



City and County of Swansea

Notice of Meeting

You are invited to attend a Meeting of the

Economy, Environment & Infrastructure Policy Development Committee

At: Remotely via Microsoft Teams

On: Thursday, 18 March 2021

Time: 2.00 pm

Chair: Councillor Cyril Anderson

Membership:

Councillors: J E Burtonshaw, P Downing, P R Hood-Williams, P K Jones, M A Langstone, W G Lewis, P Lloyd, P M Matthews and T M White

Watch Online: <http://bit.ly/2PqFj3L>

Agenda

	Page No.
1 Apologies for Absence.	
2 To receive Disclosures of Personal & Prejudicial Interests from Members. www.swansea.gov.uk/disclosuresofinterests	
3 Minutes: To approve & sign the Minutes of the previous meeting(s) as a correct record.	1 - 8
4 More Homes Strategy and Decarbonisation of Existing Housing Stock.	9 - 55
5 Work Plan 2020-2022.	56 - 57

Next Meeting: Thursday, 22 April 2021 at 2.00 pm

A handwritten signature in black ink that reads 'Huw Evans'.

Huw Evans
Head of Democratic Services
Friday, 12 March 2021

Contact: Democratic Services - Tel: (01792) 636923

Agenda Item 3



City and County of Swansea

Minutes of the **Economy, Environment & Infrastructure Policy Development Committee**

Remotely via Microsoft Teams

Thursday, 18 February 2021 at 2.00 pm

Present: Councillor C Anderson (Chair) Presided

Councillor(s)

J E Burtonshaw
P K Jones
P Lloyd

Councillor(s)

P Downing
M A Langstone
P M Matthews

Councillor(s)

P R Hood-Williams
W G Lewis
T M White

Officer(s)

Caritas Adere
Phil Holmes
Clare James
Paul Relf
Samantha Woon

Senior Lawyer
Head of Planning & City Regeneration
Economic Development Manager
Economic Development & External Funding Manager
Democratic Services Officer

Apologies for Absence

Martin Nicholls – Director of Place

22 To receive Disclosures of Personal & Prejudicial Interests from Members.

In accordance with the Code of Conduct adopted by the City and County of Swansea, the following interest was declared:

- 1) Councillor J E Burtonshaw declared a Personal Interest in Minute 24 “Economic Recovery Action Plan”.

23 Minutes:

Resolved that the Minutes of the Economy, Environment and Infrastructure Policy Development Committee on 21 January, 2021, be approved as a correct record.

24 Economic Recovery Action Plan.

The Head of Planning and City Regeneration, assisted by the Economic Development and External Funding Manager, provided an update on the Council’s Economic Recovery Action Plan.

Members’ noted the impact of the COVID 19 pandemic and the economic recovery forecast, specifically the UK Economy Beyond Coronavirus: UK Powerhouse report published by Irwin Mitchell and the Centre for Economics and Business Research at

the end of November 2020, listed Swansea as the sixth placed UK City in terms of employment growth in 2021, with 8.1% year-on-year growth projected by the end of the year.

The major strategic projects such as the Copr Bay phases 1 and 2, 71-72 The Kingsway, the regeneration of the Hafod Copperworks and the restoration of the Palace theatre had progressed at pace despite the pandemic. They were providing visible signs of confidence in the City, raising the profile of Swansea as a business location and when completed would create employment opportunities and economic growth.

Funding through the Welsh Government Transforming Towns initiative was enabling vacant buildings, such as the Kings Building in the City Centre and St Johns Church in Morriston, to be brought back into use to provide commercial floorspace and new homes, and the re-imaging Wind Street scheme would create a family friendly, high quality environment and make the street more attractive for businesses who wished to trade outdoors.

The Council was continuing to support rural communities and the local fishing industry through the Rural Development Programme and Swansea Bay Fisheries Local Action Group respectively. Through Crowdfund Swansea, community organisations can secure funding for new community projects, with 11 schemes already attaining their funding goal during rounds 1 and 2, resulting in £112,837 of projects underway. Community groups and local residents have now been invited to put their ideas forward for the 3rd funding round.

Local employability projects such as Workways+, Communities for Work, Swansea Short Term Unemployed project, Cam Nesa and Communities for Work Plus continue to support local people to overcome their barriers to employment and training. In addition, the Council's Beyond Bricks & Mortar initiative continued to generate employment and training opportunities for local people, with nearly 3,000 targeted recruitment and training weeks achieved since April 2020.

The Economic Recovery Action Plan specifically references the support for the Tourism, Leisure, Events and Hospitality sectors - sectors that had been hit the hardest, being the first businesses to close and definitely some of the last to open during the imposing and lifting of restrictions in 2020/21. The hospitality sector alone employed thousands locally - both directly and indirectly. A return to business as usual as soon as possible was vital for these sectors.

The Economic Recovery Action Plan sets out the additional actions the Regeneration Swansea Partnership had identified that were needed to take to support businesses, support individuals and improve resilience of the local economy in light of the pandemic. This Action plan complements the programmes and projects that were already underway pre-Covid 19, and is drawing in funding and resources from Swansea Council, Welsh Government and other partners. The economic recovery action plan expands on the Council's wider Covid Recovery Plan.

The Economic Recovery Plan was last presented to the Policy Development Committee in November 2020 and delivery of the plan has continued since then. Progress included:

- Over £1m of Welsh Government Transforming Towns grant funding allocated to local businesses through the Premises Outdoor Adaptions Grant, to support local businesses to adapt to social distancing requirements.
- Continuing to administer Welsh Government covid-19 financial support to local businesses through schemes such as the Firebreak discretionary grant, Restrictions grant, cultural freelancer grant and start up grant.
- Recruitment of new business development officers to deliver a new start up and enterprise service
- Launch of a county wide Shop Local Shop Swansea campaign in November, with further publicity planned once restrictions ease
- Kickstart bid approved by the Department of Work & Pensions. Internal and external work placements have been set up and the scheme is live.
- Initial budget confirmed for small start-up bursaries to support business starts/ self-employment
- Commissioning the preparation of new Regional Economic Delivery Plan for South West Wales, to complement the South West Wales Regional Economic Framework being produced by the Welsh Government.
- We continue to support the tourism and cultural sectors by engaging with our customers and supporting businesses. We will continue to liaise with other departments to assist with the dissemination of grants across all sectors.

Members' noted the Economic Recovery Action Plan continued to evolve to respond to changing economic circumstances. A full copy of the latest working document was included in Appendix A.

In response to Members questions, Officers stated that:

- 1) There is currently significant provision in place with initiatives such as Beyond Bricks and Mortar and the Kick Start Programme for apprenticeships and new job opportunities. The Kick Start Programme offered 100 placements across private sector with local employers and the initial bid had secured 69 placements. Bids for a further 22 placements will be made. Internal placements within the council targeted at 16-24 year olds are also being examined. Other initiatives include Communities for Work and Start up Bursaries. The creation of Business Development posts within the Council will serve to support this process. Discussions are taking place with the Welsh Government at regional level regarding alternative ways we can implement further approaches in the coming months to get more support into the start up.
- 2) Progress will be monitored in relation to regional working with partners with the development of a strategic vision and framework for the region. This will be underpinned by the delivery plan with a monitoring framework attached and performance measures. This will take the form of a strategic version of the action plan which will require flexibility to respond to challenges.

