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**Meeting of the Climate Change Select Committee – 22<sup>nd</sup> November, 2023**

**Report of the Director of Housing and Communities**

**Net-Zero Neighbourhood and Additional Sustainability Measures**

**Purpose of report**

1. The purpose of this report is to provide an update on progress with the Net Zero Neighbourhood (NZN) scheme at Brockmoor and to outline additional sustainability measures are being taken by the Housing Directorate on existing and future schemes.

**Recommendations**

2. It is recommended that Committee Members note the contents of the report.

**Background**

3. The Housing and Communities Directorate, in conjunction with other government agencies and external energy providers, are currently working on a number of schemes, mostly within the private sector, aimed at increasing sustainability and tackling poor energy efficiency, as detailed within this report.

**LA Flexible Eligibility**

The ECO4 Local Authority Flexible Eligibility Scheme provides boilers and insulation for vulnerable groups in the private sector. The works are 100% funded by Energy Providers and undertaken by their own contractors. The council assist in ratifying eligibility for households and the scheme is currently in progress.

**Great British Insulation Scheme**

The Great British Insulation Scheme is a new government efficiency scheme (formerly known as ECO+) that will be administered by Ofgem. It is

designed to deliver improvements to the least energy-efficient homes in Great Britain to tackle fuel poverty and help reduce energy bills within the private sector. This is due to be rolled out shortly.

### **Local Authority Delivery Phase 2 (LAD2)**

The LAD2 scheme, completed in June 2022, delivered energy saving work (High heat retention electric Night Storage Heaters, External Wall Insulation and Solar Panels) to 296 local authority owned properties that were previously rated D or below. High heat retention storage heaters are now considered to be an efficient way of providing clean energy that are more controllable and easier to use and over 20% cheaper than standard night storage heaters. The scheme was funded through £1.5M grant paid into the Housing Revenue Account, match funded with £1M from the DMBC Housing Revenue Account.

### **Local authority Delivery Phase 3 (LAD3) and Home Upgrade Grants (HUGS1)**

£255k of grant funded work to around 50 private sector properties to provide predominantly Cavity Wall and Loft Insulation works together with some ancillary ventilation measures. The programme is currently in progress.

### **Home Upgrade Grants (HUGS2)**

Around £2M worth of funding to deliver 'fabric first' measures to privately owned 'off-gas' properties. This work is being administered and delivered by the West Midlands Combined Authority with the council entering a Memorandum of Understanding on that basis, and will commence shortly.

### **Switchee**

1,691 smart thermostats have been installed across the borough to assist in reducing energy consumption.

### **Dudley Energy Advice Line (DEAL)**

The DEAL provides energy efficiency and carbon reduction advice for all residents. Historically the service also assisted with energy switches which are slowly returning as energy costs start to reduce. The service signposts people to areas of income maximisation and issues food and fuel vouchers for those in need. The Team also provide energy saving behavioural advice to residents who contact the team with between 3,000 to 3,500 contacts per year.

## **Housing Assistance Grants**

Repayable grant funded works to poor and vulnerable homeowners, subject to eligibility where the work is identified as being required to eradicate a hazard to health and/or safety in accordance with the Housing Health and safety Rating System via the council's own grant process.

Available throughout the year, works include but are not limited to boiler installations, roofing works, doors, and windows. Some urgent low-cost minor repairs are also provided to those that are non-repayable. Again, this is subject to eligibility.

## **Net Zero Neighbourhood (NZN) programme**

Demonstrator programme to identify, survey and provide net-zero retro-fit measures to up to 50 properties within Brockmoor. £1.65M of grant match funded with £1M of Better Care funding. A £42,000 contribution has also been received from the Social Housing Decarbonisation Fund (SHDF) which has been added to the NZN pot. Further funding opportunities are being investigated including provision of ECP's, Heat Pumps and improvement to green space. Resident consultation will take place through the programme.

