

## Report of Sustainable Energy and Climate Change Team

### Report to Director of Resources and Housing

**Date: 12<sup>th</sup> December 2017**

**Subject: Entering into a Grant Agreement with West Yorkshire Combined Authority for £1.5m of Local Growth Fund to be spent on the Holbeck Group Repair scheme.**

Are specific electoral Wards affected?	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No
If relevant, name(s) of Ward(s): Beeston and Holbeck		
Are there implications for equality and diversity and cohesion and integration?	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No
Is the decision eligible for Call-In? check with governance	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
Does the report contain confidential or exempt information?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
If relevant, Access to Information Procedure Rule number: Appendix number:		

### Summary of main issues

1. On Wednesday 16<sup>th</sup> November 2016 Executive Board took the key decision to approve the Holbeck Group Repair Scheme.
2. An injection of £3.65m into the capital programme, including £1.5m from the Local Growth Fund, was approved for this scheme
3. Some significant operational decisions come about as a direct result of this key decision.
4. A Significant Operational Decision was taken to appoint Keepmoat, through the Better Homes Yorkshire Framework, as main contractor on 30<sup>th</sup> January 2017.
5. A decision needs to be taken to enter into a grant agreement with West Yorkshire Combined Authority (WYCA) in order to access the £1.5m Local Growth Fund.

### Recommendations

6. That the Director of Resources and Housing grants authority to enter into the WYCA grant agreement for the partial funding of the Holbeck Group Repair Scheme for a value of £1.5m

## **Purpose of this report**

- 1.1 To grant authority to enter into the WYCA grant agreement for the partial funding of the Holbeck Group Repair Scheme for a value of £1.5m.

## **2 Background information**

- 2.1 On Wednesday 16<sup>th</sup> November 2016 Executive Board took the key decision to approve the Holbeck Group Repair Scheme.
- 2.2 Item 108 of the final minutes discusses Investing in our Neighbourhoods - a review of the Sustainable Communities Investment Programme and the opportunities for Holbeck.
- 2.3 The Director of Environment and Housing and the Director of City Development submitted a joint report which set out the approach that had been taken to promote regeneration in Cross Green and the Nevilles through the Sustainable Communities Investment Programme (SCIP), detailed the impact of the investment which had been made there and which also highlighted the lessons that could be learned from an intensive and targeted approach towards neighbourhood regeneration activities. In addition, the report also outlined the work undertaken to date in Holbeck and how this could be intensified through similar interventions. Finally, the report requested an injection into the capital programme and sought related approval of expenditure.
- 2.4 Members welcomed the information and the proposals detailed within the submitted report, highlighting the anticipated positive impact that the approach would have in Holbeck, and how, amongst other things, it would help address the issue of fuel poverty in the area and contribute towards the Council's 'Cutting Carbon and Improving Air Quality' Breakthrough Project.
- 2.5 The Executive resolved:
  - i. That the outcomes from SCIP, together with the lessons learned and how they could inform future regeneration across the city, be noted;
  - ii. That the contribution from the Housing Revenue Account (HRA) Housing Leeds programme 2017/18 of £850.0k, be noted;
  - iii. That an injection into the capital programme of £3.65m be authorised, of which £1.5m is secured funding from the Local Growth Fund, £0.2m being Energy Company contributions, £0.45m being private sector owners' contributions, with the balance of £1.5m being from the capital programme;
  - iv. That expenditure of £0.85m on the Council housing group repair in Holbeck, which will address poor housing conditions and energy efficiency, be authorised;
  - v. That expenditure of £3.65m on the private sector housing group repair in Holbeck, which will address poor housing conditions and energy efficiency, be authorised;
  - vi. That responsibility be delegated to the Chief Housing Officer, Housing Leeds, in order to bring forward the group repair scheme.

- 2.6 Following on from this a Significant Operational Decision (DD4076) was taken to appoint Keepmoat, through the Better Homes Yorkshire Framework, as main contractor on 30<sup>th</sup> January 2017.

