



<b>Report to:</b>	Climate, Energy and Environment Committee
<b>Date:</b>	13 February 2024
<b>Subject:</b>	<b>Better Homes Hub, Area Based Schemes</b>
<b>Director:</b>	Liz Hunter, Director of Policing, Environment and Place
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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 Area Based Schemes (ABS) that are being developed as part of the Better Homes Hub (BHH) Programme.

## 2. Information

- 2.1 Housing is responsible for 3.4 million tonnes (around 30%) of carbon dioxide each year in West Yorkshire, the majority of which come from using fossil fuels to heat homes.<sup>1</sup>
- 2.2 The Better Homes Hub (BHH) programme is being developed to promote, facilitate and deliver retrofit of housing across all housing tenures in West Yorkshire with a vision of “Everyone in West Yorkshire can live in a warm, comfortable and low carbon home”.
- 2.3 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.
- 2.4 The BHH is taking a strategic, joined up approach to domestic retrofit by proactively working in partnership with other private and public sector organisations. This is in

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<sup>1</sup> UK local authority and regional greenhouse gas emissions national statistics, 2005 to 2021 - Department for Energy Security and Net Zero

contrast to previous approaches which have been focussed on specific individuals' circumstances, particular housing tenures, or areas of the region.

- 2.5 It is essential that the Combined Authority and District Partners experiment and develop Area Based Schemes (ABS) that will deliver domestic retrofits at pace and scale, with each ABS piloting retrofit measures across an area/street to test the level of interventions that can be made to properties, understand the impact these measures will have on residents' living conditions and their energy/fuel bills, in addition to how to achieve efficiencies in delivery.
- 2.6 The ABSs bring an element of innovation by identifying and combining various funding sources to make retrofit as inclusive as possible. The schemes will provide us with tools to be able to respond to the increased community interest in retrofit that the ABSs will likely generate by creating a "ripple" effect. We will be able to direct people to the various available funding sources and to the One Stop Shop (to be launched in 2024) to provide people with support and advice on their queries about retrofitting their homes.
- 2.7 The Combined Authority is working with each District to bring forward a demonstrator scheme. This paper gives an update on Calderdale and Leeds. Discussions continue with Bradford, Kirklees and Wakefield to agree the details of a scheme that will meet the needs of the district partners and the broader BHH programme and an update will be brought to a future meeting.

### **Calderdale Area Based Scheme**

- 2.8 A Business Justification Case for the Calderdale ABS scheme was approved, with a budget of £1,086,760 at the Combined Authority meeting on 7th December 2023 and delivery is planned to start from March 2024.
- 2.9 An area for the delivery of the scheme has been identified in an area of high deprivation, in Halifax, which is composed of 30 terraced properties that could have the full Hybrid Wall Insulation (HWI) installed. This will involve Internal Wall Insulation (IWI) being made to the front of the property and External Wall Insulation (EWI) to the back.
- 2.10 There is an opportunity for this ABS to investigate how to respond to challenges around planning consent and domestic retrofit installations. These learnings will be used in the design of future retrofit activities.
- 2.11 The properties identified for this scheme are also in a qualifying Home Upgrade Grant 2 (HUG2) postcode. HUG2 is funding for local authorities to improve the energy performance and heating systems of off-gas grid homes (i.e., no gas connection) in England. The purpose of this funding is to provide energy efficiency upgrades and low carbon heating to low-income households living in off-gas grid homes with low thermal efficiency, in their respective areas.

- 2.12 The HUG2 provides up to £29k - £38k for low carbon heating and insulation measures for properties. Residents will usually need to have a household income of £31,000 a year or less to qualify for HUG2.
- 2.13 If the household is eligible for HUG2 funding, Calderdale Council will apply for the funding on behalf of the resident. The role of the supplier will be to provide an assessment of energy efficiency needs and the installations required for the house to access the funding.

