

Report to: Climate, Energy and Environment Committee

Date: 11 July 2023

Subject: **Better Homes Hub update**

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Is this a key decision?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
Is the decision eligible for call-in by Scrutiny?	<input type="checkbox"/> Yes <input checked="" 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

1. Purpose of this Report

- 1.1. To provide the Committee with an update on the Better Homes Hub programme and to seek Committee members views on what success looks like to them and how they'd like to be involved as the programme progresses.

2. Information

- 2.1. Housing is responsible for 2.9 million tonnes (around 26%) of carbon dioxide each year in West Yorkshire, the majority of which arise from using fossil fuels for heating¹. In order to achieve our net zero targets, we need to retrofit 680,000 homes to a good level of thermal efficiency. As well as improving the thermal efficiency of buildings, installing low carbon heating and solar PV will be critical.
- 2.2. While good progress has been made with over 145,000 homes in the region receiving some form of energy efficiency measure, meeting the net zero target will require a significant scaling up of activity over the next 15 years. This is challenging and will require a step change in the scale of delivery activity being brought forward. Instead of interventions that allow tens to hundreds of

¹ [West Yorkshire Carbon Emission Reduction Pathways report](#)

homes to upgrade their properties, schemes will need to deliver interventions for thousands, if not tens of thousands of homes.

- 2.3. The Better Homes Hub (BHH) is the Combined Authority's regional programme to scale-up domestic retrofit to:
 - Deliver against our climate emergency commitments.
 - Alleviate fuel poverty and the cost-of-living crisis for residents in the region.
 - Improve the quality of housing stock and health outcomes of residents.
 - Stimulate the market and secure quality green jobs.
- 2.4. It is a complex long-term programme that encompasses all the Combined Authority's activity on domestic retrofit, with a vision that 'Everyone in West Yorkshire can live in a warm, comfortable and low carbon home'.
- 2.5. The BHH has three overarching objectives which are to:
 - Build consensus within West Yorkshire on priorities for retrofit and energy efficiency of homes.
 - Deliver retrofit projects in West Yorkshire that build momentum, strengthen the supply chains, and create new delivery models.
 - Establish the BHH as a trusted entity for all residents to access advice and information on retrofit and energy efficiency of homes in West Yorkshire.
- 2.6. Proposed activity for the BHH includes:
 - Delivering area-based schemes across different tenures and socio-economic situations, that test approaches and delivery models.
 - Establishing a One Stop Shop to provide high quality retrofit advice and support.
 - Developing the supply chain and skills infrastructure to tackle retrofit shortages.
 - Mobilising sufficient resource to secure funding for delivery of retrofit projects.
 - Developing innovative funding models to support delivery of retrofit projects.
 - Developing and implementing a communications and engagement strategy that mainstreams retrofit.
 - Creating a plan for scale up and roll out across the region.

Delivery

- 2.7. Social Housing Decarbonisation Fund (SHDF) Wave 1 is forecasted to complete 924 properties against the original bid of 1,316 properties, reflecting the challenges experienced in delivery and the technical challenges in meeting the Department of Energy Security and Net Zero (DESNZ) funding criteria, as detailed in previous reports to the Committee.

- 2.8. Two lessons learned workshops have taken place on Wave 1 delivery and the findings have been shared with the consortium of housing associations involved with SHDF Wave 2.1. The lessons were generally on a practical basis: the importance of surveys in advance of submitting a bid, early contact with District Network Operators is critical and there is a need for contingency funding to cover enabling works.
- 2.9. The legal agreement with DESNZ to enable Wave 2.1 delivery to commence was signed on 25 May 2023. The project will deliver retrofit measures to 2,411 properties.
- 2.10. In addition, £5 million of Gainshare funding has been invested in the SHDF Booster. This scheme will focus on measures such as loft, cavity, underfloor insulation, and Solar PV and while they would impact on the EPC grade for properties, the scheme is not constrained to deliver specific EPC outputs. The scheme commenced delivery in November 2022, and will improve the energy efficiency of at least 1,786 homes by March 2024.

Development work

- 2.11. The programme team has held several meetings with district partners to discuss potential area-based schemes and proposals are beginning to take shape. The next step is to collate these and assess each area-based scheme against a series of Critical Success Factors to ensure they are deliverable, innovative and provide crucial learnings to accelerate domestic retrofit in the future.
- 2.12. A funding agreement has been issued to Leeds City Council to the value of £100,000 to support the Better Home Leeds project (previously referred to as Leeds Retrofit Accelerator). The funding will allow Leeds City Council to develop the detailed blueprint and deliver focus groups to test customer reaction to the prototype, customer journey, messaging and financial products. The project has been developed with partners through the Prime Minister's Business Council and has secured over £500,000 in match funding from Lloyds Bank, government competitions and the MCS Charitable Foundation.
- 2.13. The Energy Saving Trust have started work on the housing stock data and energy modelling project for Leeds and Kirklees. This work is already complete for Bradford, Calderdale and Wakefield, so a full regional set of data will be available once this work is completed (September 2023).
- 2.14. The Combined Authority will be running a Tell Tracy public engagement campaign on the climate agenda. This will involve face to face engagement with groups and a digital survey. This is an excellent opportunity to seek views of the public on topics like the barriers to retrofitting their home and utilise the learnings to feed into the design of the One Stop Shop.
- 2.15. Better Homes Leeds will develop and test a business model for a local authority led area-based One Stop Shop targeting the 'able to invest' market.

