



## Briefing note of the Director of Place

Economy & Infrastructure Policy Development & Delivery Committee  
7 December 2017

### Swansea Bay City Deal - Homes as Power Stations (HAPS)

#### Purpose of briefing note

To provide the PDDC with overview of the Swansea Bay City Deal Homes as Power Stations project and proposed next steps.

#### Background

The Homes as Power Stations high level business case was prioritised by the Swansea Bay City Region Oversight Board, and subsequently scrutinised by Welsh Government and UK Government. It was then included in the Swansea Bay City Deal 'Internet Coast' package of 11 projects to deliver the Internet Coast vision.

The Homes as Power Stations project is one of 3 regional projects within the City Deal programme. (Skills and Digital Infrastructure are the other 2 regional projects).

The Swansea Bay City Deal was signed by both governments in March 2017.

The City Deal Governance structure is due to be finalised. In the meantime, project leads are working on developing full business cases in line with the Welsh Government's 5 case business model template.

#### Need / demand

The project has emanated and has been developed from the need to address:

- The region's housing gap between demand and current rate of build;
- Provision of lower cost energy bills to households and reduce energy demand from grid supply;
- Assisting to alleviate fuel poverty;
- Improve health and wellbeing through affordable warmth and better quality living environment;
- Expand broadband usage and links with user-led energy demand management (smart technology/meters etc.).

## **Project overview**

The lead organisation is Neath Port Talbot CBC on behalf of the region. The project partners include C&C Swansea, Carmarthenshire CC, Pembrokeshire CC, and Swansea University Specific project. RSLs are also involved in the delivery of the programme.

The **aim** of the project is to address fuel poverty through the delivery of a structured and co-ordinated smart carbon positive housing programme.

The SBCR Homes as Power Stations programme will provide new and existing housing with smart, energy efficient solutions combining integrated renewable energy technologies. It aims to 'mainstream' low carbon/energy housing, with understood performance, affordable costs and develop local available technology. The scaling up proposals for the HAPS programme will allow the industry to break away from the one-off demonstration type of approach.

It is proposed that a structured and co-ordinated rollout of smart carbon positive healthy homes will assist in delivering regional and national targets.

The City Region has adopted a stepped approach model for delivering homes as power stations at scale and magnitude.

A number of pilot projects are currently being scoped including one in CCS and Craig Cefn Park for up to 30 units for "retrofit" off gas properties

NPT are also developing new build Pilot development – Neath Hafod site due to be on site end 2017.

## **National UK Level**

### **Funding package**

Total project costs	517,050,000
Comprising:	
City Deal	15,000,000
Private Sector	382,900,000
Other public	119,150,000

Making a difference to local business and local communities:

### **Outputs / results**

The HAPS project will make a difference to local businesses by kick starting a construction programme worth £517,050,000 for a City Deal investment of £15 million (3% of the total programme value) generating an estimated 4,512 new jobs.

It will develop an expansive and technologically advanced and highly skilled large and robust scale supply chain which will ensure a stable industry.

It will establish specialist regional training programme across many disciplines. The HAPS programme will deliver a co-ordinated more professional approach, with QA and feedback,

developing a skilled and informed construction industry and supply chains, which can deliver government targets for new build and retrofit. The HAPS is already working with the Skills and Talent City Deal project to identify future skills needs.

It will create a smart carbon positive foundation for achieving sustainable communities for future generations regionally and nationally.

It anticipates a pro-active approach by Local Authorities to allow the project to scale up and deliver its Objectives through positive Local Authority action.

Firstly, Authorities that build their own housing will move to utilise Homes as PowerStation's as their build model.

Secondly, RSL schemes supported through the strategic Social Housing Grant Programme will move to deliver Homes as PowerStation's.

Thirdly, Local Authority owned land released to the private sector for new build will move to build Houses as PowerStation's.

This will give Authorities an element of control in the delivery of low carbon homes as envisaged.

The HAPS project will make a difference to local communities, as communities will receive the following key benefits from the HAPS programme:

- Cheaper household energy bills;
- Support programme to ensure smart optimisation of household technology – smarter communities;
- Healthier living environment;
- Potential discounted mortgage rates for homes as power stations;
- Lower community carbon footprint;
- Householders protected from future energy price increases.

The HAPS scheme has the potential to achieve the following estimated savings throughout the SBCR region:

Energy - 44,640 MWh/Annum

Cost - £34.4 M/Annum

### **Next Steps**

- Finalise Business case by Dec 2017 and seek approval;
- Engage RSLs in the process 15<sup>th</sup> Dec 2017;
- Commence CCS pilot Summer 2018;
- Develop longer term programme 2018.