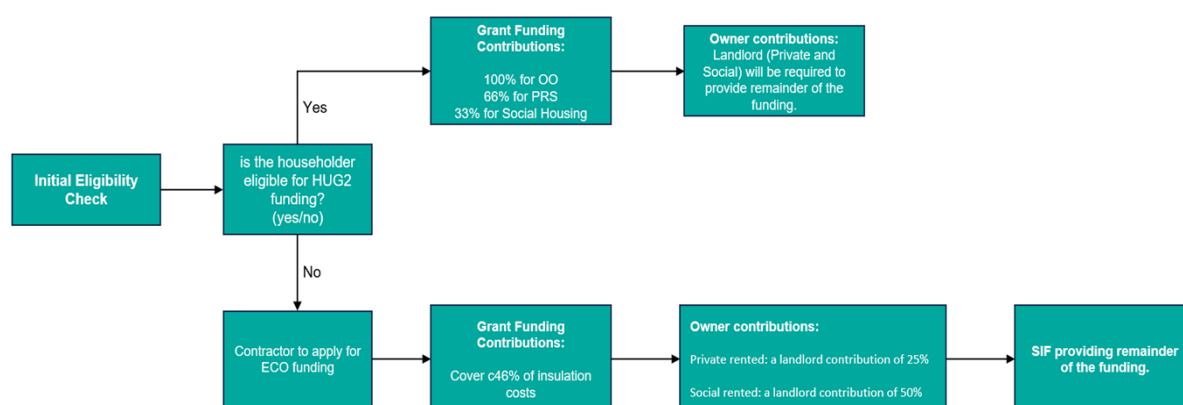
### **Leeds Area Based Scheme**

- 2.14 The Better Homes Hub team has submitted a business case through the Assurance Framework, to seek approval for £3,888,381 to deliver an area-based scheme in Leeds, which will be presented to the Combined Authority for approval in March 2024.
- 2.15 Full approval to spend £1,734,906 is being sought to deliver Part 1 of the Leeds ABS, and £50,000 of development costs is also being requested to commission a study to investigate the feasibility of introducing a low carbon technology in this pilot.
- 2.16 Leeds have an ambitious innovative retrofit scheme that is ready to be delivered in an area of high deprivation, which will:
- Undertake a comprehensive approach in insulating and decarbonising up to 100 back-to-back Victorian terraced properties in Leeds and investigate the challenges in decarbonising this property typology, which have traditionally been expensive and difficult to improve due to there being little space for measures to be installed.
  - Bring together and blend different Government funding sources into one delivery package, which will reduce the overall costs to the resident and the Combined Authority and provide learnings on how to manage different pots of funding to maximise the installation of measures and help inform how the future retrofit schemes can be financed.
  - Seek a solution to providing low carbon heating in the area by introducing a shared, networked Ground Source Heat Pump (GSHP) to terraced properties that are a common archetype across West Yorkshire, which together with insulation measures, will achieve a near net-zero retrofit standard.
- 2.17 Due to the potential complexity in the delivery of this pilot, this ABS will be delivered in two parts:

#### **Part One**

- Deliver a whole house “fabric first” approach to back-to-back Victorian terraces in Leeds, to reduce the energy demand, heat loss and CO2 emissions arising from each property. Measures such as external wall insulation, roof insulation, underfloor

insulation and new doors and windows, where needed, will be installed onto each property.



- Each property will be assessed to determine which of the following two funding Options - ECO or HUG2 - each household resident will be eligible for (please see **Flowchart: Process for accessing additional funding sources** below). This will help make works affordable to householders and reduce the funding required from the Combined Authority.

#### Flowchart: Process for accessing additional funding source

- Commission a detailed feasibility study which will focus on the viability, design and installation of a low carbon heating technology. This is expected to be a shared, networked Ground Source Heat Pump which, together with the whole house insulation, will achieve a near net-zero retrofit standard.

## Part Two

- Using the findings of the feasibility study to introduce a shared low carbon technology and connect the properties that were supported in Part 1 to low carbon heat technology.
- This is dependent on the findings of the feasibility study and may involve connecting each property supported in Part One to a GSHP via a Kensa 'shoebox system' (which requires less space than Air Source Heat Pumps) and will be suitable for terraced properties.
- Funding to deliver Part 2 of the Leeds ABS will be sought when an updated BJC is submitted to seek approval for this next stage of delivery.

2.18 As this ABS will be delivered across two parts, a resident engagement plan will be developed that will outline how the timescales and scale of work that is anticipated during the delivery of this ABS will be clearly communicated to all residents.