The council have identified a framework contract that will enable the appointment of a 'one-stop' provider to facilitate all feasibility, consultancy and design work together with the on-site delivery of the project with a brief to work towards phase 2 of the project.

A preferred bidder has been identified and bespoke contractual terms and conditions have been drafted. In the meantime the preferred provider has been undertaking preparatory work 'at risk' alongside the Council to ensure that a good start is made when the contracts are exchanged, and the council have not incurred any costs to date.

It is still hoped that engagement will start in the Autumn followed by monitoring during the winter and measures undertaken in Spring 2024 with a view to complete by the backstop date of March 2024.

The scheme will also involve a mobility and transport assessment, a small community greenspace project and a strategy for the local school.

Further information on NZN is appended to this report in Appendix 1.

The schemes set out within this report have achieved a number of awards, including:

1. National Energy Efficiency Awards 2022 – 3<sup>rd</sup> in the UK and NI for LAD2 and NZN
2. Inside Housing Climate Change Retrofit Project
3. Inspire Award for Awareness Campaign.
4. Foundations award for Innovation in Service Design & Delivery
5. Energy Efficiency Awards 2023 – Climate Change and Retrofit proposal.

Regular feedback on the outcomes, in terms of numbers and what has been delivered can be provided to Committee Members by way of a written update, if required.

## **Finance**

4. It is proposed to utilise £1M of funding from the Better Care Fund to support government grant funding on NZN as a 'wider project' in accordance with council policy and the Regulatory Reform (Housing Assistance) Order 2002.

Funding for Housing Assistance Grants is a combination of General Fund, Grant repayments (Local land charges, RX1 repayments and Loan repayments) and Better Care Fund contribution.

DEAL is financed through a contribution from Public Health.

LAD2 was funded through both government grant and a Housing Revenue Account contribution.

All other schemes are financed through government grant and energy provider contributions.

## **Law**

5. Several of the schemes set out within this report are delivered through grant funding, with associated grant conditions which the council must meet. The council's Legal Services are involved in all contract agreements.

## **Risk Management**

6. Any material risks emerging from schemes are recorded, managed and monitored through the Directorate Risk Register.

## **Equality Impact**

7. The schemes set out within this report are designed to reduce inequality and to provide positive interventions to individuals and communities who may otherwise be disadvantaged due to affordability and property conditions.
8. There has been no direct consultation with children and young people, but it is hoped that the energy efficiency measures provided across the council will have a positive effect directly for residents benefitting from the measures but to also highlight to young people what can be delivered in practical terms.

Where possible, consideration be given to how young people can be involved more given that they will be directly affected by climate change in the coming years.

## **Human Resources/Organisational Development**

9. There are no direct HR implications arising from this report.

## **Commercial/Procurement**

10. The NZN scheme will be delivered by a preferred provider who will be awarded the work through the South-East Consortium Framework for 'Zero Carbon Solutions', Lot 10- Zero Carbon Delivery Partners. All Social Value is as defined by the framework and the procurement of the provider has gone through the appropriate procurement processes.

Other work streams, such as LAD2 and LAD3/HUGS1 are already delivered/being delivered under an existing housing contract with their own Social Value element.

The remainder are being delivered through agencies and energy providers.

## **Environment/Climate Change**

11. The impact of the measures identified within this report on the environment/climate change are positive.

## **Council Priorities and Projects**

12. The contents of this report are consistent with the council's commitment of 'Dudley – The safe and healthy borough' as referenced in the Council's Plan 2022-2025.

13. It is hoped that the measures outlined within this report will enable the carbon footprint within the borough to reduce and lessen the environmental impact of fossil fuels. In addition, the reduction in energy costs will also assist people to stay warm at homes, lessen the impact of damp and mould on their health.

