



Report of the Cabinet Member for Service Transformation

Cabinet - 15 February 2024

Approval to receive grant – HAPS City Deal Financial Incentive Fund and Green Transition Ecosystems (GTE) - Transforming Housing and Homes for Future Generations Project

Purpose:	This report seeks retrospective approval for 3 grant applications relating to: <ul style="list-style-type: none">• HAPS City Deal HAPS Financial Incentive fund (x2) and• Green Transition Ecosystems (GTE) - Transforming Housing and Homes for Future Generations Project
Policy Framework:	Welsh Housing Quality Standard and More Homes Development Programme.
Consultation:	Access to Services, Finance, Legal.
Recommendation(s):	It is recommended that Cabinet: <ol style="list-style-type: none">1) Approves the grant funding bid for the Green Transition Ecosystems (GTE) - Transforming Housing and Homes for Future Generations Project set out in 2.0.2) Approves the 2x grant funding bids set out in 3.0 for:<ul style="list-style-type: none">• City Deal HAPS Financial Incentive Fund for Brondeg House More Homes New Build Scheme and• Green Transition Ecosystems (GTE) - Transforming Housing and Homes for Future Generations Project3) Delegates authority to the Director of Place, the Chief Legal Officer and Chief Finance Officer to enter into any agreements necessary to ensure the delivery of the projects and to protect the Council's interests.4) Delegates authority to the Director of Place and the Chief Finance Officer to recover all relevant expenditure associated with the delivery

of the projects from HAPS City Deal Financial Incentive Fund and Bath University.

- 5) Any further decisions relating to this funding will be delegated to the Director of Place and the Cabinet Member for Service Transformation. The funding will support schemes approved via the annual HRA Capital Budget report

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1.0 Introduction

- 1.1 The Council has been approached by the Welsh School of Architecture in Cardiff University to request our participation in a research project to develop approaches to retrofitting of inter-war council properties. The project is a collaboration with the research partnership of the GW4 universities (Bath, Cardiff, Bristol, and Exeter) on the Transforming Housing and Homes for Future Generations Green Transition Ecosystem (GTE) project – referred to as the Transforming Homes Project. It has received funding from the UK Government Arts and Humanities Research Council (AHRC) to carry out research into retrofit measures to inter-war properties to meet decarbonisation targets using bio-based and non-extractive materials and installing renewable energy technologies, including solar panels, storage batteries and heat pumps.
- 1.2 The Council faces a significant challenge to develop effective approaches to retro fitting energy efficiency and renewable technology in existing properties, to make them more energy efficient with lower emissions and achieve Welsh Government decarbonisation targets. The Council already has a long-standing working relationship with the Welsh School of Architecture, therefore we have agreed to participate in the research project through the provision of 4 properties to be utilised as demonstration homes. An element of the AHRC funding has been allocated to fund retrofit measures in these properties.
- 1.3 In addition, the Council has sought funding from the City Deal HAPS (Homes as Power Stations) Financial Incentive Fund to provide further financial support to the GTE Transforming Homes project. The Swansea Bay City Deal Homes as Power Stations (HAPS) project is a regional five year programme led by Neath Port Talbot CBC on behalf of the City Deal local authorities, which aims to deliver smart, low carbon, energy efficient homes through a coordinated approach across the region, ultimately leading to a reduction in fuel poverty and its impact on health and wellbeing and contributing to carbon emission reduction targets and alleviating the housing shortage to address the housing need.

- 1.4 The HAPS programme will target both new build projects and the retrofit of existing buildings. The aim is to provide proof on concept in the public sector at relatively small scale with the intention of scaling up activity across the region and sectors.
- 1.5 A separate bid has also been made to City Deal HAPS Financial Incentive Fund to fund the cost of renewable technology on a forthcoming More Homes new build development, Brondeg House, Manselton.
- 1.6 Given the short timescales involved, it was not practical to inform Cabinet of the bids before the bid submission dates so this report seeks retrospective approval for the Council's applications.

2.0 Green Transition Ecosystems - Transforming Housing and Homes for Future Generations. Swansea Council Demonstration houses

- 2.1 The funding lead is Bath University, who made the successful application the Arts and Humanities Research Council (AHRC) and will be the Grant Recipient and Administrator for the funding. Swansea Council is a collaborative partner and will receive funding via Bath University to contribute to the cost of retrofitting works. The project will commence in December 2023. The Council will provide 4 interwar properties in Townhill as demonstration homes to test the research findings through a whole house retrofit. The properties are already scheduled for external fabric improvements as part of the HRA capital programme, however the grant will be used to cover the cost of the biobased materials and part fund renewable technologies. An additional funding bid to cover the cost of solar panels and batteries has been made to the City Deal HAPS Financial Incentive Fund - see 3.0 for further details.

3.0 City Deal HAPS Financial Incentive Fund

- 3.1 Homes As Power Stations (HAPS) is one of the nine Swansea Bay City Deal Projects. The HAPS Financial Incentive Fund been established to accelerate the uptake and use of technology to provide homes that are greener and more cost efficient to run across the local authority areas of Neath Port Talbot, Swansea, Carmarthenshire and Pembrokeshire.