- 2.19 Learnings from previous retrofit schemes<sup>2</sup>, delivery has shown that by starting work on Leeds Council social housing properties first will help to increase the uptake from private properties, who will see the visual improvements that will be made to properties on their properties.
- 2.20 Delivery of Part One of this ABS is expected to commence in June 2024, with installations forecasted to begin from September 2024.

### **3. Tackling the Climate Emergency Implications**

- 3.1 West Yorkshire has the second highest level of fuel poverty in England 17% (compared with 13% nationally), and this is estimated to have increased to 30% with the current energy crisis. Therefore, the BHH programme also has a role to play in reducing residents' energy costs, their risk of fuel poverty and is part of the Combined Authority's response to the Cost of Living crisis.
- 3.2. The ABS programme will deliver retrofit measures to properties across each district, and reduce the energy demand, heat loss and CO2 emissions arising from each property.

### **4. Inclusive Growth Implications**

- 4.1 The Combined Authority's definition of inclusive growth is enabling more people and places to contribute to and benefit from economic success.
- 4.2. Retrofitted homes typically result in reduced energy bills; the average band D home could save £680 per year compared to a band C home. This saving goes up to £1,249 for band E and £1,765 for band F homes, giving considerable economic gain to those in fuel poverty.
- 4.3. Inclusive growth will also be supported through improvements to wellbeing whereby the comfort, health and affordability of household budgets improve following uptake of energy efficiency retrofit.

### **5. Equality and Diversity Implications**

- 5.1 The EDI ambition of the Climate & Environment Plan Wave 1 portfolio is to:

*ensure that no one is disadvantaged as a result of the transition to net zero carbon, particularly those most vulnerable in society, and appropriate support is provided to enable everyone to participate in a fair, equal, and inclusive net-zero carbon economy.*

- 5.2 Through the delivery of the area-based schemes and the range of services and support being provided by the programme, the BHH will play a role in ensuring and enhancing the region's resilience to the adverse impacts of climate on the environment, improve energy

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<sup>2</sup> In particular the the Getting Building Fund (GBF) Holbeck Phase 2 scheme

efficiency to keep homes cooler in summer and support the most vulnerable in times of extreme heat and cold weather.

- 5.3 Both of the ABS schemes are located in areas of deprivation. Retrofitting deprived households with energy efficiency measures could result in reduced energy consumption, improved thermal comfort which will have a positive impact on resident's physical and mental health and wellbeing, and provide adequate heating in the winter.

## **6. Financial Implications**

- 6.1. The BHH programme business case was approved by Combined Authority on 22 June 2023 and secured an indicative allocation of £18.425 million.
- 6.2 Approval has been given, by the Combined Authority, for the Calderdale ABS to proceed into delivery. The total value of the Calderdale ABS is £1,086,760.
- 6.3 The Better Homes Hub team has submitted a business case to seek full approval for £3,888,381 to deliver an area-based scheme in Leeds (Part 1 and 2). The business case will be presented to the Combined Authority in March 2024.
- 6.4 Calderdale Council have prepared a key decision paper to propose acceptance of the Combined Authority's funding, which is being presented to the Council's Cabinet on Monday 15th January.
- 6.5 Leeds City Council will submit a decision report to Executive Board in March 2024 to confirm their participation and match funding for the project.

## **7. Legal Implications**

- 7.1 In delivering the Leeds ABS, grant funding agreements will be put in place between the Combined Authority and Leeds City Council.
- 7.2 A grant funding agreement will also be in place between the Combined Authority and Calderdale Council for the Calderdale ABS.
- 7.3 The local authorities (Calderdale Council and Leeds City Council) will have legal agreements in place with the suppliers. The agreements will outline their responsibilities for addressing any queries with the residents receiving the installations, e.g., eligibility for funding, resident complaints, snagging, and future maintenance.

## **8. Staffing Implications**

- 8.1 There are no staffing implications directly arising from this report.



## **9. External Consultees**

- 9.1 The BHH team are working in close partnership with each District Partner in the shaping of each ABS.

## **10. Recommendations**

- 10.1 That the Committee notes the contents of the report.

## **11. Background Documents**

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

## **12. Appendices**

- 12.1 No appendices are included with this report