

Report of Director of Resources and Housing

Report to Executive Board

Date: 21st October 2020

Subject: Investing in our Neighbourhoods – Approval for Phase 2 of Group Repair in Holbeck

Are specific electoral wards affected? If yes, name(s) of ward(s): Beeston and Holbeck	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
Has consultation been carried out?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
Are there implications for equality and diversity and cohesion and integration?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
Will the decision be open for call-in?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
Does the report contain confidential or exempt information? If relevant, access to information procedure rule number: Appendix number:	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No

Summary

1. Main Issues

- In November 2017 Executive Board approved a report, Locality Working - Tackling Poverty and Reducing Inequalities. This identified the Recreations area of Holbeck as one of 6 priority neighbourhoods in the city. These areas in the worst 1% of lower super output areas in the country were identified for concerted activity to secure improvements for residents.
- As part of the approach the Council has committed considerable resources and funding to help address the issues. In November 2016 the Executive Board approved an investment of £4.5m in the Recreations to address poor housing conditions and improve the energy efficiency of the pre 1919 housing stock.
- Holbeck Group Repair Phase 1 improved 153 properties in the Recreations, improving their thermal efficiency from a SAP rating of F/G to a B/C, increasing internal wall temperatures from as low as 12^oc to over 18^oc and saving an estimated 1450 tonnes of CO2 per annum. It has helped to reduce fuel costs by an estimated 25/30% or around £350/400 per annum. This equates to an annual saving to the community of around £50k overall. Improving internal temperatures reduces the risk of respiratory and cardiovascular conditions associated with low temperatures especially amongst the elderly and vulnerable people. As part of the scheme 14 bin yards were also improved helping to improve the street scene and collection of waste.

- The Government, via its Get Building Fund (GBF) has provided a grant of £2.65m towards further work in Holbeck. This will allow a further phase of group repair to complement the previous scheme and extend the number of homes that can be improved. It is proposed that the second phase will aim to improve a further 150 properties in the Receptions. The works will follow on from Holbeck Phase 1 and provide homes with new roofs, windows, doors, rainwater goods, new boundary walls and yards were appropriate as well as external wall insulation to improve the thermal efficiency of people's homes
- In addition to the £2.65m government grant the scheme will also attract Energy Company Obligation funding (ECO) of £0.2m, private sector contributions towards the cost of the works of £0.3M and £0.75m Housing Revenue Account monies (HRA) to allow up to 30 of the Council's properties to be part of the scheme. This provides an overall budget of £3.9m to further improve around 150 homes in the Receptions in Holbeck.

2. Best Council Plan Implications (click [here](#) for the latest version of the Best Council Plan)

- The investment in the area has contributed to providing homes of the right quality, type and affordability in the right places and minimising homelessness
- This way of working in the area contributes to keeping people safe from harm and promotes community respect and resilience.
- Contributes to tackling poverty helping everyone benefit from the economy to their full potential.
- Helps to reduce health inequalities and supporting active lifestyles.

3. Resource Implications

- The scheme will be managed by Housing Leeds and resources have been identified within this service to deliver the scheme.
- The contractor will be procured via the Better Homes Yorkshire Framework which has been approved for such type of works.

Recommendations

- a) Executive Board are requested:
- b) To authorise the injection into the capital programme of £3.9m of which £2.65m is secured funding from the Leeds City Region via a Government grant from the GBF, £1.25m from HRA, ECO, and private sector owners' contributions
- c) To designate management of the project and subsequent approvals to the Director of Resources and Housing.

1. Purpose of this Report

- 1.1 The purpose of this report is to request the Executive Board to authorise the injection of £3.9m into the capital programme for Holbeck Group Repair Phase 2. This total includes £2.65m from the Government's GBF, £1.25m from private sector contributions, ECO and the HRA.