- 3) Transforming towns is now the banner for the Welsh Government Regeneration Programmes. Several initiatives encompass that, such as the Town Centre Loan Fund which is a zero interest loan. Other initiatives include the Property Enhancement Development Grant and Sustainable Living Grant, for new commercial space above shops to be utilized as accommodation. A separate pot of money had been added from regional underspends to help create the Outdoor Adaptions Grant within the Property Enhancements Grant. Both are separate grants with different budgets. A further £5m had been secured for the Town Centre Loan for the private sector, which is primarily City Centre based. However, permission was granted to go outside the City Centre with the Outdoor Adaption Grant which had benefitted approximately 230 businesses.
- 4) The Outdoor Adaptations Grant is now closed, however, the Council have pooled an average of £1.2 to £1.4m, approximately £600 per allocation. All award letters have been despatched and claims are coming in from businesses. It is anticipated that a new Scheme will be introduced from 1 April which will enable the Council to restart the Scheme in the financial year. Grants not taken up will go back into the Property Enhancement Grant. The Council always overcommit so that the grants are maximised try best to ensure funding is allocated. Community Councils are permitted to make applications on behalf of businesses.
- 5) The Kickstart initiative offers short term funding for a 6 month job placement. However, there are more opportunities to reapply.
- 6) The UK Powerhouse Report published by Irwin Mitchell and the Centre for Economics and Business Research forecast Swansea's economy at 8.1% growth in job growth and recovery in the latter part of 2021. This forecast placed Swansea as sixth placed UK City in terms of employment growth. Whilst this is a pleasing forecast, circumstances can change for better or worse. The analysis may have encompassed Swansea having a strong representation of 37% of the economy deriving from public sector, which has provided resilience during the COVID crisis. Furthermore, the service sector dominates the economy. Swansea's lower percentage of manufacturing jobs than other parts of UK can protect against the implications of Brexit in so far as difficulties with exports. There are a vast variety of issues that could have been measured when producing this forecast, not least Swansea's regeneration programme, specifically the investment in the City Deal. Additionally, Swansea is successful in both the University and IT sector, sustaining jobs via the Outdoor Grants Scheme has been paramount in ensuring business are able to retain staff.
- 7) Individuals on or returning from Furlow are still classed as employed.
- 8) Rural development is being examined.
- 9) With regard to the algorithm component of the Tourism Aims, Officers will gather further information and report back to the Committee.

- 10) Commercial shopping centres are being piloted (in Morriston and to a smaller degree in Clydach. Data gathered from the Morriston pilot will be used as a scoping project with a view to developing a broader action plan for other areas.
- 11) 'Allotments in Swansea' now have responsibility for the management of allotments in Swansea.
- 12) Officers will have due regard to the recommendations of the Tourism Scrutiny Panel (made some 18 months ago) regarding eco tourism in terms of developments within the Tourism Industry.

The Chair thanked Officers for their informative report. It was noted that the Economic Recovery Plan would be considered by Cabinet within the next month.

Resolved that:

- 1) The report be noted.
- 2) A further update report be submitted to the Committee in May/June 2021.
- 3) The report is to include details of number of organisations benefitting from finance raised from grants in respect of the Transforming Towns and PEDG and details of the tourism algorithm.

25 What can the Council do to encourage more shops and support High Street Regeneration?

The Head of Planning and City Regeneration assisted by the Economic Development and External Funding Manager presented an update on actions being undertaken to encourage more shops and support High Street Regeneration.

The historic origin of Swansea High Street was detailed along with the changing business models which have had an impact on the area.

The Economic Recovery Plan sets out the range of initiatives that form the wider package of support needed for both the core retailing streets of the City Centre and the ancillary zones such as High Street. This applies equally to our district high streets. For High Street Swansea, a range of programmes are already being deployed through the Transforming Towns package of measures including property enhancement grant for new commercial space and 'homes above shops' funding to release vacant upper floors for market housing. The Palace Theatre, as per the existing Swansea Central Area Regeneration Framework is the catalyst building for upper High Street, with the refurbishment works tender now out to advert. The range of measures in hand is extensive, and set out in detail with timescales in the Economic Recovery Plan. A selection of these relevant to the High Street question includes:

- Support businesses to adapt to outdoor trading/social distancing through delivery of Transforming Towns (TT) Premises Outdoor Adaption Grant (POAG) in city and district centres.

- Explore potential for pop up activity (food related, cinema, cultural events etc) in city and district centres and the beachfront.
- Explore potential for repurposing indoor vacant space (retail, leisure, commercial) for meanwhile uses to support growth and sustainability of new and existing business.
- Accelerate investment in private rented/ owned city centre living
- Administration of WG Covid-19 financial support grants for local businesses.
- Multi-hub start-up and enterprise service.
- Small scale business grants (capital and revenue) to support new business starts.
- Shop local Shop Swansea campaign to support local businesses.
- Provision of low cost, flexible business premises (office, retail, leisure) on easy access terms to make it easier to start up a new business.
- Continuing to provide modern, flexible floorspace and co-working space to accommodate new and growing businesses.
- Develop local hub concept.
- Increase support for business start-up and growth.
- Food incubator units for new start ups.
- Business pathway tool kit – online resources.
- Extend and adapt employability provision to continue supporting clients, including those who are newly unemployed.
- Utilise labour market and business intelligence gained through the delivery of programmes, networks and business development function to identify vacancy trends and skills needs to help shape service delivery and create career pathways.
- Dedicated resource to support self-employment/ entrepreneurship.
- Establish small start-up bursaries to support business starts/ self-employment.
- Promote green infrastructure investment through delivery of the pilot Green Infrastructure schemes.

The Recovery Plan actions are in progress and being delivered, adapting as more is learned about emerging trends and requirements. Key points particularly relevant of High Street regeneration includes:

- Grant funding allocated to local businesses through the Premises Outdoor Adaptions Grant, to support local businesses to adapt to social distancing requirements.
- Continuing to administer Welsh Government covid-19 financial support to local businesses through schemes such as the Firebreak discretionary grant, Restrictions grant, cultural freelancer grant and start up grant.
- Recruitment of new business development officers to deliver a new start up and enterprise service.
- Launch of a county wide Shop Local Shop Swansea campaign in November, with further publicity planned once restrictions ease.
- Kickstart bid approved by the Department of Work & Pensions. Internal and external work placements have been set up and the scheme is live.
- Initial budget confirmed for small start-up bursaries to support business starts/ self employment.

The Dyfatty Community Hub proposals around the vacant shop units presents a great opportunity to locate and test these approaches working closely with all relevant support services and providing a real opportunity to act as enablers in giving local people in particular the tools they need to strengthen the community and generate positive micro-business opportunities. The key is integration of these activities – no one sector or area of work has all the answers, but the opportunity to create a positive and cost-effective environment to enable people to realise their own futures is real, with a holistic package of support available at the same time at the right time.