- 3.2 **Green Transition Ecosystems - Transforming Housing and Homes for Future Generations.** In order to support the Transforming Homes retrofit pilot outlined in 2.0, an additional funding bid was made to the City Deal HAPS Financial Incentive Fund to cover the cost of solar panels and battery storage on the 4 demonstration properties. This is to supplement HRA capital funding and grant already in place from Bath University (who are the grant recipient and administrator for the AHRC funding).

- 3.3 **Brondeg House – More Homes New build scheme.** The Council is applying for this funding to support the cost of the renewable technology element on a More Homes New Build Scheme – Brondeg House. The scheme will deliver 13 units of accommodation (8 x 1 bed flats and 5 x 3

bed houses) in the Manselton area of Swansea, built to the established Swansea Standard, which includes the concept as Homes as Power Stations (HAPS), which will introduce Solar PV roofs combined with battery storage, MVHR units and Ground Source Heat Pumps with the aim of creating energy positive homes. Funding for this scheme has been allocated in the 4-year HRA capital programme, and it will also be supported by WG Social Housing Grant therefore the scheme can proceed without the HAPS FIF. However additional grant funding will serve to improve the HRA financial position and our ability to maintain significant levels of investment in renewable technology in new build homes.

4. Financial Implications

4.1 A breakdown of the grant funding for the 3 bids is set out in the table below. Match funding is in place from the HRA Capital Programme. The HRA capital investment programme was agreed at full Council by 2nd March 2023 (agenda item 131) “HRA Capital Budget and Investment Programme 2023/24-27/28. The grant funding applies to programmes that have already been approved in the 2022/23 budget and funded by other resources. This report seeks to utilise the grant in place of other Council funding to free up resources for other use.

4.2 The Council will ensure that it complies with any terms and conditions attached to the grant funding. Any procurement activities in relation to the projects in this report will follow the Council’s Contract Procedure Rules.

4.3 Funding amounts

	1) Transforming Homes Project Town Hill Retrofit Demonstration Homes	2) Brondeg House More Homes New Build Scheme
Total scheme cost	£423,000	£3,017,191
GTE – Transforming Homes grant funding		
• <i>Capital</i>	£240,000	n/a
• <i>Revenue</i>	£63,983	n/a
HAPS City Deal Financial Incentive Fund		
• <i>Capital</i>	£75,600	£300,000
Deficit	£43,417	£2,717,191
	Deficit funded via prior approved HRA Programme Capital Budget	Deficit funded via prior approved HRA Programme Capital Budget/More Homes Delivery Programme. Social Housing Grant will be claimed from Welsh

		Government which will cover approximately 60% of the scheme costs (to be determined by WG when full and final scheme costs are known). This grant is paid to LAs in arrears by WG so will be claimed on completion of the construction of the scheme.
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5. Integrated Assessment Implications

- 5.1 The Council is subject to the Equality Act (Public Sector Equality Duty and the Socio-economic Duty), the Well-being of Future Generations (Wales) Act 2015 and the Welsh Language (Wales) Measure, 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 Acts.
 - 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.
 - Deliver better outcomes for those people who experience socio-economic disadvantage
 - Consider opportunities for people to use the Welsh language
 - Treat the Welsh language no less favourably than English.
 - Ensure that the needs of the present are met without compromising the ability of future generations to meet their own needs.
- 5.2 The Well-being of Future Generations (Wales) Act 2015 mandates that public bodies in Wales must carry out sustainable development. Sustainable development means the process of improving the economic, social, environmental and cultural well-being of Wales by taking action, in accordance with the sustainable development principle, aimed at achieving the 'well-being goals'.
- 5.3 Our Integrated Impact Assessment (IIA) process ensures we have paid due regard to the above. It also takes into account other key issues and priorities, such as poverty and social exclusion, community cohesion, carers, the United Nations Convention on the Rights of the Child (UNCRC) and Welsh language.
- 5.4 An IIA Screening Form has been completed and a full IIA report is not required at this stage.
- 5.5 The schemes funded by the grants support the Wellbeing of Future Generations (Wales) Act 2015 and will make a significant contribution to the 7 well-being goals. Improving existing housing stock and increasing the supply new affordable housing will assist in the regeneration of areas, and stimulating economic growth, addressing issues such as fuel

poverty, inequality, reducing homelessness, jobs and skills which directly contributes to the council's obligations to act in a sustainable way pursuant to the Well-being of Future Generations (Wales) Act 2015 and meeting the Council's net zero carbon targets via the decarbonisation of existing council homes and building new, energy efficient council homes.

- 5.6 Both schemes funded by the grants will have a positive impact across the population of protected characteristics and the wider community. In particular the characteristics relating to poverty/social exclusion and future generations have a highly positive impact in relation to improving the energy efficiency and providing renewable technologies to 4 existing council properties and increasing the supply of affordable housing in Swansea. Therefore, no mitigation measures are required.
- 5.7 The new affordable homes will be allocated according to the Housing Allocations policy, which was subject to a full EIA.

6. Legal Implications

- 6.1 There is a requirement for Swansea Council to sign up to a collaboration Agreement for the GTE Transforming Homes Project, which has been reviewed and agreed by Legal Services.
- 6.2 The Council will need to ensure that any conditions attached to the funding are complied with and that the Council complies with its Contract Procedure Rules and any relevant procurement legislation when procuring any of the works and related contracts referred to above.

Background Papers: None

Appendices: None