



## Report of the Cabinet Member for Homes & Energy

Scrutiny Programme Committee –13<sup>th</sup> August 2018

### Key Headlines: Cabinet Member for Homes & Energy

**Purpose:** This report outlines notable activities and achievements in terms of delivering the key priorities within the Homes and Energy portfolio. It also describes some of the improvements made and the impact of these activities in terms of delivering key priorities within this portfolio. The report also seeks to identify anticipated achievements in the near future, key challenges and key decisions which are anticipated for Cabinet over the next 12 months.

**Report Author:** Joanne Portwood

**Finance Officer:** Paul Roach

**Legal Officer:** Debbie Smith

#### **For Information**

### **1.0 The Portfolio for Homes and Energy**

1.1 The key responsibilities within the portfolio for Homes and Energy include;

- More Homes Delivery,
- Homes as Power Stations (City Deal),
- Welsh Housing Quality Standard (WHQS),
- Council House Management,
- Council House repairs,
- Housing Adaptions & Renewal Schemes,
- Housing Policy, Affordable Housing & Housing Options
- Sheltered Housing,
- Tenancy Enforcement,
- Homelessness and Supporting People
- Cooperative Housing,

- Corporate Building & Property Services (CBPS),
- Green Transport & Green vehicle adoption (inc. infrastructure works),
- Energy,
- District Heating Schemes,
- Poverty Reduction,
- Lead elements of Sustainable Swansea,

1.2 This report highlights the progress made in relation to key priorities within this portfolio including; the More Homes project, Homes as Power Stations, meeting the Welsh Housing Quality Standard, Green Transport and Green Vehicle adoption (including infrastructure) and Energy. This report also outlines other notable achievements within this portfolio.

### **2.0 More Homes Delivery**

2.1 The delivery of the More Homes project has resulted in the first Council houses being built in Swansea in 40 years. The pilot project aimed to increase the supply of affordable housing by constructing new, energy efficient homes (to the PassivHaus standard). The model aimed to not only increase the supply of affordable homes but also to reduce energy bills and tackle fuel poverty. Changes to the way in which Council can use the revenue from Council housing rent has enabled the development of these new homes.

2.2 The first homes (which included 10 houses and 8 flats) were opened at Colliers way and Cwrt Trefor. The scheme was highly commended at the Municipal Journal awards and was finalist at the Constructing Excellence Wales awards. Cabinet have approved a “Swansea Standard” building specification<sup>1</sup> for the next round of developments and two further sites have been identified for construction in 2018, which include Parc Yr Helyg (4 two bedroom homes and 12 one bedroom homes) and Phase 2 of Colliers way. The project also aims to maximise community benefits and it is proposed to target local suppliers in relation to the development of Parc Yr Helyg.

2.3 In addition to the construction of new homes, Swansea’s More Homes strategy also includes the acquisition of existing properties in order to increase the supply of affordable homes. A further two properties in Clase (a bungalow and leasehold flat) were acquired in 2017/18. Welsh Government have also announced the introduction of an Affordable Housing Grant programme for Local Authorities for the next two years. A draft programme has been developed and agreed by the External Funding Panel.

---

<sup>1</sup> Following a review of the pilot project, PassivHaus standards were changed to meet requirements for new Swansea Council Homes – the “Swansea Standard”.

- 2.4 Swansea's More Homes strategy also aims to increase the supply of affordable homes by working with partners and the private sector. A Land Valuation and Viability study has been undertaken by independent consultants which has identified a number of sites for partnership development. These sites are too large for direct HRA funding and the build model but are suitable for mixed tenure development, including market sale. A consultation event has been held with design consultants in relation to Tudno Place and Heol Emrys following a pre-procurement exercise and a consultation process with local residents is underway.
- 2.5 The next steps in the delivery of Swansea's More Homes project is to seek planning approval for Parc Yr Helyg and Phase 2 of Colliers way. We will also be seeking the approval of the draft programme for the Affordable Housing grant, ensuring we are utilising the full grant allocation. In addition, we will be seeking approval of the partnership opportunities we have identified and to start the procurement of a commercial partner(s). Over the next six months we also hope to procure consultants to work on masterplan for Tudno Place and Heol Emrys and continue resident engagement by establishing a residents panel.