As outlined above the report highlights positive progress as part of the overall recovery and how these actions can specifically assist in the regeneration of High Street.

In response to Member questions, the Officer stated that:

- 1) The regeneration of Upper High Street (especially Dyfatty) does include inputs from the Housing Department. Officers will include more detail of work development in a further update report to the Committee.
- 2) The Council can influence the programme by approaching businesses with poor shop frontages. The pilot being undertaken in Morryston gives an indication of costs, what materials are appropriate, how much they cost, value for money etc. It is acknowledged when funds are tight, businesses may not make shop frontages a top priority. However, property enhancement grants can be used alongside the town centre loan which is beneficial to businesses. It must be noted that each property is individual with a unique identity, however, the Council are focussing on quality of the materials, consistency and design standards.
- 3) Issues of owner engagement arise when the property is owned by a third party who does not have a relationship with Swansea. The Council does have the power of entry, however, this must be justified. The Council has previously worked with BID to get interaction with those owners who do not engage. Initiatives have included vinyls on windows and 'meanwhile' uses which will help with business rates. Welsh Government training has assisted in exploring options that may exist to try and force hand of owners using powers such as compulsory purchase orders (although this is used as a last resort) where the property is detrimental on street scene. The Council does need to examine these powers with a view to deploying them in the future. An analysis of ownership of High Street indicated that there are a small number of properties in this category. The majority have plans for refurbishment and re-use or demolition for development.

The Chair thanked Officers for their informative report.

Resolved that:

- 1) The report be noted.
- 2) An update report be submitted to the Committee in May/June 2021 with the Economy Recovery Plan.

26 Work Plan 2020 - 2022.

The Democratic Services Officer presented the work plan.

Resolved that:

- 1) The work plan be noted.
- 2) More Homes Housing and De-carbonisation be considered at the meeting on 18 March, 2021.

The meeting ended at 2.49 pm

Chair

Agenda Item 4



Report of the Head of Housing and Public Health

Economy, Environment & Infrastructure Policy Development Committee
18 March 2021

More Homes Strategy and Decarbonisation of Existing Housing Stock

Purpose:	To outline the More Homes Strategy and the emerging development programme for new council homes funded by the Housing Revenue Account (HRA). The report outlines current progress and future aspirations for the Council's development programme. The report also outlines progress in achieving Welsh Housing Quality Standard, the approach to decarbonise the existing Council Housing stock, and to highlight the pilot schemes being designed to test principles and inform the future strategy.
Policy Framework:	More Homes Strategy, Local Housing Strategy, HRA Business Plan
Consultation:	Access to Services, Finance, Legal.
Recommendation(s):	That the PDC note the contents of the report and confirm that the current policy context continues to be appropriate as the council develops its decarbonisation strategy of its housing stock
Report Author:	Carol Morgan/Dave Meyrick
Finance Officer:	Ben Smith
Legal Officer:	Debbie Smith
Access to Services Officer:	Rhian Millar

1. Introduction

- 1.1 As well as investing just under £500m in improving its existing housing stock to ensure that homes meet the Welsh Housing Quality Standard (WHQS), the Council also has a clear ambition to deliver more affordable

housing in Swansea. Welsh Government (WG) set a target to deliver 20000 affordable homes in Wales, as well as a commitment to decarbonise the existing housing stock by 2030. This report sets out journey and challenges of delivering programmes to increase the supply of new affordable housing, and improve the energy efficiency of the Council's existing stock of over 13000 homes.

2. Background to More Homes Strategy

- 2.1 Since Council agreed the More Homes Strategy in 2016, the Council has been building capacity to maximise the number of new affordable homes that can be delivered to help meet the growing shortage across the city. The initial More Homes Development Plan, which was agreed by Cabinet in February 2019, set out short term plans to build 142 new council houses up to 2023.
- 2.2 Following the removal of the Housing Revenue Account (HRA) borrowing cap in 2020, Cabinet subsequently approved a report which recommended that additional borrowing of up to £180m was utilised to increase the Council housing stock by an additional 1000 properties in the 10 years from April 2021. This would make a significant contribution to the overall ambition to deliver 5000 new affordable homes.

3. More Homes Specification – The Swansea Standard

- 3.1 The first More Homes scheme was completed in 2018 at Colliers Way. This first pilot scheme was an 18 unit development of pasivhaus homes. Following this scheme, the Council then developed its own Swansea Standard for new build housing. The Swansea Standard is a Fabric First approach, which uses key principles of passivhaus design, in maximizing solar gain through orientation, incorporating high performance triple glazed windows, high levels of mass insulation, no thermal bridging, and extremely high levels of airtightness with a target of 4 air changes per minute.
- 3.2 This Swansea Standard can be combined with innovative and renewable technologies. The Council has been very successful in the Welsh Government's Innovative Housing Programme (IHP), and has secured funding in all four rounds to date. This funding is being used to include renewables on top of the Swansea Standard, to Homes as Power Stations (HAPS) specification. These homes will have Ground Source Heat Pumps (GSHPs), PV solar roofs, battery storage and Mechanical Ventilation Heat Recovery (MVHR) Systems, and will be able to store and use their own energy. By the end of 2022, the Council will have built 75 HAPS through the IHP funding scheme.

4. Completed schemes and current activity

- 4.1 The current and planned schemes for the More Homes programme is outlined below.

Scheme Name	Total number of homes	Progress
Colliers Way Phase 1	18	Completed
Parc Yr Helyg	16	Completed
Colliers Way Phase 2	18	Completion April 21
Acacia Road Acquisition and Works	2	Completed
Hillview and Beaconsview	25	On site
The Circle	6	Scheme commencement April 21
Creswell Road	10	Scheme commencement Oct 21
Bryn House	8	On site – completion Sept 21
Ffordd y Brain Conversion	3	Scheme commencement May 21
Heol Dynys	20	Jan 22
Acquisitions 18/19	3	Completed 18/19
Acquisitions 19/20	8	Completed 19/20
Acquisitions 20/21	28	Completed by March 31 st 2021
Total new units of accommodation		165

5. Future schemes and Planned Activity

- 5.1 The HRA is currently developing a framework to develop larger sites for mixed tenure development including market sale and shared ownership. The project is split into 2 distinct phases –the valuation and viability work on the sites, and the procurement of a partner to develop the agreed programme. This work is ongoing. This project also includes the potential for the HRA to acquire sites from the General Fund. A Cabinet report in the first half of 2021 will set out the details of the sites to be acquired, the valuations and the appropriation timescales. It is hoped that the framework will be launched in October and that the first sites or batch of sites can be marketed shortly after this.
- 5.2 A 10 year programme is also being developed for the direct development route with Building Services. This will ensure that there is a supply of schemes which will enable the Council to ensure that the appropriate level

of resources can be planned for. This will include developing skills of existing workforce and new training and apprentice opportunities. This programme will also include general fund sites that can be appropriated to the HRA.

