

Transport and the Environment Board

Thursday, 15 December 2022

Net Zero Progress Report

Is the paper exempt from the press and public?	No
Reason why exempt:	Not applicable
Purpose of this report:	Discussion
Is this a Key Decision?	No
Has it been included on the Forward Plan of Key Decisions?	Not a Key Decision

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Executive Summary

This report provides an update on the proposed activities being undertaken as part of the Net Zero Programme in particular the work to develop the Strategic Case for a South Yorkshire Housing Retrofit Programme. The Board is invited to note and comment on the workstreams and intended outputs and outcome proposals.

What does this mean for businesses, people and places in South Yorkshire?

Improving the energy efficiency and decarbonisation of the current housing stock within South Yorkshire will have significant benefits in reducing fuel poverty, people's health and wellbeing through provider warmer homes with reduced energy costs. There could also be a significant economic benefit to local businesses and supply chains that provide and install energy efficiency and decarbonisation measures.

Recommendations

The Board is asked to:

- Note and comment on the key proposals set out in Appendix A for progressing the Strategic Case for the South Yorkshire Housing Retrofit Programme.

Consideration by any other Board, Committee, Assurance or Advisory Panel

1. Background

- 1.1 In November 2019, the South Yorkshire Mayoral Combined Authority (SYMCA) declared a Climate and Environmental Emergency. This was followed in January 2020 with the SYMCA Board approving the South Yorkshire Climate Response Framework (CRF) which split the challenge into five areas: Leadership; Carbon Reduction; Carbon Capture; Climate Adaptation; and Climate Economy to achieve a Net Zero economy by 2040.
- 1.2 SYMCA's net zero work programme is cross cutting and is being delivered through a combination of activities covering all policy themes. To achieve the regional net zero targets, there is a need to continue to harness the collaborative work across all functional policy areas.
- 1.3 Following further development work, in March 2022 the SYMCA Board approved in principle up-to £0.30m funding to build the case for a South Yorkshire Housing Retrofit Programme, funded from SYMCA's allocation from the Project Feasibility Fund. Attached at Appendix A are details of the Housing Retrofit Programme case development work proposals that the SYMCA Programme Management Board have recently agreed in November 2022 intend to undertake.
- 1.4 The report and Appendix are presented for the Board's information and comment.

2. Key Issues

- 2.1 The combination of poor housing stock and low average rates of pay has resulted in South Yorkshire having some of the highest rates of homes in fuel poverty in the Country. Discussions between the Local Authority leads, housing providers, and SYMCA has identified that to tackle the interconnected constraints which currently prevent the delivery of housing retrofit measures at the scale required across South Yorkshire, requires collaborative strategic regional approach.
- 2.2 Of the approximately 620,000 homes in South Yorkshire, 62% of those have an 'Energy Performance Certificate (EPC) rating of D or below, compared to an England average of 58%. Government has set a target that all residential properties be of EPC C as a minimum by 2035.
- 2.3 To meet the region's Net Zero Target, all our homes will need to have as high an EPC rating as possible and will need to involve a replacement of natural gas as the primary heating source.
- 2.4 The provisional objective for this programme is to target energy efficiency improvements to properties of EPC D and below, to bring them upto at least an EPC C rating through a focus on basic 'fabric first' retrofit interventions. The scale of the challenge though is significant. It is estimated that upgrading all homes across South Yorkshire to a minimum of EPC C would reduce carbon emissions from homes by around 33%. However, the estimated of achieving this would be around £15,000 per home, which in aggregate would be a total cost of around £6Bn.

2.5 Full decarbonisation of the existing housing stock would need a spend many times this. Investment will need to be sought from multiple sources, including Central Government, institutional investors, local communities and individual households. The supply chain, both at a local and national level cannot support the scale or speed of delivery required, so any 'up-scaled' retrofit programmes need to take account of this constraint.

2.6 The project proposals include the following key actions:

- Setting out the scale of the retrofit challenge with complete data sets, collating existing data and commissioning targeted work to fill gaps in knowledge.
- Developing the strategic case for intervention.
- Setting out the possible intervention options and identifying the potential economic benefits of each intervention.
- Better defining and agreeing the ongoing workstreams with the retrofit stakeholders.
- Defining the timeframes, resources and funding required for the further development work on each workstream that will feed back into the main South Yorkshire Retrofit Programme.
- Identify the elements of the overall programme which need testing through demonstration, which may require further enabling larger scale SYMCA, Government and Institutional investment.

3. Options Considered and Recommended Proposal

3.1 Option 1

To note and comment on the proposed programme of activity including its workstreams, intended outputs and agreed resources to develop the South Yorkshire Housing Retrofit Programme.

3.4 Option 1 Risks and Mitigations

There is a risk that the cross-cutting nature of the programme will create obstacles to successful delivery, and that all partners and stakeholders will not be able to commit the necessary input required to successfully develop the Strategic Case. As outlined in Appendix A, the intention is to appoint a Programme Lead to manage the development work and ensure appropriate engagement with all relevant partners and stakeholders.

3.5 Option 2

None

3.13 Recommended Option

Option 1

4. Consultation on Proposal

4.1 The proposed programme development activities have been developed in liaison with the Housing Insulation Task and Finish Group chaired by Barnsley MBC Chief Executive and involving representatives from all four South Yorkshire local authorities, SYMCA and other stakeholders.

5. Timetable and Accountability for Implementing this Decision

5.1 The Executive Director Infrastructure & Place will be responsible for implementing this activity.

6. Financial and Procurement Implications and Advice

6.1 The SYMCA Board previously approved up-to £0.30m funding from the SYMCA allocation of the Feasibility Fund to undertake the Strategic Case development work. The proposals include funding a dedicated Programme Manager. Subject to the outcome of this Strategic Case development work, there may be a request for further SYMCA funding to support the implementation of Programme. Any such further funding request will be subject to SYMCAs' Assurance, financial and governance processes.

7. Legal Implications and Advice

7.1 None as a direct result of this report.

8. Human Resources Implications and Advice

8.1 The proposals include the appointment of a dedicated Programme Manager, who will be appointed to the SYMCA Executive, with the post funded from the approved budget.

9. Equality and Diversity Implications and Advice

9.1 Seeking to ensure everyone has a warm affordable home is a key purpose of the emerging South Yorkshire Housing Framework with the intentions of the Equality Act and Public Sector Equality Duty and the inclusivity policy approach of the Strategic Economic Plan.

10. Climate Change Implications and Advice

10.1 The existing housing stock within South Yorkshire is responsible for around a third of all CO₂ emissions in South Yorkshire. Improving the energy efficiency and decarbonisation of existing homes will therefore have the potential to make a significant impact on reducing the region's climate impacts and make a significant contribution to achieving the region's net zero ambitions.

11. Information and Communication Technology Implications and Advice

11.1 None as a direct result of this report.

12. Communications and Marketing Implications and Advice

12.1 There will be opportunities for publicity and marketing when the proposed schemes are being delivered.

List of Appendices Included

A South Yorkshire Housing Retrofit Programme Strategic Case Proposals

Background Papers

None