*K. Jones*

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**Appendices**

Appendix 1 – Net Zero Neighbourhood Programme

**List of Background Documents**

None

## **APPENDIX 1 – Net Zero Neighbourhood Programme**

The Net Zero Neighbourhood (NZN) Programme aims to develop a place-based approach to retrofit, founded on extensive community engagement to generate higher rates of take up than other retrofit initiatives and generate wider benefits including improved health and wellbeing; local employment opportunities; inclusive growth; improved quality of life and local amenities. This in turn can form the basis for a replicable finance and delivery model to scale up retrofit, creating low carbon energy communities on a neighbourhood-by-neighbourhood basis.

In March 2021, the WMCA Board approved funding for The Net Zero Neighbourhood Demonstrator programme and the 7 constituent local authorities were invited to present a plan for a Net Zero Neighbourhood within their area.

In July 2022 the WMCA board approved Dudley MBC's plan for Brockmoor as the plan that best aligned with the goals of the NZN programme, providing high confidence of successful delivery. WMCA therefore awarded £1.65m grant funding to Dudley MBC to deliver Phase 1 of the first NZN demonstrator.

### **PROJECT OBJECTIVES**

The strategic aims are:

- To prove that a place-based approach to retrofit can result in increased rates of uptake across all housing tenures.
- To develop a replicable funding and delivery model to mobilise capital investment into creating place-based low carbon energy communities.
- Identify and enable cost efficiencies associated with a place-based approach and using those to help accelerate the development of a high-quality local supply chain.
- To ensure low carbon projects across the West Midlands develop in a way that enables the local energy system to become smarter, more efficient, and flexible.

As part of the programme, Dudley MBC's Brockmoor plan outlines the ambition to create a Net Zero Canalside community, implementing the following within the area:

- Improvements to the existing housing stock, commercial estate and to the outdated industrial estate.
- Several transport improvements including the potential to develop the disused railway into cycle and walking pathways and the enhancement of canal corridors including surfaced cycleways with links to cycling and walking routes, as well as adjacent open spaces and green spaces.
- Management of demand and grid constraints to accommodate and plan for electrification for heat and transport.

- High-quality green infrastructure which will be protected and enhanced including green spaces and parks and improved links into Fens Pool Nature Reserve/SAC, the River Stour and open countryside to the south and west of the corridor.
- Educational programmes and community engagement to help design how the NZN is delivered and raise awareness of Net Zero
- Other area improvements or initiatives, including the local greenspaces, may be identified through community and neighbourhood engagement that can be included in delivery with additional funding options identified in the meantime to assist with this.
- The scheme will provide, through its social value element, apprentice and training opportunities and links have already been made with Dudley College.

## PROJECT LOCATION

Brockmoor area was selected as it comprises the key elements for a successful programme including:

- It has high levels of fuel poverty.
- It is relatively close to the new metro and therefore provide opportunities for expanding sustainable transport links.
- Relatively close to industrial areas, with wider opportunities for decentralised clean energy
- It has green space within it, an adjoining canal, and a disused railway.
- The housing mix is representative of the borough and includes several homes where energy efficiency improvements can be made quickly.

The chosen area comprises the LSOA Dudley 022D, including the following streets:

- Pheasant Street
- Norwood Road
- Station Road
- Belle Isle
- Foxdale Road
- The continuation of Norwood Road into LSOA Dudley 022B

## PROJECT DELIVERY – PHASE 1

The Brockmoor Net Zero Neighbourhood project delivery is proposed to be divided into two phases:

- Phase 1 (2022-2025) — corresponds to the first phase of capital funding, focusing on:
  - The retrofit of a minimum of 50 homes within Brockmoor.
  - The delivery of a community determined mobility intervention.
  - The delivery of a community determined green space improvement.



These will be funded through £1.65m of investment from the WMCA and supported by additional funding including from Dudley MBC housing department, Disabled Facilities Grant (DFG) and other grant funding that meets the criteria.

- Phase 2 (2025 onwards) — corresponds to the remaining infrastructure improvements and community initiatives needed to fully implement the NZN plan for which a business case will be built during the delivery of Phase 1 taking lessons from any demonstrated and de-risked value streams that arise in Phase 1, and building towards a smarter, more flexible energy system.