- 5.3 A corporate group has been set up to support the Council's development programmes with the aim of shortening the overall process to speed up delivery. The group has achieved a number of quick wins, and has already achieved a one council approach to ensure that teams work together and understand each other's roles and responsibilities. This work is continuing at pace and aims to have a supply of shovel ready schemes that can be brought forward when required. This will also allow the Council to be better prepared to bid for WG funding opportunities at short notice.
- 5.4 WG have also produced a draft HRA Guidance Manual which sets out the tenures of housing products that can be delivered through the HRA. Further to further clarification and final publication, it suggests that the HRA can directly develop homes for market sale and shared ownership, without the need for a partner. This will be something that will need to be clarified and explored in greater detail following publication of the final HRA Guidance Manual
- 5.5 The Council has also commissioned a masterplan for the regeneration of Heol Emrys and Tudno Place. This will also likely include an element of new build housing. There are also plans to explore options to deliver new housing on vacant land following the refurbishment of the Griffith John Street area. Both these schemes, along with other infill areas will be considered for development to contribute to the overall target and increase supply.
- 5.6 Partnerships and collaboration will also be a factor in WG determining grant awards. It is likely that the HRA may be able to deliver larger sites on public or private land by working in partnership with regionally zoned Registered Social Landlords. All such opportunities will be explored to ensure full contribution to the development plan.
- 5.7 Monitoring and Evaluation of schemes, especially renewable technology is a key element of funding requirement and learning lessons. The Welsh School of Architecture (WSA) are monitoring all the schemes build by the Council so far. The results will tell us how the comfortable the homes are, how energy efficient they are, and how the technologies work. This will help us work with residents to ensure that they can maximise the potential savings they can make. We are also working with WSA to ensure that our new build standards are as near zero carbon as possible, and what we can do to improve this on a scheme by scheme basis.

6. Background to Welsh Housing Quality Standard (WHQS) and Decarbonisation

- 6.1 The council has been undertaking energy efficiency improvements to its existing social housing stock for almost 20 years to meet the requirements of the existing Welsh Housing Quality Standard (WHQS).
- 6.2 Central government has introduced a far reaching national policy agenda to reduce greenhouse gases to make the UK carbon net zero by 2050. This will require the council to invest in further energy efficiency programmes to achieve new decarbonisation targets.
- 6.3 Improvement of residential housing will make a significant contribution to meeting National & Welsh Government policy objectives, by making existing buildings more energy efficient using a combination of building fabric improvements and incorporating renewable technologies to provide low carbon power and heating solutions.
- 6.4 The decarbonisation agenda has and will continue to provide exciting opportunities for the Council, its residents and the local economy as a whole to improve homes, quality of life of residents, provide job opportunities and increase prosperity for the region. It will also contribute to the Council's Climate Change ambitions.

7. Past Energy Efficiency Delivery

- 7.1 WHQS guidance was introduced in 2002 and comprises of seven key elements to meet compliance. One of its component requirements is to ensure properties are adequately heated, fuel efficient and well insulated.
- 7.2 A strategy was developed to meet those objectives by using a range of the following measures:
- Installation of high performance combi boilers
 - Improved insulation of retained heating systems
 - Upgrading insulation in attic spaces
 - Installation of double glazed windows and security doors
 - Application of insulated render to external walls
- 7.3 The following chart shows the number of properties where energy efficiency measures capital resource has been allocated.

Work Element	Properties (nr.)	Approx. Average Cost (£)	Approx. Investment (£m)
Combi Boilers	13,040	2,200	28.688
Attic Insulation	7,000	400	2.800
Double Glazed Windows	7,500	3,200	24.000
Security Doors	11,937	600	7.162
Insulated Render	5,959	8,000	47.672
Total (£m)			£110.322

- 7.4 A combination of the above measures has seen the typical SAP rating, which measures the energy efficiency of a property, significantly improve. At the start of the WHQS programme, the average rating was SAP 40, EPC Band E. This increased to SAP 67 Band D in 2020.
- 7.5 Energy efficiency measures undertaken represents approximately one-fifth of the overall WHQS programme expenditure to achieve overall Standard compliance. The main energy efficiency target of average SAP 65, EPC Band D has been achieved across the housing stock.
- 7.6 As the result of the financial investment, tenants have seen the benefit of reduced heat loss and energy bills and homes that are more comfortable to live in. The investment has created economic benefits, providing job and training opportunities and the increased supply chain in the region
- 7.7 The council has a strong record in delivering large scale improvements over the past 20 years in its social housing and this experience will be key in the delivery of the future decarbonisation at scale and pace in the future.

8. Future Decarbonisation Programme - National Policy Development

- 8.1 The UK Committee on Climate Change set out its national policy agenda in May 2019 to reduce greenhouse gases (GHG) emissions net zero by 2050. Welsh Government under its devolved powers is required to reduce its GHG emissions by 95% in the same period.
- 8.2 A report, Better Homes, Better Wales, Better World (BHBWBW), by the Independent Housing Decarbonisation Advisory Group for Wales was published on 18th July 2019, which set out key policy recommendations to WG:
- By 2050 the existing housing stock cross tenure be retrofitted to SAP 92 EPC Band A rating
 - Urgently commence a 10 year programme to prioritise the retrofit decarbonisation of all homes in social ownership in Wales.
- 8.3 The Housing Minister accepted the findings of the report. The Welsh School of Architecture (WSA) were commissioned to carry out a three stage study to challenge the assumptions of BHBWBW, undertake statistical modelling of social housing and develop a toolkit for practitioners to undertake retrofit decarbonisation programmes. The WSA of study was published in August 2020.

9. Welsh Govt. Draft Decarbonisation Policy Proposals

- 9.1 At a Decarbonisation Work Group meeting in September, Welsh Govt announced the following programme timescales and draft policy priorities:

Programme Timescales & Status

- Decarbonisation programme will form part of a proposed revised Welsh Housing Quality Standard (WHQS) introduced on 1st January 2022.
- Draft guidance will be circulated to social housing providers in July/August 2021 for the purposes of consultation and feedback prior to implementation.
- Decarbonisation of social housing in Wales will be a **statutory duty**.
- The deadline to comply with the statutory duty will be 31/12/2030.

Decarbonisation Targets

- The energy efficiency of properties will improve to exceed current Building Regulation requirements. Standard Assessment Procedures (SAP) measures the energy efficiency of a property and the amount of energy it will consume to meet a level of thermal comfort. Under current WHQS requirements the target is SAP 65, Energy Performance Certificate (EPC) Band D. Revised targets will be SAP 92, EPC Band A, which is the highest level of performance.
- The Environmental Impact Rating (EIR) is a measure of the amount of carbon dioxide emitted from a property and is assessed as part of the EPC process. Carbon emissions are not measured under current WHQS, but post 2021, there will be an EIR target rating of 96, which is the highest level of performance to make properties low carbon in use.
- Revised SAP/EIR targets will only be achieved with combination of complete structure fabric upgrades to improve thermal insulation of all elements and use of renewable technologies, at significant capital investment cost
- The revised target will be referred to as **SAP 92/ EIR 96** and the definition of the approach as follows: **Delivering affordable warmth and decarbonisation, by the best balance between fabric measures, technology and grid decarbonisation.**

Intelligent Energy Systems

- Intelligent Energy Systems (IES) are capable of measuring and monitoring a properties temperature, humidity, room use, carbon emissions, electrical load going into space heating, hot water and domestic electrical usage.
- WG see this data as essential to understanding energy use in homes, to evidence the true reduction in levels of carbon emissions.