### **3.0 Homes as Power Stations**

- 3.1 The Homes as Power Stations project is one of 11 projects which form part of the Swansea Bay City Deal. The project is part of the energy strand and aims to provide affordable, sustainable and energy efficient homes. The project includes building new homes and retrofitting existing home with new technologies, which will enable buildings to generate, store and release energy. The project will also focus on smart technologies in relation to energy demand management (i.e. grid import and export in relation to energy demand, integrated renewable energy and energy storage) for both new and retrofitted housing. The project will provide homes, which will result in lower energy costs to householders, reduce energy demands from the grid and help tackle fuel poverty. It is also anticipated that the project will improve health and wellbeing by providing affordable warmth and creating a better quality living environment.
- 3.2 The lead organisation is Neath Port Talbot Council on behalf of the Swansea Bay City Region. The project partners include Swansea Council, Carmarthenshire Council, Pembrokeshire Council and Swansea University. Registered Social Landlords are also involved in the delivery of the programme. The project aims to create a new industry in the region, which will develop and build innovative energy technologies. The proposed Centre for Excellence for the Next Generation Services project will provide a data analytics capability to support the projects smart, healthy elements.
- 3.3 It is also anticipated that the Homes as Power Stations project will also 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). The project will enable the development of a technologically advanced and highly skilled large scale supply chain. The Homes as Power Stations project will also develop a skilled and informed construction industry and is already working with the Skills and Talent City Deal project to identify future skills needs.

- 3.4 A number of pilot projects are currently being scoped, including one in Swansea at Craig Cefn Parc, with plans to retrofit up to 30 off gas properties. Neath & Port Talbot are also developing a new build pilot development in Neath (at the Hafod site). An initial business case was submitted to the Regional Office for the Swansea Bay City Deal in May 2018.
- 3.5 The next steps include testing the proof of concept and reviewing the lessons learned from the pathfinder projects, before rolling out the long term programme. Further engagement with key stakeholders is planned, including Registered Social Landlords, Western Power Distribution, mortgage providers and the private sector.

#### **4.0 Welsh Quality Housing Standards**

- 4.1 The Welsh Housing Quality Standards (WHQS) is the Welsh Government's target standard for all social housing in Wales. It states that by 2020, all Council homes should be in a good state of repair, safe and secure, adequately heated, fuel efficient and well insulated, have up to date kitchens and bathrooms, located in attractive and safe environments and suit the specific requirements of the household.
- 4.2 We have been continuing to improve our homes and estates working to bring them all up to the WHQS by 2020. The Capital programme delivered £47m of investment in 2017/18. A three year capital budget (£157m) with schemes to meet the WHQS was agreed at full Council in March 2018. In terms of improvements, 2,652 properties have already benefitted from insulated external walls and roofs. A further 1,952 properties will benefit from weatherproofing improvements over the next four years. A total of 3,720 houses have received new roofs since the inception of the scheme and a further 307 properties will benefit in the future. A total of 9,724 properties have benefitted from new boilers as a result of the scheme and tenants are being offered to switch fuel boilers if they currently have coal, or electric. During the last 5 years, 742 properties have benefitted from new kitchens and 1,066 have received new bathrooms. New hard wired alarms have been fitted in 8,935 properties and are tested annually.
- 4.3 Improvements to Council homes are also undertaken to benefit the wider community. The Council's Beyond Bricks and Mortar Scheme works with many of the WHQS initiatives and training and employment

opportunities (including apprenticeships) have been created for more than 100 people.

- 4.4 A review of Swansea's delivery of the Welsh Housing Quality Standard (WHQS) has been undertaken by the Wales Audit Office and is due to be published in Autumn this year. The review looked at the Council's arrangements to meet the WHQS and how it engages with tenants.
- 4.5 The next steps in delivering Swansea's Welsh Housing Quality Housing Standard programme includes taking a revised Repairs Policy to Cabinet and Council later in 2018/19. The delivery of the 2018/19 (£57m) capital programme is underway and a new kitchen and bathroom framework is currently being procured with local contractors being selected to deliver the renewal programme.

### **5.0 Other notable activities in relation to Housing**

- 5.1 In terms of other notable activities in relation to Housing, a Commissioning Review of all Housing services is currently underway, the scoping document of the review will be shared with Scrutiny as well as any outcomes of the review. Comprehensive tenant and leaseholder surveys have been undertaken to seek residents' views about how we can improve services. The redrafting of the Housing Estate Management Strategy is ongoing.
- 5.2 In terms of affordable housing, the full spend was achieved of the available Social Housing grant (SHG £8.4m) and Housing Finance grant (HFG £4.3m). We were also given the opportunity by Welsh Government to apply for additional funds on top of these allocated sums which led to an additional investment of SHG of £1.5m within 2017/2018.
- 5.3 Improvements to housing conditions in the private sector, including the delivery of the Sandfields Renewal Area programme have been continuing. The scheme has resulted in 280 properties having external wall insulation and 80 properties have been externally repaired. A number of community projects have also been supported through community benefit clauses in the scheme. Projects included repairs to St Phillips Community centre, Spring Terrace Church Hall and the Vetch Veg community building, planting in the area and funding support for the Sandfields Community.
- 5.4 Swansea has continued to act as the lead authority in the Western Bay region for the Welsh Government Houses into Homes (HIH) and National Home Improvement Loans (NHIL) schemes. The scheme has brought 49 empty properties back into use (creating an additional 85 units of accommodation), with a number of these premises located in the city centre including the Kingsway.
- 5.5 A Draft Homelessness Strategy is scheduled for public consultation in September 2018. The review of the strategy has included public