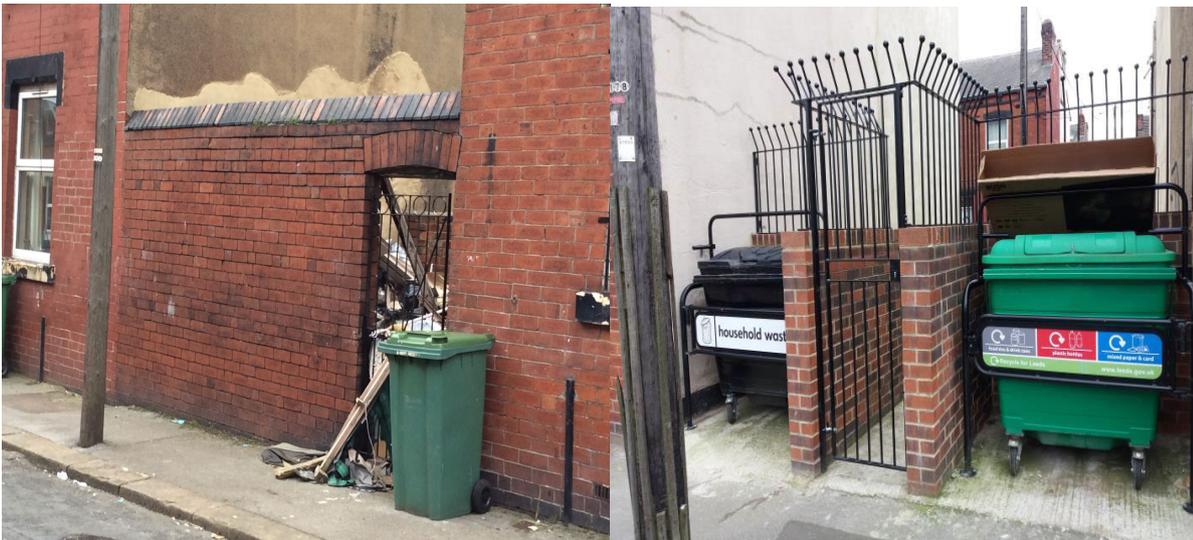
- 1.2 To request the Executive Board designates the management of the project and subsequent approvals to the Director of Resources and Housing.

2. Background Information

- 2.1 Holbeck is strategically important to the Council. Despite being approximately only a mile from the city centre, the area has continued to rank as one of the most deprived in the city.
- 2.2 Holbeck has benefited from significant investment in recent years. The Beeston Hill and Holbeck PFI scheme refurbished over 1500 homes and delivered 345 new Council properties. Unity HA have completed the development of 42 new homes on the Brown Lane East/Top Moor Side. Whilst significant, the investment was centred on the social housing sector leaving serious issues and poor quality homes predominately in the private rented sector and the pre 1919 stock. Out of the 1200 homes targeted in the defined area, over 60% are in the private rental sector.
- 2.3 The Recreations area of Holbeck, was ranked in the worst 1% in the country for the Index of Multiple Deprivation 2015 (ranked 37th worst of over 32,000 similarly sized neighbourhoods in England), unemployment was over 40% and poverty at 41%, including high levels of child poverty, which at 56% is double the city average as well as strong indicators of poor health, issues of crime and social isolation.
- 2.4 Despite the problems, there is a strong local community which has developed its own Neighbourhood Plan, which has clear ambitions to continue to work to improve the local area, to support regeneration and to develop connections to the city's longer term ambitions for the South Bank and city centre. The connectivity to these areas provides a real opportunity for Holbeck to develop the physical, social and economic connectivity between the city centre and Holbeck.
- 2.5 In November 2017 Executive Board approved a report, Locality Working - Tackling Poverty and Reducing Inequalities. This identified the Recreations area of Holbeck as one of 6 priority neighbourhoods in the city. These areas are in the worst 1% of lower super output areas in the country and were identified for concerted activity to secure improvements for residents.
- 2.6 Prior to that approval in November 2016 the Executive Board allocated a capital investment of £4.5m to undertake group repair work phase 1 to properties in the Recreations. The scheme was to provide new roofs, windows, doors, yards and walls, as well as external wall insulation to improve the thermal efficiency of the pre 1919 solid wall stock in the area.
- 2.7 Holbeck Group Repair Phase 1 improved 153 properties in the Recreations, improving their thermal efficiency from a SAP rating of F/G to a B/C, increasing internal wall temperatures from as low as 12^oc to over 18^oc and saving an estimated 1450 tonnes of CO2 per annum. It has helped to reduce fuel costs by an estimated 25/30% or around £350/400 per annum. This equates to an annual saving to the community of around £50k overall. Improving internal temperature reduces the risk of respiratory and cardiovascular conditions associated with low temperatures in the home affecting health especially amongst the elderly and vulnerable people.
- 2.8 The scheme also made improvements to 14 bin yards linked to the homes, which removed individual bins off the streets, increased recycling rates, reduced fly tipping and greatly improved the street scene.

