

**EUROPEAN REGIONAL DEVELOPMENT FUND (ERDF)
PROJECT – LOW CARBON SOCIAL HOUSING PILOT**

**REPORT OF THE DIRECTOR OF HEALTH, HOUSING AND ADULT
SERVICES**

**STRATEGIC PRIORITIES: SP2: Healthy City; SP3: Safe City; SP5:
Attractive and Inclusive City**

**CORPORATE PRIORITIES: CIO1 Customer focused services; CIO2 One
Council; CIO3 Efficient and effective council; CIO4 Improving
partnership working**

1. PURPOSE OF THE REPORT

- 1.1 To brief the Committee on the ERDF Low Carbon Social Housing Pilot, prior to its consideration by Cabinet on 7 December 2011.

2. BACKGROUND

- 2.1 This project has been developed under Priority 1 of the ERDF programme, in order 'to support the application and testing of innovative energy efficiency and renewable energy measures in existing social housing'. It will deliver a low-carbon social housing exemplar in Sunderland, by focusing on the trialling and deployment of a range of energy saving and low carbon technologies in hard to treat social housing. The technologies will be tested and deployed in a cluster of approximately 100 social houses on the Hylton Lane Estate, which is owned and managed by Home Housing, that meet the tightly defined criteria of the project and are suitable for the installation and monitoring requirements of all partners.
- 2.2 Sunderland's project is only one of two in the region that has been given an ERDF approval. No other local authority is leading on a project under this competitive call for proposals. The value of the project is therefore significant not only in its contribution to the low carbon economy, but in terms of raising the profile of the City Council and its partners in developing flagship projects. In addition, it will also develop the skills and expertise of staff involved in developing and delivering low carbon initiatives.
- 2.3 The project is structured around 3 work packages, as follows:

- **Work Package 1: Project management, survey and feasibility work, monitoring, evaluation and dissemination**

This will involve a range of activities including community engagement activities, energy surveys, a research study, and feasibility work to identify the appropriate technologies to be tested and installed. In addition, it will involve ongoing engagement with householders to record their energy use, experiences and behaviours.

- **Work Package 2: SME engagement, demand stimulation and diversification**

This work package will target SMEs, primarily in the construction and installation sector, with the aim of training them to achieve the Micro-generation Certification Standard and thereby improving their workforce skills and business competitiveness in the growing micro-renewable energy sector.

- **Work Package 3: Deployment, purchase and installation of technologies**

This work package will concentrate on designing, procuring, testing and deploying the technologies in the targeted hard to treat properties. The types of measures to be installed are likely to include include:

- Solar PV
- Heat Pumps
- New voltage control relays
- New/additional voltage control devices
- New dynamic thermal rating monitors
- New energy storage devices
- Use of smart meters to provide data in operational and planning timescales
- New communication channels between smart meters and network controllers

2.4 Following submission of the full Business Case on 29 October 2010, ONE North East undertook a full appraisal of the project. The project was approved by the Heads of Team on 13 December 2010 on condition that the funding and partnership agreements are confirmed prior to the project starting.

2.5 As a result of delays in the confirmation of partner funding the practical project start date is yet to be determined, however, funding can be claimed retrospectively for any eligible expenditure incurred since 1 April 2011. Following these changes a revised timetable has been provided to the Department for Communities and Local Government. It is now anticipated that the project will be completed by 31 March 2014. Match funding from the Low Carbon Networks Fund has been approved and

confirmation of Home Group's contribution was received on 4 October 2011.

3. CURRENT POSITION

3.1 At its meeting of 7 December 2011, Cabinet will be invited to;

- Agree that the Low Carbon Energy project proceeds as planned in the ERDF Business Case;
- Agree that the Council is applicant and accountable body for the project and acts as project manager;
- Agree that the Council draws up partnership and contract delivery arrangements with the project partners (the Registered Social Landlord and the Distribution Network Operator) and sub-contractors where appropriate;
- Agree that the Council procures a supplier or consortium of specialist training services for the targeted SMEs currently estimated at £200-£300k; and
- To agree to the procurement of other appropriate services, including external project evaluation, energy audit and community consultation work

The full Cabinet report is attached as Appendix 1.

3.2 Mr Alan Caddick, Strategic Head of Housing will attend the Scrutiny Committee meeting to brief members and answer any questions on the Low Carbon Social Housing Pilot.

4. RECOMMENDATION

4.1 The Committee is recommended to consider the Low Carbon Social Housing Pilot in advance of Cabinet on 7 December 2011.

5. BACKGROUND PAPERS

- ERDF Business Case;
- Cabinet Report, 7 December 2011

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