engagement with service users, homelessness & supported housing forums and the Scrutiny Working Group. Performance targets have been met, in relation to the prevention of homelessness and time spent for families in Bed & Breakfast has reduced. The Tenancy Support Unit have continued to provide rapid response and support on demand services.

### **6.0 Green Transport and Green Vehicle Adoption**

- 6.1 Swansea Council is committed to increasing the number of zero carbon emission vehicles in Swansea. We are seeking investment to create a network of charging stations across Swansea, in order to promote the use of electric and hydrogen vehicles for public use. We will also be introducing a Green Fleet Policy, with the intention of increasing use of zero carbon emission vehicles wherever feasible in our Corporate Fleet. We currently have over 40 charging points in various Council owned locations. In addition, we have also purchased 40 Peugeot EV small panel van's in 2017/18, which have a minimum range of approximately 100 miles, based on full charge and normal urban use.
- 6.2 We are currently exploring the implementation of EV charging points, in collaboration with Swansea University, the Health Board and other partners in Swansea, Carmarthenshire, Neath Port Talbot and Pembrokeshire. We also held the first clean air road show in Wales in April 2017, with the second Clean Air Road Show held at the end of July 2018, in order to promote electric and hydrogen vehicle technology to the public. We have developed a Quality Partnership Agreement with First Cymru, working with them to submit bids for grant funding to create a network of charging stations and hydrogen filling stations to promote the use of electric vehicles and hydrogen vehicles for public transport when they arise.
- 6.3 Future plans include the continued roll out of further fleet supply points within the available budget and where grid connection allows. We have also recently employed a Transport Strategy Officer to explore all Green Transport options as part of an overall Transport Strategy. We have received a grant from the Local Transport Fund for the South West Wales Metro work. Part of the funding will be used for studies to inform the Green Fleet Policy, including preferred business models and a proposed corporate fleet replacement strategy.

### **7.0 Energy**

- 7.1 The Corporate Energy strategy was adopted by Cabinet in July 2016. The strategy built upon the Council's Carbon Reduction strategy produced in 2011. The Energy strategy aims to reduce the Council's energy consumption and improve the energy efficiency of the Council's buildings and housing stock, invest in renewable technologies, secure or facilitate community access to affordable low carbon/renewable energy,

explore and maximise commercial opportunities to benefit community wellbeing and help tackle fuel poverty. The strategy includes an action plan to deliver a series of actions to meet objectives within the strategy.

- 7.2 There has been a great deal of progress to date particularly around energy savings and carbon reduction measures including but not limited to:
- On-going HRA investment in our housing stock (new boilers, insulation to walls and loft areas, cladding, replacement windows and doors etc.) making our tenants homes warm and energy efficient,
  - Public Lighting Replacement Programme with lower energy use LED,
  - Solar Panels (PV) on schools,
  - A small number of biomass and CHP projects (Schools and Leisure centre),
  - Mechanical and electrical works across buildings delivering greater energy efficiency,
  - The establishment of a community group, Swansea Community Energy & Enterprise Scheme (SCEES), to own and run renewable installations in Swansea,
  - A feasibility study for a district heat network in the city centre,
  - A 45KW Solar PV array has also been installed on the recently refurbished Guildhall,
  - ARBED schemes in Pontarddulais and Clydach providing photovoltaic Systems to Council housing,
  - A number of the above micro-generation projects have already been progressed via the Councils 21st Century / QED programme which include: Solar Photovoltaic Systems at YGG Llwynderw, St Thomas, Burlais and Gowerton Primary Schools and Penyrheol, Cefn Hengoed and Morriston Comprehensive Schools, with Solar Thermal Systems at Penyrheol Comprehensive School, Sketty & St Thomas Primary schools.
- 7.3 In addition to these activities, considerable efforts have been made to minimise the single use and disposal of finite resources and maximise the use of sustainable raw materials and energy. Swansea works closely with the four neighbouring Local Authorities via the South West Wales Waste Partnership to find the most sustainable, cost effective and practical solutions to treat waste and to turn waste in to a renewable energy source. In addition, we are continuing to work with Welsh Government through Refit Cymru – a procurement initiative for public bodies to implement energy efficiency measures in their buildings to improve energy performance with guaranteed reduction in carbon emissions and annual savings
- 7.3 In terms of the next steps, we are continuing to implement the activities outlined in the Energy strategy action. In addition, we are exploring a Swansea Marina Scheme, aiming to determine the technical and economic feasibility of returning the Swansea Barrage hydro-generator

back into operation. We are also planning to continue our land asset appraisal and explore the suitability for renewable energy generation with Local Partnerships.