This activity will provide valuable learnings for the planned regional One Stop Shop. There is also potential scope for the Better Homes Leeds project to scale-up to service the region. This will be explored with the support of the client-side support consultant.

- 2.16. The Combined Authority submitted a £1.6 million regional bid to the North East and Yorkshire Net Zero Hub's Local Energy Advice Demonstrator to test approaches to delivering in-person energy advice targeting hard to reach and digitally excluded groups.
- 2.17. Previous programmes, such as the UKCRF Retrofit Hub, have demonstrated the need for a tailored approach to different groups of residents, considering the range of challenges they may face. This proposal seeks to build on this learning to understand appropriate and effective methods of engagement with some of those most hard to reach residents. A decision is expected imminently. If successful, the regional Local Energy Advice project will run from July 2023 to March 2025 and the learnings will be used to enhance the reach of the One Stop Shop.
- 2.18. We recognise the scale of the challenge across all housing tenures and the need to scale up. We also recognise that the private sector is launching its own initiatives and programmes and want to find ways to work in partnership where that is required.

Procurement activity

- 2.19. An open-tender procurement exercise has been completed to secure a supplier, or consortium of suppliers, to support the development of the Better Homes Hub. This will include acting as a strategic advisor to the Combined Authority on the programme, developing a 10-year delivery plan (including how the region will deliver the scale of home upgrades required to meet the net zero target), completing an options assessment and designing a regional One Stop Shop. The Statement of Requirements was written in collaboration with district domestic retrofit leads.
- 2.20. £200k is currently secured for delivery of the initial outputs outlined in the Statement of Requirements. However, as this is a long-term priority for the organisation, the value of the contract is up to £1 million across three years, subject to securing further funding. The target date to enter into contract with the successful tenderer at the beginning of August 2023.

Business case

- 2.21. The Strategic Outline Case for the Better Homes Hub programme was approved by the Combined Authority on 22 June 2023. An indicative approval to the Combined Authority's contribution of up to £18,425,000 was given. With the 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.

- 2.22. Next steps are for the programme team to continue work on the business cases for the individual workstreams including area-based schemes, One Stop Shop, financial packages and supply chain engagement.

Discussion points

- 2.23. The team would welcome feedback from Committee members on the following questions related to the BHH programme:
- We think it is important to design and deliver pilots to demonstrate deliverability and build confidence. We also need to scale up, what are the Committee members' views on doing that?
 - What does success for the programme look like for you in the short, medium and long term? What do you expect to see delivered in the next year, 3 years and 5 years?
 - How can the programme team best tap into the experience and knowledge of Committee members? How can you help progress this agenda and how would you like to be involved?

3. Tackling the Climate Emergency Implications

- 3.1. The programmes and projects within the Better Homes Hub respond to the ambition for West Yorkshire to be net zero carbon by 2038 and the Mayoral pledge to tackle the climate emergency.
- 3.2. The Better Homes Hub programme will directly contribute to our net zero ambitions by progressing achievement of the 680,000 homes to be retrofitted in the region, either through direct delivery or through support provided for residents, homeowners and landlords.

4. Inclusive Growth Implications

- 4.1. The various schemes within the Better Homes Hub will contribute to the inclusive growth agenda. Fuel poverty affects around 18% of homes in West Yorkshire, higher than the national average, and is a contributing factor in excess winter deaths and affects the ability of people to participate in meaningful and well-paid work. In deprived areas the picture is more acute, owing to income deprivation and poor quality, often older housing.

5. Equality and Diversity Implications

- 5.1. Equality and diversity considerations will be integrated and embedded within all the schemes progressed as part of Better Homes Hub and a programme level Equality Impact Assessment has been produced and will be updated as the programme develops.
- 5.2. If successful, the Local Energy Advice Demonstrator project will enable the testing of approaches to deliver in-person advice on domestic energy efficiency retrofit for hard-to-reach and digitally excluded groups. The learning

from this project will then be used to inform the development of the West Yorkshire One Stop Shop and ensure that all West Yorkshire residents can access and benefit from the available information and advice.

6. Financial Implications

6.1. There are no financial implications directly arising from this report.

7. Legal Implications

7.1. There are no legal implications directly arising from this report.

8. Staffing Implications

8.1. An internal team has been established to oversee the development and delivery of the Better Homes Hub programme. This is comprised of 4.6 full time equivalents across the Place and Environment and Economic Implementation teams.

9. External Consultees

9.1. The Better Homes Hub programme is a partnership across several stakeholders and organisations. The development and delivery of the programme has and will continue to be undertaken with stakeholders.

9.2. A Tell Tracy public consultation and engagement event on climate is being planned.

10. Recommendations

10.1. That the Committee members note the contents of the report and provide their views on the discussion points outlined in section 2.23.

11. Background Documents

11.1. There are no background documents referenced in this report.

12. Appendices

12.1. There are no appendices in this report.