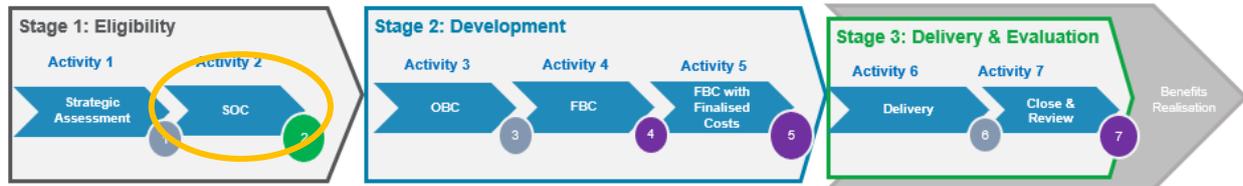


## Section A: Scheme Summary

<b>Name of scheme:</b>	<b>Social Housing Decarbonisation Fund – Wave 1</b>
<b>Lead organisation:</b>	West Yorkshire Combined Authority
<b>Applicable funding stream(s) – Grant or Loan:</b>	Social Housing Decarbonisation Fund - Grant
<b>Growth Fund Priority Area (if applicable):</b>	Priority 3: Clean energy and environment resilience. Leeds City Region to be a net zero carbon economy by 2038
<b>Approvals to date:</b>	Decision Point 1 – Strategic Assessment approval on 29 September 2021
<b>Forecasted full approval date (decision point 4):</b>	Nine schemes to progress individually at project level via Approval to Proceeds (ATP) - January 2022.
<b>Forecasted completion date (decision point 5):</b>	31 January 2023
<b>Total scheme cost (£):</b>	£10,381,000
<b>Combined Authority funding (£):</b>	£5,062,000 from the Department for Business, Energy, and Industrial Strategy's (BEIS) Social Housing Decarbonisation Fund
<b>Total other public sector investment (£):</b>	£0
<b>Total other private sector investment (£):</b>	£5,320,000 match funding from Housing Associations (Housing Associations were reclassified as Private Sector in 2017)
<b>Is this a standalone project?</b>	No - this is Wave 1 of the Social Housing Decarbonisation Fund, there are a further three waves that the Combined Authority can bid for.
<b>Is this a programme?</b>	Yes
<b>Is this project part of an agreed programme?</b>	Not applicable

## Current Assurance Process Activity:



## Scheme Description:

This scheme will upgrade the energy efficiency of some of the most in need social housing stock in West Yorkshire. The scheme will deliver warm, energy-efficient homes, reduce carbon emissions and fuel bills, tackle fuel poverty, and support green jobs. Measures will include cavity wall insulation, internal and external wall insulation, loft insulation, new heating systems, windows, ventilation, and a small number of solar panel systems.

The scheme will be funded by Wave 1 of government's Social Housing Decarbonisation Fund (SHDF), a £3.8 billion England only fund, over 10-years, to improve social rented homes' energy performance. The Combined Authority has bid for £5,062,000 from Wave 1, via a competitive bidding process, with the scheme to be delivered by 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.

## Business Case Summary:

### Strategic Case

The scheme aligns with the Strategic Economic Framework priority to tackle the climate emergency and the region's net zero target by improving the energy performance of 1,316 social houses, therefore reducing carbon dioxide emissions from homes in West Yorkshire. The Combined Authority declared a climate emergency in July 2019 and strengthened its ambition to be net-zero carbon by 2038.

Carbon emissions from buildings is West Yorkshire's second highest carbon emitter (41%). 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 targets by 2038. The scheme also recognises the need for urgent, early action, targeting improvements to social housing.

The scheme will also contribute to the Combined Authority's inclusive growth agenda. Fuel poverty affects around 17% of homes in West Yorkshire, higher than the national average, and is a contributing factor of 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.

As a sector, social housing supports tenants and communities 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 rented households have a member with a long-term illness.

<p><b>Commercial Case</b></p>	<p>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.</p> <p>Social value will be achieved by many of the housing providers indicating they will use the Efficiency North (EN) framework/Dynamic Purchasing System. The EN framework means that contractors are mandated to employ apprentices based on the amount of spend. EN has also established EN: Able Futures that provides apprenticeship services and makes it easier for organisations to take on apprentices.</p> <p>Through EN: Procure, housing providers build up social value credits that are invested in local social value projects with an emphasis on working with local employment groups to facilitate local sustainable employment, in particular with school leavers, women and ex- offenders.</p>
<p><b>Economic Case</b></p>	<p>The proposal represents excellent value for money and has generated over 50% of match funding, well above the 30% threshold required by BEIS.</p> <p>The scheme will deliver the following planned outputs:</p> <ul style="list-style-type: none"> <li>• 1,316 properties will be improved, 1311 to an EPC C or better</li> <li>• Annual energy bill savings for tenants of over £316,000</li> <li>• Carbon savings of 451.5 tonnes of CO<sub>2</sub> per year</li> <li>• 185 jobs supported including five apprentices.</li> </ul> <p>Value for money metrics:</p> <ul style="list-style-type: none"> <li>• £7,888 total cost per property</li> <li>• £22,992 total cost per annual tonne of CO<sub>2</sub> saved</li> <li>• Potential average energy saving per home £240 per year.</li> </ul> <p>Administration and ancillary costs are critical for delivering quality installations with minimum disruption while delivering the specified outputs within the timescales. Costs of £1,200,000 [11.7%] of the total project value have been set out.</p>
<p><b>Financial Case</b></p>	<p>The total scheme costs are £10,381,000. The Combined Authority's contribution to the scheme will be £5,062,000 from Wave 1 of BEIS's Social Housing Decarbonisation Fund, which the Combined Authority has bid for via a competitive bidding process. The award of grants to successful bidders is expected in January 2022. The £5,062,000 sought by the Combined Authority, is affordable within BEIS' overall Wave 1 allocation.</p> <p>The key financial risk to the scheme is the potential increase in costs of materials set against a global increase in demand. Through early engagement, these costs have been assessed and elements of inflation and contingency allowed for where appropriate.</p> <p>Each of the nine housing providers will provide tendered costs in their submission for Approval to Proceed and these costs will be agreed via a fixed price contract.</p>

	Match funding has been confirmed through official letters of support from the housing providers.
<b>Management Case</b>	<p>The scheme will be delivered by the nine housing providers in a consortium with the Combined Authority.</p> <p>On confirmation of award of funding from the Social Housing Decarbonisation Fund to the Combined Authority, a project board will be set up which will receive monthly progress reports from each of the housing providers, which will then feed into a monthly update report to BEIS.</p>