### **8.0 Other notable activities in relation to Energy**

- In terms of others notable activities in relation to Energy, we are currently exploring the feasibility of setting up a wholly owned, fully licensed, Energy Services Company (ESCO). We have commissioned APSE to carry out the feasibility exercise over a two year period. The outcome of the feasibility study and the public consultation will determine whether the venture goes ahead.
- Further to the feasibility study, work has been conducted in relation to a District Heating scheme. We have now produced a business case which demonstrates that there is potential for connecting a number of existing city centre buildings and new development sites via a series of underground pipes to central energy sources. A decision is now being sought as to whether to proceed with the project. This will take into consideration the capital required to deliver the scheme and the most suitable business model for delivery taking into account Welsh legislation surrounding formation of business entities, the balance between risk and control and meeting the project's objectives.

### **9.0 The impact of the Well Being of Future Generations Act**

- 9.1 In terms of considering the impact of the Well-being of Future Generations Act and the five ways of working, Swansea's More Homes Strategy sets out a blueprint for the future development of affordable homes and building sustainable communities. This long term approach prioritises investment in higher energy efficient building today, in order to provide future long term benefits. The preventative approach is clear in terms of fuel poverty - by minimising the need for fuel in the first place rather than finding ways to fund it. This project has been recognised nationally as good practice, resulting in numerous awards and recognition from Wales Audit Office and the Future Generations Commissioner.
- 9.2 The Homes as Power Station project is also preventative in terms of directly aiming to address fuel poverty. The provision of low carbon, energy efficient homes will have a positive effect on health and well-being in the long term and mitigate against health inequalities caused by energy inefficiency and poor quality housing. Collaborative working via the City Deal, will enable tomorrow's technology to be developed and then rolled out in Swansea demonstrating a commitment to the long term and understanding of how to exploit future trends today.
- 9.3 Swansea's implementation of the Welsh Housing Quality Standard also directly supports the wellbeing agenda by tackling fuel poverty,



improving the quality of housing and providing warm, safe, secure homes. In addition, the 3 year (£157m) capital programme will also play a significant role in driving economic growth and supporting the growth of skills, training and employment opportunities amongst those out of work and/ or hard to reach people via the Council's Beyond Bricks and Mortar programme.

- 9.4 In terms of our work in relation to Green Transport and Green Vehicle adoption, we are working collaboratively with partners via Low Carbon Swansea to understand the benefits, options for fleet conversion and developing a future proof strategy. Our work on Green Transport Infrastructure and Green Vehicle adoption aims to reduce carbon emissions and prevent levels of pollution, which prevent a risk to health and well-being.
- 9.5 We are also working collaboratively in relation to our work on Energy. The Council is represented on the Board of Swansea Community Energy and Enterprise Scheme (SCEES), which embodies how the Council supports and works with the community and voluntary sector in a co-productive way. In addition, the Corporate Energy Strategy is designed as a long-term strategy to reduce energy demand and use renewable energy where possible across a range of Council buildings, transport and facilities.

### **10. Links with the Public Service Board and Swansea's Wellbeing Plan**

- 10.1 The More Homes project, the Homes as Power Stations project and the implementation of the Welsh Quality Housing Standard with Public Services Board (PSB), aim to provide good quality, modern, adaptable, low carbon, energy efficient, affordable housing in areas of housing need, working with communities to ensure that developments support community cohesion and are safe places to live. The projects also support economic well-being, providing local employment and, working with local providers, will boost the supply chain for renewable technologies. There are direct links to steps in Swansea's Wellbeing plan on innovative housing and technology, carbon reduction and offsetting, physical estates, people feeling safe and confident in their communities and working towards a thriving economy through the implementation of these projects.
- 10.2 Our current work and future plans, in relation to Green Transport, Green Vehicle adoption, aim to provide a green, integrated and sustainable transport system fit for the future. Collaborative working and co-production is at the heart of bringing about this step change. There are again direct links to steps in Swansea's well-being plan in relation to carbon reduction and offsetting, physical estates and technology and our work on Green Transport, Green Vehicle adoption and Energy.

**11.0 Legal Implications**

11.1 There are no specific legal implications contained in this report.

**12.0 Financial Implications**

12.1 There are no financial implications contained within this report.