- WG intend making it mandatory for social landlords to install intelligent energy systems (IES) in to all their homes by the end of 2022/3

Property Passports

- Landlords will be required to develop ‘passports’ for each individual property which will contain a schedule of repairs maintenance and improvements (RMI) to maintain WHQS and work required to achieve decarbonisation targets, including anticipated budget costs.
- Landlords required to model the contribution of each planned improvement to demonstrate that achieves SAP 92/ EIR 96.
- Welsh Govt. have set a target be complete inspections and enter property data for all 13,500 properties by the end of 2022/3 while delivering the decarbonisation programme.

Programme Accreditation

- All future decarbonisation work will require accreditation. PAS 2035 is nationally recognised method of ensure all work is carried out to a consistent high standard. It describes roles and activities required in energy efficiency retrofit programmes, from assessment and modelling, scheme design, co-ordination, through to delivery and evaluation.
- There’s an expectation the Programme Coordinator (project manager of pre and post construction duties) and Installer (contractor) will all be suitably trained and accredited to participate in the programme.

10. Transitional Period – Decarbonisation Pilot Schemes

- 10.1 Since the UK Committee announced in 2019 its zero carbon policy ambition by 2050, officers have collaborated with the Wales School of Architecture to develop pathfinder pilot schemes to help inform and develop a future decarbonisation policy.
- 10.2 Pilot schemes based on the principles the City Deal ‘Houses as Power Stations’ (HAPS) have been researched, designed and delivered to properties in Lon y Felin, Garnswllt and Ffordd Ellen in Craig Cefn Parc (CCP).
- 10.3 The schemes have adopted a whole house retrofit approach which includes complete enhancement of the external fabric and incorporated renewable technologies to achieve the future decarbonisation policy objectives set out in section 9 above.
- 10.4 A summary of the thermal improvements and integrated renewables are as follows:
- Insulated external render

- Increased insulation in attic
- High performance double glazed windows & doors
- PV solar roof panels
- Batteries to store energy generated by PV panels
- Ground or air source heat pumps
- New boiler, hot water storage and radiators
- Heat recovery ventilation system

10.5 Outcomes of the whole house retrofit decarbonisation schemes include:

- SAP12 EPC Band G to SAP 95 EPC Band A
- Energy bills previously £1,300/year, reduced to £410/year
- ASPE award for decarbonisation work to bungalows in CCP

10.6 The experience gained on the pilot schemes will be used on further pathfinder pilots proposed for Garnswllt, Craig Cefn Parc and Felindre in 2021/2.

11. Proposed Future Decarbonisation Strategy

11.1 The current strategy adopted for the retrofit decarbonisation programme is as follows:

- Continue to concentrate resources on the upgrading of building fabric between 2021 – 2025
- Introduce the use of PV solar panels and battery storage to each property for low carbon electricity generation, as part of the fabric improvement programme
- Delay the introduction of main low carbon heating systems until post 2025, to allow sufficient time to allow technology to develop and identify the most appropriate solutions.
- Review the emerging technological solutions by using strongest systems on select low scale pilot schemes to assess and monitor systems in use.
- Ensure decarbonisation measures achieve comfort levels in council homes which are affordable for tenants on low incomes.

12. Future Opportunities, Challenges & Risks for Council

12.1 Opportunities

- Develop the in-house skills, training and resources that council will require to have a seamless transition from existing WHQS compliance to decarbonisation programme.
- Adopt the principles of quality assurance by integrating PAS 2035 into a fully accredited future programme.
- Increase the social benefits delivered under Beyond Bricks and Mortar to provide training opportunities to young people and long term unemployed living in our social housing estates.
- Increase SME contractor capacity in the region to deliver at scale and pace.

- Size of stock holding can provide critical mass required to achieve economies of scale and drive down work costs.
- Develop a whole house approach to decarbonisation where possible to achieve maximum cost savings and least disruption to tenants.
- Work on a regional basis to help develop manufacturing supply chain to create diverse jobs and training in renewable technologies.
- Make use of off-site modern methods of construction to help accelerate programmes
- Research suggests thermal improvements to building fabric reduces energy demand by 63% and reduces carbon emissions by 66%
- Reduce residents fuel bills and fuel poverty
- Make homes more attractive to potential tenants and more comfortable to live in
- Improve residents wellbeing and health by making homes warmer and cheaper to heat and ventilate

12.2 Challenges

- Competing demands and priorities for HRA capital finance in the context of limited borrowing capacity
- Scale of programme that may be more than £350m in a 10 year period
- Staff resources and future in-house training requirements and costs
- Supply chain issues relating to availability of suitably trained workforce and supply of renewable technology could increase costs in an overheated market
- Need to create long term framework contracts to ensure long term delivery plan
- Ensuring staff and resident engagement and buy in to aims and outcomes of the programme delivery
- Renewable technology still emerging and developing so appropriate product selection will be difficult.
- Largest social housing stockholder in Wales so scale of design, procurement and delivery programmes greatest.
- Developing design, procurement and delivery processes to drive down costs to make programme affordable.
- Rolling out programmes to install Intelligent Energy Systems and introduction of Property Passports in less than 18 months in addition to delivering the overall decarbonisation programme

12.3 Risks

- Insufficient budget to deliver a statutory duty by deadline
- Access to future Major Repairs Allowance (MRA) finance from Welsh Govt. likely to linked to programme delivery rather than size of stock
- Cost to deliver decarbonisation programme greater than anticipated by Welsh Govt.
- Overheated market increases costs due to a surge in demand for expertise, materials and technologies.

12.4 There is a clear need and ambition to support the decarbonisation of the existing housing stock whilst also increasing the supply of new affordable homes. The links between these investment programmes and the post pandemic economic recovery are clear to see. There is also a need to recognise the significant costs involved and the potential for competing investment priorities within the HRA business plan. As part of the Council's response to the WG Decarbonisation consultation, strong representations will be made to highlight this issue and request clarity on a WG funding strategy to assist the Council in maximising the potential benefits, but also in meeting the financial challenges these programmes present.

13. Legal Implications

13.1 Any procurement activity necessary to deliver the works, supplies or services necessary to facilitate the schemes referred to in this report must comply with the Council's Contract Procedure Rules and relevant procurement legislation.

14. Financial Implications

14.1 Expenditure is ring fenced to the HRA and will be fully funded by MRA grant from Welsh Government, revenue contributions from the Housing Revenue Account and HRA borrowing and any Welsh Government Funding. There are no financial implications for the Council General Fund.

14.2 The HRA 4 year capital programme was approved by Council on 4 March 2021.

15. Equality and Engagement Implications

15.1 The Council is subject to the Public Sector Equality Duty (Wales) and must, in the exercise of their functions, have due regard to the need to:

- Eliminate unlawful discrimination, harassment and victimisation and other conduct prohibited by the Act.
- Advance equality of opportunity between people who share a protected characteristic and those who do not.
- Foster good relations between people who share a protected characteristic and those who do not.