- 2.9 The Government, as part of its GBF, has provided £2.65m towards a further phase of group repair in Holbeck. This will allow further works to be undertaken in the Receptions to compliment the previous scheme and the work being undertaken as part of the Council's Locality Agenda.
- 2.10 The photographs below show the improvements in the housing conditions as a result of the investment made in the group repair scheme and to the bin yard areas:





3. Main Issues

- 3.1 Holbeck is a priority area for the Council under its Locality Agenda, being one of the most deprived areas in the city based on the IMD data. The community, Council and partners have and continue to invest in the area as part of the ongoing work to make a difference to people's lives and ensure that everyone benefits from the prosperity of the city.
- 3.2 The Government has provided £2.65m to allow further improvements to Holbeck. This grant has been made available via its GBF and required works to be completed by March 2022.
- 3.3 The grant will also allow other funding to be levered into further enhance the budget available. In addition £0.2m ECO will be available due to the scheme undertaking energy efficiency work. As part of the scheme owners may have to pay a contribution towards the cost of the works to their properties. For landlords this is 25% of eligible works and for owner/occupiers this could be free or up to a maximum 25% of the costs based on a test of resources. Based on previous schemes this sum is estimated to be £0.3m.
- 3.4 There are potentially 30 Leeds City Council homes in the proposed target area. These will be included in the scheme, based on which blocks sign up to the works to maximise the regeneration to ensure that we make a difference to the area and shows the Council's commitment to improvement. This will attract £0.75m in funding. Any of our homes which do not receive these works will be included in another external wall insulation scheme to ensure they still receive improvements to their homes.
- 3.5 Other than the HRA, funding is external to the Council and does not require additional Council funds to support the scheme.
- 3.6 Overall this will provide a budget of up to £3.9m to invest in the area. The funding will allow the Council to continue works to improve around a further 150 properties in the Recreations in Holbeck. It will continue on from Holbeck Group Repair Phase 1 which saw 153 homes being improved and the lives of those living in them improved as well as contributing to overall regeneration of the area.

- 3.7 The Government grant is being administered by the Leeds City Region. They are currently undertaking their approval process which will allow funding agreements to be agreed and signed.
- 3.8 The Contractor will be procured via the Better Homes Yorkshire Framework agreement. This framework was procured regionally using an OJEU compliant route to allow the delivery of energy efficiency works and work to attract additional funding such as Energy Company Obligation money. The terms of the framework cover the works proposed in Holbeck allowing the appointment of the Contractor via this mechanism. This will allow works to commence in Holbeck with a minimum lead in period. As part of the contract local labour clauses will be included to ensure that wherever possible local labour and supply chains are used. There will also be an expectation for training opportunities to be provided as part of the scheme
- 3.9 The investment will contribute further improvements to Holbeck with the aim of delivering similar outcomes to Phase 1 by improving people's homes but also making a difference to their lives.

4. Corporate Considerations

4.1 Consultation and Engagement

- 4.1.1 As part of the overall works and projects to address issues in Holbeck there has been considerable engagement with the Community and Ward Members. There has also been a nationally recognised Neighbourhood Plan developed by the Community to support the overall aim of improving the area for everyone who lives there. There has been and continues to be considerable consultation with the Holbeck community as well as stakeholders such as landlords via the local landlord forum.
- 4.1.2 Ward members have been consulted on the proposal and support a further phase of group repair in Holbeck.
- 4.1.3 Those affected by the second phase of group repair will be consulted directly individually to discuss the scheme, how it affects them, what the scheme offers and the costs involved.

4.2 Equality and Diversity / Cohesion and Integration

- 4.2.1 A full Equality, Diversity, Cohesion and Integration Assessment for Group Repair Schemes has been completed for group repair schemes in the city
- 4.2.2 The assessments concluded that the investment would have a positive impact on the health and wellbeing of the residents living in Holbeck, allowing owners to reduce hazards, improve their homes and reduce fuel poverty via thermal improvements to properties.

4.3 Council Policies and Best Council Plan

- 4.3.1 By targeting an area with some of the poorest housing and most deprived communities, the scheme has contributed too many of the Council's key priorities. The initiative contributes to the compassionate city agenda, improving housing and health, providing employment and training opportunities as well as improving the neighbourhood for those living in Holbeck.

Climate Emergency

- 4.3.2 A significant challenge for the reduction in the city's carbon footprint is housing. The private rented and owner occupied sector, where the current influence of the council is small, is a challenge for the Council. The Council has demonstrated through the Cross Green and Holbeck schemes that dramatic improvements to energy efficiency can be accomplished by enveloping pre 1919 stock, shifting energy ratings from F/G to B/C.
- 4.3.3 The Group Repair Schemes have and will help with issues affecting the climate:
- Better quality homes and standards will help to reduce energy consumption
 - Education of both residents/tenants and landlords to help reduce waste and improve recycling in the area
 - Better engagement with landlords to improve education specifically around the changing energy legislation requirements which affect the sector
 - By investing in improved and more energy efficient homes via the capital investment has helped to reduce energy consumption by an estimated 1450 tonnes of CO2 per annum.
 - Create employment and training opportunities within the green energy sector
 - Improve the EPC rating of building to EPC B/C helping to contribute to the carbon saving target of properties by 2030
 - Improving the life span of the existing housing stock so preventing the carbon footprint of demolition and new build.