### **3 Main issues**

- 3.1 In order to drawn down the £1.5m local growth funding from WYCA we need to enter into a grant agreement with WYCA.
- 3.2 Work has started in the Holbeck Area Renewal Scheme and we do not wish to delay work or lose funding by not signing the grant agreement.
- 3.3 A decision needs to be taken to enter into a grant agreement with West Yorkshire Combined Authority (WYCA) in order to access the £1.5m Local Growth Fund.

### **4 Corporate Considerations**

#### **4.1 Consultation and Engagement**

- 4.1.1 Consultation was carried out prior to the key decision being made on 11<sup>th</sup> November 2016.

#### **4.2 Equality and Diversity / Cohesion and Integration**

- 4.2.1 The Group Repair Scheme is designed to combat fuel poverty one of the LCC Equality Improvement Objectives 2016 -20 and so will have a positive effect on equality.

#### **4.3 Council policies and City Priorities**

- 4.3.1 The vision for Leeds 2011 to 2030 acknowledges that climate change is one of the three major challenges that have emerged since the last Vision was published in 2004 and has a specific aim to ensure that “all homes are of a decent standard and everyone can stay warm”
- 4.3.2 The Holbeck Group Repair scheme fits with the council’s overall aim to reduce carbon emissions and address fuel poverty, specifically:
- Leeds City Council’s Best Council Plan 2015-20 sets the ambition to be the best city where everyone in Leeds lives in good quality, affordable homes within clean and well cared for places measured through the energy and thermal efficiency performance of houses.
  - And LCC Equality Improvement Priorities 2016-20, include:
    - Compassionate City -Living safely and well, living at home, and valuing communities
      - Reducing fuel poverty increases life expectancy, improves mental health and wellbeing and reduces health inequalities.
  - Leeds Climate Change Strategy
    - 40% CO<sub>2</sub> reductions from all sectors from 2005-2020
    - and 80% from 2005 - 2050.
  - Affordable Warmth Strategy 2017-30:
    - increase the average SAP rating of housing in Leeds to band C by 2020 as a whole, and to ensure that no properties are below band E by 2030;

- to ensure that resident's health and wellbeing isn't put at risk due to being unable to heat their home, as per the NICE guidelines on preventing excess winter deaths.

#### **4.4 Resources and value for money**

- 4.4.1 £1.5m of agreed funding from the local growth fund could be lost if the grant agreement is not signed. .
- 4.4.2 This has the potential to render the scheme unviable.

#### **4.5 Legal Implications, Access to Information and Call In**

- 4.5.1 The grant agreement is a legal agreement. However it contains standard clauses of a similar nature to other grant agreements entered into.
- 4.5.2 The recommended decision is not eligible for call-in as it directly relates to the key decision of Executive Board on 11<sup>th</sup> November 2016. Entering into the grant agreement is a significant operational decision as it is over the threshold limit of £250,000.

#### **4.6 Risk Management**

- 4.6.1 £1.5m of funding would be lost and the scheme rendered financially unviable if the grant agreement is not signed.
- 4.6.2 Corporate risk 24 is that 'Council does not meet CO<sub>2</sub> emissions reduction targets and improve home energy efficiency'. This scheme will contribute towards mitigating both of these risks.

### **5 Conclusions**

- 5.1 Following on from the key decision to approve the Holbeck Group Repair Scheme taken by Executive Board on Wednesday 16<sup>th</sup> November 2016 and inject £3.65m into the capital programme, including £1.5m from the Local Growth Fund.
- 5.2 The Director of Resources and Housing should grant authority to enter into the WYCA grant agreement for the partial funding of the Holbeck Group Repair Scheme for a value of £1.5m.
- 5.3 The grant agreement should be sealed, signed, and returned to WYCA.

### **6 Recommendations**

- 6.1 That the Director of Resources and Housing grants authority to enter into the WYCA grant agreement for the partial funding of the Holbeck Group Repair Scheme for a value of £1.5m.

### **7 Background documents**

- 7.1 None