15.2 Our Equality Impact Assessment process ensures that we have paid due regard to the above. An EIA Screening Form has been completed for each strand of the More Homes, WHQS and HRA Capital programme as part of the decision making and reporting process via Cabinet and Council.

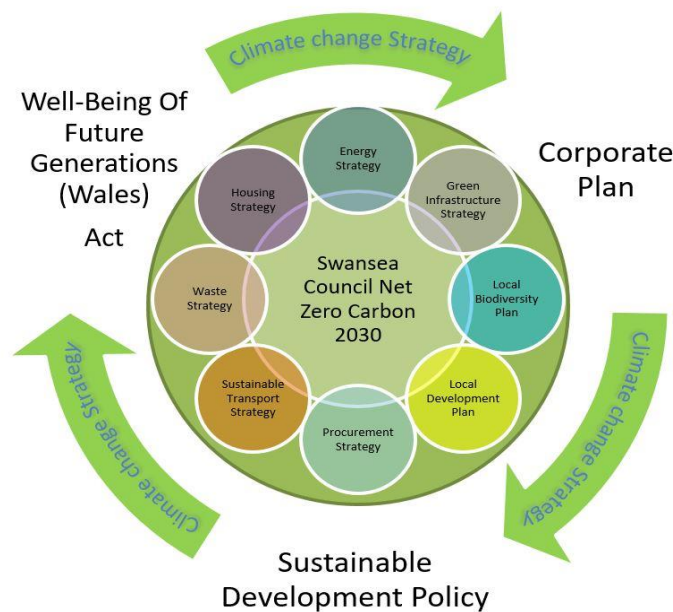
15.3 Delivery of affordable homes, and improving existing homes is a good example of the 5 Ways of Working promoted by the Wellbeing of Future

Generations (Wales) Act 2015 and will make a significant contribution to the 7 well-being goals. It is an example of collaborative working between the public and private sector in a sustainable way resulting in a long term partnership with the objectives of developing homes within the city for the benefit of future generations.

15.4 Increasing the supply of affordable housing, and increasing energy efficiency of the Council's existing housing stock will assist in the regeneration of areas, and stimulating economic growth, addressing issues such as poverty, inequality, jobs and skills which directly contributes to the council's obligations to act in a sustainable way pursuant to the WFGA.

15.5 These projects will also support local SMEs and the circular economy priorities.

15.6 In response to Swansea Council declaring a climate emergency in June 2019, a council wide policy review was undertaken. The key contributors to carbon reduction, including Housing, were chosen to drive a climate change strategy delivery programme board. Both new build and decarbonisation of existing stock will play key roles in achieving both net zero carbon for the council by 2030, and the county wide target of net zero carbon by 2050.



Swansea Council

Building Better Homes & Decarbonising Existing Homes

Page 21



More Homes Project

- 7,400 affordable homes needed (2010 – 2025)
- Initial plan set out delivery of a 4 year Plan to deliver 140 Homes
- Cabinet now agreed a plan to develop 1000 homes over 10 years
- Delivery of small to medium sites by in-house contractor
- Also seeking joint venture or delivery partners for larger mixed tenure sites
- Regeneration schemes in some areas will also include new build
- Acquisitions programme to buy back homes in areas of need or certain property types where there is a shortfall

The More Homes Journey

- Swansea Council has been awarded Innovative Housing Programme Funding in all 4 rounds
- IHP1 - Passivhaus pilot scheme of 18 homes completed in 2018
- IHP2 – 2 schemes 16 and 18 homes developed as Homes as Power Stations as part of pathfinders for the City Deal
- IHP 3 - scheme of 25 x 3 bedroom homes to HAPS specification
- IHP4 – 2 schemes linked to Phase 2 Planning 16 homes
- All schemes are being designed and built by the Council's in house Building Services Team
- Will have delivered over 90 homes through IHP - 18 passivhaus and 75 HAPS





Expected Benefits of Passivhaus

- Lower fuel bills – claim to be 70% more efficient than current regs
- Help to reduce fuel poverty for the occupants
- Prevention of mould, condensation, cold spots
- Positive health impacts on conditions such as eczema, asthmas and allergies or chest conditions
- Managing user expectation and working with residents to gather feedback
- Post occupancy monitoring is being carried out by the Welsh School of Architecture

The Journey towards HAPS

- Following on from it's first new build pilot of 18 pasivhaus homes, the Council has now developed its own Swansea Standard for new build housing.
- The Swansea Standard is a Fabric First approach, 25% improvement on Building Regulations u-values and can be combined with innovative and renewable technologies.
- 2 Schemes were awarded funding in IHP2, funding used to include renewables on top of the Swansea Standard, to Homes as Power Stations specification.
- These homes have Ground Source Heat Pumps (GSHPs), PV solar roofs, battery storage and Mechanical Ventilation Heat Recovery (MVHR) Systems, and will be able store and use their own energy.

The HAPS Concept

- Pathfinder for the City Deal - Homes as Power Stations project which aims to support the building of 3500 new Homes as Power Stations in 5 years across the City Deal region
- Develop a skilled regional supply chain
- Job creation – 19 construction jobs per £1m invested
- Skills / training opportunities created
- Regional supply chain in the renewables sector
- Future-proof tenants against inevitable rising fuel costs
- Carbon reduction targets