4.4 Resources and Value for Money

- 4.4.1 The project will be delivered by Housing Leeds who have experience of such schemes. Officers across the service have the requisite knowledge and skills sets to deliver such a scheme
- 4.4.2 The Contractor will be appointed via the Better Homes Yorkshire Framework to ensure value for money. They have experience of delivering such schemes and dealing with the type of work and way of working required for such a scheme.
- 4.4.3 The Government has provided £2.65m grant funding to cost of the scheme. The remainder of the budget is made up of ECO, private sector contributions and the HRA. There is no requirement for funding from the Council's own capital programme or borrowing other than the HRA.

4.5 Legal Implications, Access to Information, and Call-In

- 4.5.1 The report is eligible for call-in.
- 4.5.2 The investment in properties was possible due to the Council's Private Sector Housing Assistance Policy which allows the offer of financial assistance to private owners and was supported by the general power of competence provided for in Section 1 to 8 of the Localism Act 2011.

4.5.3 The Contractor will be procured using the Better Homes Yorkshire Framework which has been adopted by the Council to support the delivery of such schemes. Procurement of the Contractor to deliver the Group Repair Scheme would be via the Better Homes Yorkshire Framework. This framework was procured regionally using an OJEU compliant route to allow the delivery of energy efficiency works and work to attract additional funding such as Energy Company Obligation money. The terms of the framework covers the works proposed in Holbeck allowing the appointment of the contractor via this mechanism. This will allow works to commence in Holbeck with a minimum lead in period.

4.6 Risk Management

4.6.1 The scheme is subject to its own risk management by officers responsible for delivery of the project. All risks have and continue to be assessed and mitigation and management of the risks identified instigated as required.

4.6.2 The scheme requires private owners to sign up to the works required to their property and may have to pay a contribution towards the works. Landlords are required to pay 25% of eligible costs whereas owner/occupiers have to pay up to 25% but this is subject to a test of resources. The success of the scheme is based on owners, in this case the majority are private landlords, signing up for works to their properties in sufficient numbers to ensure the viability of the scheme as a whole.

4.6.3 The Government grant requires to be spent by March 2022. This is a very tight time scale for the works especially given the need to be on site by January 2021 to ensure that this deadline can be met. There may be a need to work at risk given the need to be on site at this time, the procurement process and the governance arrangements in the Leeds City region in relation to approvals and completion of the various funding agreements. These are due to be completed by early December.

4.6.4 The Government has also announced the Green Homes Grant which allows owners to receive a grant of up to £5k towards the cost of energy works. The grant covers two thirds of the cost up to the maximum £5k. This has not been available to owners during previous schemes and it is not known what, if any, impact it may have on owners signing up to Group Repair.

4.6.5 COVID 19 may impact the ability to deliver depending on local and national circumstances moving forward. This may impact on the ability to deliver the programme, despite specific risk assessments to ensure safe working practises. It may also impact owner's ability and willingness to invest in their homes given the potential future financial uncertainty for people.

5. Conclusion

5.1 Holbeck has shown that by working with the community, partners, all housing providers, social and private, it is possible to make a positive difference to people's lives. The Council and others have invested time and money into the area as part of the Locality Agenda.

5.2 The Government grant allows further investment in the housing stock to address issues of disrepair and energy efficiency. This will contribute to better warmer homes, reduced fuel costs and carbon emissions, help to save people money and improve their health and wellbeing.

5.3 The investment of £3.9m made up of the grant, ECO, private sector contributions and the HRA will allow around a further 150 properties to be improved. Whilst the

deadline of March 2022 for completion is a challenge, the Council has considerable experience in delivering such projects to ensure that lives are made better for those living in one of the more deprived neighbourhoods in the city.

6. Recommendations

6.1 Executive Board are requested to:

6.2 To authorise the injection into the capital programme of £3.9m of which £2.65m is secured funding from the Leeds City Region via Government GBF, £1.25m from HRA, Energy Company contributions and private sector owners' contributions

6.3 To designate management of the project to the Director of Resources and Housing

7. Background Documents¹

None

¹ The background documents listed in this section are available to download from the Council's website, unless they contain confidential or exempt information. The list of background documents does not include published works.