/06/2023
5 (delivery)	Recommendation: Combined Authority's Programme Appraisal Team Decision: Combined Authority's Chief Operating Officer	31/03/2026

Housing Demonstrators

Initial Housing Demonstrators

Assurance pathway	Approval route	Forecast approval date
2 to 4 (business justification)	Recommendation: Combined Authority's Programme Appraisal Team Decision: Climate, Energy and Environment Committee	31/12/2023
Approval to Proceed	Recommendation: Combined Authority's Programme Appraisal Team Decision: Combined Authority's Chief Operating Officer	31/01/2024

Final Housing Demonstrators

Assurance pathway	Approval route	Forecast approval date
2 to 4 (business justification)	Recommendation: Combined Authority's Programme Appraisal Team Decision: Climate, Energy and Environment Committee	30/09/2024
Approval to Proceed	Recommendation: Combined Authority's Programme Appraisal Team Decision: Combined Authority's Chief Operating Officer	31/10/2024

One Stop Shop

Assurance pathway	Approval route	Forecast approval date
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4 (full business case)	Recommendation: Combined Authority's Programme Appraisal Team Decision: Climate, Energy and Environment Committee	31/03/2024
Approval to Proceed	Recommendation: Combined Authority's Programme Appraisal Team Decision: Combined Authority's Chief Operating Officer	30/04/2024

Other Key Timescales

- March 2026 - Completion of delivery of the Phase 1 of the programme
- March 2027 - Programme evaluation of Phase 1 of the programme.

Assurance Tolerances

Assurance tolerances
Combined Authority costs remain within +10% of those outlined in this report. Delivery (DP5) timescales remain within 6 months of those outlined in this report.

Appraisal Summary

- 4.85 The Better Homes Hub programme has a strong strategic value for West Yorkshire. It is recognised that a quarter of the region's carbon emissions come from homes and there is a clear need for housing retrofits and energy efficient measures to be introduced.
- 4.86 Options for the programme have been developed as part of the business case submission and workshops have been held with stakeholders to ensure the programme will deliver the required outputs.
- 4.87 Value for Money for this scheme cannot be evidenced at this time through a benefit cost ratio, however the programme is expected to offer value for money based on the strong strategic value. Value for Money assessments will be conducted as part of the individual business case submissions.

Recommendations

- 4.88 The Combined Authority approves that:
- The Better Homes Hub programme proceeds through decision point 2 (strategic outline case) and work commences on the development of individual scheme business cases as outlined in this report.
 - An indicative approval to the Combined Authority's contribution of up to £18,425,000 is given and the reallocation of indicative funding between programmes and schemes within the Better Homes Hub Programme is delegated to the Director of Policing, Environment & Place. The total scheme value is up to £18,425,000.

- (iii) Development costs of up to £2,585,000 are approved to secure staffing resources, consultancy support, undertake research work, develop individual scheme business cases, and deliver the Local Energy Advice Demonstrator element of the programme, taking the total programme approval to £3,217,302.
- (iv) 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.

Projects in Stage 2: Scheme development

4.89 There are no schemes to review at this stage.

Projects in Stage 3: Delivery and Evaluation

4.90 There are no schemes to review at this stage.

5 Tackling the Climate Emergency implications

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

6 Inclusive Growth implications

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

7 Equality and Diversity implications

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

8 Financial implications

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

9 Legal implications

9.1 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.

10 Staffing implications

10.1 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.

11 External consultees

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

12 Recommendations (Summary)

Natural Flood Management Programme

12.1 The Combined Authority approves that:

- (i) Programme costs of £1,186,090 are approved in order to support the delivery of the Natural Flood Management - Flood Risk and Drainage Programme. The total programme value is £7,392,862.

Landscapes for Water – Natural Flood Management

12.2 The Combined Authority approves that:

- (i) The Landscapes for Water – NFM scheme proceeds through decision points 2 to 4 (business justification) and work commences on activity 5 (delivery).
- (ii) An approval to the Combined Authority's contribution of £1,984,000 is given. The total scheme value is £1,984,000.
- (iii) The Combined Authority enters into a funding agreement with the National Trust for expenditure of up to £1,984,000.
- (iv) 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.

Chellow Dene Wetland

12.3 The Combined Authority approves that:

- (i) The Chellow Dene Wetland scheme proceeds through decision point 2 to 4 (business justification) and work commences on activity 5 (delivery).
- (ii) Approval to the Combined Authority's contribution of £41,000, to the Chellow Dene Wetland scheme. The total scheme value is £75,530.
- (iii) The Combined Authority enters into a funding agreement with Aire Rivers Trust for expenditure of up to £41,000.
- (iv) 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.

Better Homes Hub

12.4 The Combined Authority approves that:

- (i) The Better Homes Hub programme proceeds through decision point 2 (strategic outline case) and work commences on the development of individual scheme business cases as outlined in this report.
- (ii) An indicative approval to the Combined Authority's contribution of up to £18,425,000 is given and the reallocation of indicative funding between programmes and schemes within the Better Homes Hub Programme is delegated to the Director of Policing, Environment & Place. The total scheme value is up to £18,425,000.
- (iii) Development costs of up to £2,585,000 are approved to secure staffing resources, consultancy support, undertake research work, develop individual scheme business cases, and deliver the Local Energy Advice Demonstrator element of the programme, taking the total programme approval to £3,303,293.

- (iv) 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.

13 Background Documents

13.1 None as part of this report.

14 Appendices

Appendix 1 - Background to the Combined Authority's Assurance Framework

Appendix 2 – Landscapes for Water – Natural Flood Management – Business Case Summary

Appendix 3 – Better Homes Hub – Business Case Summary