Swansea Standard Developments

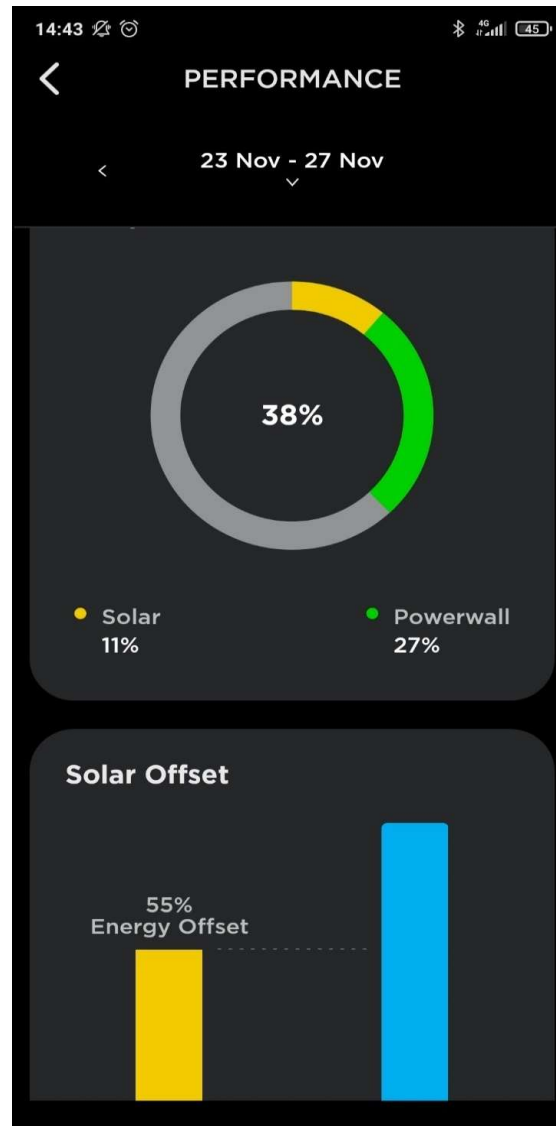
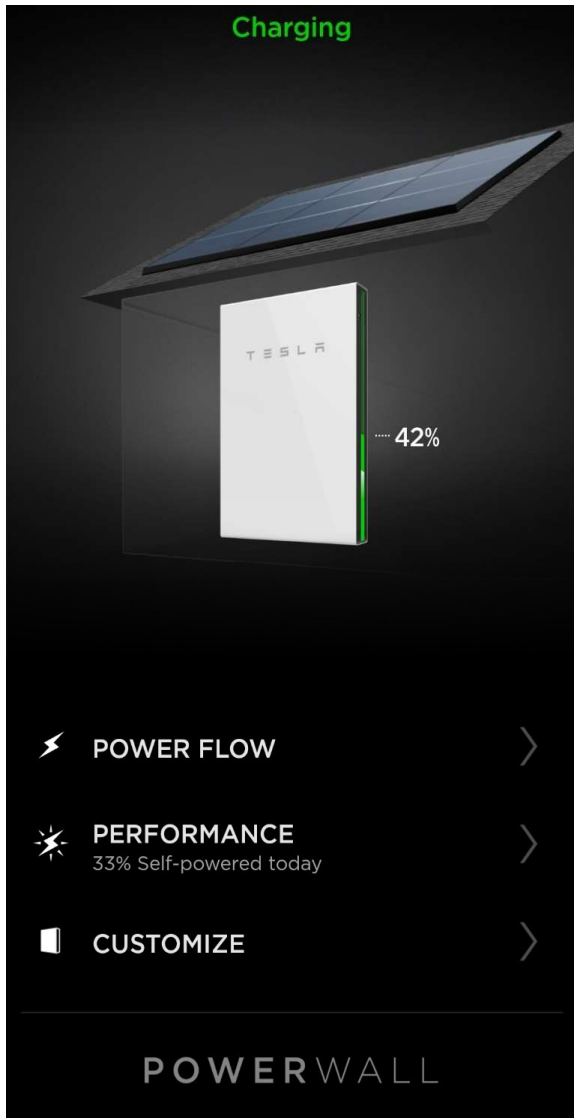


HAPS Technologies



Outcomes

- The projects have been designed to reduce the amount of energy used, for energy to be generated from the sun and for excess energy from the sun to be stored.
- The homes will be totally powered by electricity
- PV panels generate energy during most of the day, which is stored in the battery which provides energy at night, enabling the occupants to be energy self-sufficient for most of the year
- Tenants can monitor use via the Tesla app.
- The post occupancy monitoring will help develop wider understanding of the impact that can be made on comfort, health and fuel poverty, together with energy and carbon savings



Current and Planned Activity

- 16 Homes at Parc Yr Helyg (Ffordd Y Bryn) handed over in Sept 2020
- 2 new homes at Acacia Rd, West Cross handed over Dec 20
- 18 Homes at Colliers Way 2 due for handover April 21
- Conversion of Bryn House to 4 flats and 4 passivhaus MMC pods on site
- 25 new 3 bedroom homes at Hillview on site
- 6 bungalows at West Cross starting in April 21
- 10 new homes at Clase on Creswell and Rheildol

Current and Planned Activity

- 20 acquisitions of 1 bedroom flats
- 3 acquisitions of adapted homes
- Developing a masterplan for the regeneration of Heol Emrys & Tudno Place
- Developing a framework to appoint development partners to build out larger mixed tenure sites
- Looking to acquire land from the General Fund
- Developing a 10 year programme for direct build and partnership delivery

Decarbonising Existing Housing



WHQS Energy Efficiency Work

Energy efficiency work undertaken as part of WHQS programme:

- Combi boiler installation
- Insulation to retained heating systems
- Upgrading insulation in attic spaces
- Double glazed windows and security doors
- Insulated render to external walls

WHQS Energy Efficiency Investment

Work Element	Properties (nr.)	Approx. Average Cost (£)	Approx. Investment (£m)
Combi Boilers	13,040	2,200	28.688
Attic Insulation	7,000	400	2.800
Double Glazed Windows	7,500	3,200	24.000
Security Doors	11,937	600	7.162
Insulated Render	5,959	8,000	47.672
Total(£m)			£110.322

Energy Efficiency Improvements

“Standard Assessment Procedures (SAP) measures the energy efficiency of a property and the energy it consumes to meet a level of thermal comfort”.

Page 38

- 2002 - average SAP Rating 47, EPC Band E
- 2020 - average SAP Rating 67, EPC Band D

Council compliant with WHQS SAP target

Benefits of Energy Efficiency Programme

- Reduced heat loss and energy bills
- Greater thermal comfort for resident
- Health and wellbeing gains
- Job & training opportunities
- Community benefits from Beyond Bricks & Mortar
- Extra employment boost local economy
- Successful rollout of largescale improvement programmes

Insulated Render External Fabric Upgrade



Energy Efficiency External Fabric Upgrade

Before



After



Future Decarbonisation Policy Development

- UK Committee on Climate Change set out its national policy agenda in May 2019 to reduce greenhouse gases (GHG) emissions to net zero by 2050
- Better Homes, Better Wales, Better World Report, by the Independent Housing Decarbonisation Advisory Group for Wales was published on 18th July 2019
- Welsh School of Architecture (WSA) commissioned to carry out a three stage study. Report published August 2020
- Welsh Govt. Decarbonisation Working Group draft decarbonisation strategy September 2020

Draft Decarbonisation Policy Proposals

- Decarbonisation programme part of revised Welsh Housing Quality Standard (WHQS), implementation 1st January 2022.
- Draft guidance will be circulated July/August 2021
- Decarbonisation of social housing **a statutory duty**
- The deadline to meet statutory duty 31/12/2030

Decarbonisation Targets

- SAP 65, EPC Band D revised to SAP 92, EPC Band A
- Environmental Impact Rating (EIR) target 96
- SAP/EIR targets only achieved with combination of complete structure fabric upgrades to improve thermal insulation and use of renewable technologies
- Intelligent Energy Systems
- Property Passport system
- Quality Assurance PAS2035 Accreditation system

