

Report of the Director of Place

External Funding Panel – 5 October 2016

Welsh Government Warm Homes / Zones Arbed 2016-17 Sandfields Renewal Area External Funding bid

Purpose:	To provide details of the Bid for Welsh Government Warm Homes/ Zones Arbed Funding 2016-17 for Sandfields Renewal Area.
Policy Framework:	<ol style="list-style-type: none">1. Local Housing Strategy.2. Private Sector Housing Renewal and Disabled Adaptations: Policy to Provide Assistance 2012-2017.3. Statutory declaration of the Sandfields Renewal Area approved by Cabinet on the 14th January 2014.
Reason for Decision:	To comply with Financial Procedure Rules.
Consultation:	Legal, Finance, Access to Services.
Recommendation(s):	<p>It is recommended that :</p> <p>The bid for Welsh Government Warm Homes/ Zones Arbed Funding 2016-17 for Sandfields Renewal Area is approved by the External Funding Panel.</p>
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1.0 Introduction

The purpose of this report is to provide the External Funding Panel with the background regarding a Welsh Government Warm Homes / Zones Arbed funding bid for 2016-17 for the Sandfields Renewal Area. Due to a very short timeline for bid submission imposed on the Council by Welsh Government, the bid has already been submitted, after advice being sought and permissions obtained from Director of Place, Head of Housing and Public Protection and Cabinet Member for Next Generation Services.

Background

- 1.1 Arbed (Welsh for 'save') is the Welsh Government's (WG) strategic energy performance investment programme helping meet commitments to reduce climate change, help eradicate fuel poverty and boost economic development and regeneration in Wales.
- 1.2 In previous years Swansea has successfully bid for and received Arbed funding for home energy efficiency measures in Clydach, Pontarddulais, Hafod, Morriston and Waun Wen.
- 1.3 The latest round of Arbed funding called 'Welsh Government Warm Homes and Warm Zones' has been announced to support local authority led area-based energy efficiency schemes, maximise the number of homes improved and lever in funding from other sources such as the Energy Company Obligation (ECO) to maximise investment.

Bids

- 1.4 One bid per Local Authority was permitted for submission by the 16th September 2016. The Warm Homes bid will fund a maximum of 100 properties at £8000 per property for External Wall insulation measures, the total grant bid is £800,000. The Warm Zones bid will see a further 100 properties receive other energy efficiency measures including boiler replacement, heating systems / upgrades and loft insulation, the total grant bid is £144,000. All money must be spent by the end of March 2017.
- 1.5 Bids must focus on deprived areas, properties in close proximity to one another with low energy efficiency. There is no match funding requirement but bids must show opportunity to lever in funding from other sources, support the Welsh economy in employment/training terms and have effective project management arrangements in place.

Suitability of the Sandfields Renewal Area

- 1.6 Sandfields is a Council declared Renewal Area. It has high concentrations of poor house condition, low incomes and fuel poverty levels. Renewal Area status means detailed house condition information about properties in Sandfields is already available. This information will facilitate swift mobilisation and delivery of works in the restricted timeframe.
- 1.7 A number of funding streams are in place but the Renewal Area programme in Sandfields requires additional funding to help meet its stated objectives. Resident awareness of the scheme is high and this should promote good participation rates should the bid be successful.
- 1.8 Works for the 2016/17 financial year have already been programmed by the in-house Renewal Area team. The late availability of this additional

funding will likely require the appointment subject to approvals of a construction project manager to provide additional capacity to deliver additional works in the timeframe the grant is available.

- 1.9 The detail above, in conjunction with the information in section 2, means the Sandfields Renewal Area is appropriate to be put forward as a funding bid.

Other areas considered

- 1.10 Other geographical areas were considered as part of the bid selection process. Areas where the Council is undertaking, or planning, Welsh Housing Quality Standard works were considered but discounted due to the short timeframe for delivery and potential delays that would be encountered engaging private households in such areas. The scheme must be cross tenure. Areas where Council led housing improvement works were not already underway were not considered due to lack of ability to demonstrate leverage from other funding sources.
- 1.11 On this basis Sandfields is the strongest bid based on the stated Welsh Government bid assessment criteria.
- 1.12 A further Arbed bidding round is expected next year. Other geographical areas will be considered for future funding bids.

Recommendation:

The bid for Welsh Government Warm Homes Arbed Funding 2016-17 for Sandfields Renewal Area is approved by the External Funding Panel.

2.0 Equality and Engagement Implications

- 2.1 Access to services have confirmed an EIA is not required.

3.0 Financial Implications

- 3.1 The total cost of the Warm Homes scheme will be £1,460,000, the funding bid is for £800,000 Welsh Government Warm Homes funding, with a further £60,000 ECO utility company funding to be levered, and a further £600,000 Sandfields Renewal Area funding contribution towards the cost of the works.

The total cost of the Warm Zones scheme will be £144,000 and requires no funding contribution from the Council.

- 3.2 The £600,000 Sandfields Renewal funding towards the cost of the Warm Homes works is not a match funding requirement, this is additional funding to ensure consistency of works to those already completed in the Renewal Area, and is already budgeted for via Renewal Area receipts from previous energy efficiency programmes.

4.0 Legal Implications

- 4.1 Legal advice has not been sought regarding this funding bid. Legal advice has however previously been sought regarding the Sandfields Renewal Area declaration and Policy to provide works in the area including energy efficiency measures. If the bid is successful, appropriate legal advice will need to be sought as part of the process to commit and spend any funding awarded.
- 4.2 The schemes detailed are in line with local authority powers to provide assistance, contained in the Regulatory Reform (Housing Assistance) (England and Wales) Order 2002 and the Councils published Policy.
- 4.3 Any loans provided to householders using scheme funds will need to be secured as a local land charge to protect the Council's interest
- 4.4 The Council will need to ensure that it complies with any terms and conditions attached to this Welsh Government grant funding.

5.0 Background Papers: None

Appendices: EIA Screening form.