Decarbonisation Pilot Schemes

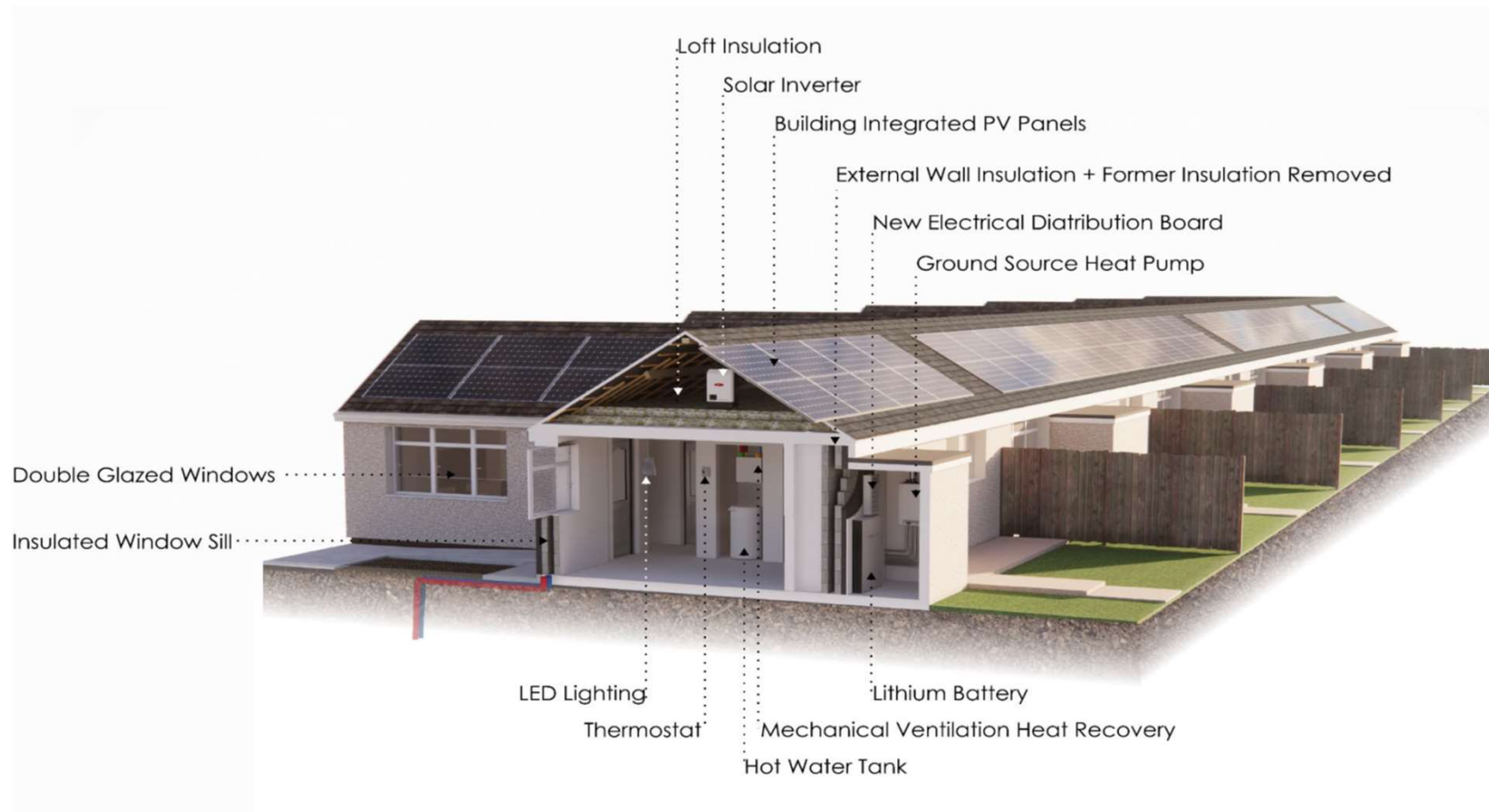
- Pilot schemes based on the principles the City Deal 'Houses as Power Stations' (HAPS)
- Collaborative approach to research, design and delivery with Welsh School of Architecture & Atkins Consultancy
- 'Whole house' approach retrofit programmes in Lon y Felin, Garnswllt and Ffordd Ellen in Craig Cefn Parc

Pilot Scheme Decarbonisation Specification

- Insulated external render
- Increased insulation in attic
- High performance double glazed windows & doors
- PV solar roof panels
- Batteries to store energy generated by PV panels
- Ground or air source heat pumps
- New boiler, hot water storage and radiators
- Heat recovery ventilation system

HaPS Whole House Retrofit at Ffordd Ellen

Page 47



Retrofit Pilot at Ffordd Ellen – Before & After

Page 48



Renewable Supply & Storage



Whole House Retrofit at Lon y Felin

Before



After



Renewables at Lon y Felin



Adopted Retrofit Decarbonisation Strategy

- Concentrate resources on the upgrading of building fabric between 2021 – 2025
- PV panels and battery storage for low carbon electricity generation, as part of the fabric improvement programme
- Delay the main rollout of main low carbon heating systems until post 2025
- Review the emerging technological solutions, use best on low scale pilot schemes to assess and monitor systems in use.

Opportunities

- Reduce residents fuel bills and fuel poverty
- Make homes more attractive and more comfortable
- Improve residents wellbeing and health
- Develop the in-house skills, training and resources
- Adopt the principles of PAS 2035 quality assurance
- Increase social benefits delivered under Beyond Bricks and Mortar to provide local training opportunities
- Whole house approach to decarbonisation to achieve maximum cost savings and least disruption to tenants.

Challenges

- Competing demands and priorities for HRA capital finance
- Limited borrowing capacity
- Scale of programme more than £350m in a 10 year period
- Additional staff resources and in-house training costs
- Renewable technology still emerging and developing
- Biggest social housing stockholder in Wales so largest design, procurement and delivery programmes
- Developing design, procurement and delivery processes to drive down costs to make programme affordable

Risks

- Insufficient budget to deliver a statutory duty by deadline
- MRA finance from Welsh Govt. likely to linked to programme delivery rather than size of stock
- Cost to deliver decarbonisation programme greater than anticipated by Welsh Government
- Overheated market increases costs due to a surge in demand for expertise, materials and technologies

Economy, Environment & Infrastructure PDC
Work Plan - 2020 – 2022

Date of Meeting	Report Title	Report Summary	Report Author
18 Mar 2021	More Homes Housing and De-carbonisation Strategy.	How is the council providing more affordable and energy efficient homes as part of its Housing Revenue Account.	Mark Wade
22 Apr 2021	Management and Maintenance of Open Space. (Biodiversity & Tree Policy).	To identify how the Council could manage its green space differently e.g. grass cutting in parks, green spaces and grass verges to maximise biodiversity, while ensuring the City remains visually attractive.	
	Annual Report.		
	Future City Wide Workforce.	We will consider what has changed and what the future plans are for the city and identify good practice and examples of how training and skills can be connected through universities and colleges with business and manufacturing.	
	Street Lighting Policy.		Stuart Davies

Page 56

Economy, Environment & Infrastructure PDC
Work Plan - 2020 – 2022

Date of Meeting	Report Title	Report Summary	Report Author
	Llwybr-Newydd (the new Wales Transport Strategy).		Stuart Davies
	Grey Fleet Policy.		Stuart Davies
Page 57	Speed Humps, do they cause damage to: existing road Surfaces, and do they add to air pollution?	To identify how speed humps affect the community, road surfaces and affect air pollution.	Stuart Davies
	Green Fleet Policy.	Development of an EV Farm. Charging Networks. Investment in Home Charging Kits.	Stuart Davies
	Economic Recovery Plan.		Phil Holmes
	High Street Regeneration.		