



Subject: Business Case Development Fund – Development of a North of Tyne major retrofit programme approach

Report of: Principal Economy and Strategy Manager

Portfolio: Housing, Land and Development

Report Summary

The purpose of this report is to request the approval of £200,000 of Business Case Development Funding for the development of a major retrofit programme approach across the North of Tyne area.

Recommendations

The Chief Executive is recommended to

- i. approve up to a maximum of £200,000 for the development of a major retrofit programme approach subject to the funding conditions set out in paragraph 1.8
- ii. agree to procure an external expert provider to support the development of a business case for a major retrofit programme

1. Background Information, Proposals and Timetable for Implementation

- 1.1. The Investment Plan agreed by NTCA’s Cabinet in April 2019 allocated £4.5m to support business case development work.
- 1.2. In April 2020, NTCA Cabinet approved the NTCA Energy Green Growth and Climate Change Blueprint which highlighted that decarbonising heat and reducing domestic carbon emissions provides a major opportunity for green growth and job creation. Being Climate Ready has been recognised as a priority by the North of Tyne Housing and Land Board and the North of Tyne Citizens’ Assembly on Climate Change identified retrofitting homes as one of their top 5 recommendations.
- 1.3. In January 2022, NTCA Cabinet allocated an indicative £200,000 to develop a business case for a major retrofit programme and authorised the Managing Director, in consultation with the Mayor, lead Cabinet Members and Investment Panel to agree the appropriate delivery mechanisms for this programme and consider and approve the business case(s) for this activity.
- 1.4. Proposal

Proposal Name	Development of a business case for a major retrofit programme approach across the North of Tyne area.
Lead Organisation	NTCA
Delivery Areas	North of Tyne
Timescales	October 2022 – May 2023 (TBC)
Project Value	£200,000
Grant / Loan amount requested	£200,000
NTCA Budget Implications:	This project will be funded from the £4.5m Business Case Development Fund workstream of the NTCA Investment Plan.

- 1.6 In 2021, NTCA commissioned the Energy Savings Trust (EST), in partnership with Accelar and Frontier Economics, to develop a robust evidence base to inform the business case for a large-scale housing retrofit programme. EST have identified the immediate retrofit priorities for the North of Tyne, and funding is being sought to procure external expertise to support the delivery of these priorities, create investable schemes and generate residential demand for retrofit.
- 1.7 This proposal for business case development has been developed as a modular approach with components of work that can each be progressed individually to accelerate retrofit activity across North of Tyne. Taken together, these individual components of work will form a cohesive package of work to develop a strategic approach to housing decarbonisation, energy advice and fuel poverty reduction and provide a signal to local supply chains to gear up to deliver housing retrofit at scale. This will support NTCA to develop a long term approach whilst also enabling delivery of key components
- 1.8 An internal appraisal was undertaken which found that there is clear alignment with the portfolios and themes in the NTCA's corporate plan and there is a strong rationale for intervention. NTCA Investment Panel considered the proposal by Written Procedure on 28th July 2022 and recommended to the Chief Executive that funding of up to £200,000 is agreed subject to the following conditions:
- 1) Confirmation of total project cost to be provided following completion of procurement exercise.
 - 2) Delivery milestones to be updated following procurement and revised for realism to allow time for consultancy support to be delivered, finalised, and all invoices paid.

1.1 Potential Impact on Objectives

- 2.1 This proposal supports several strategic priorities and themes set out in NTCA's Corporate Plan.

2.1 Key Risks

- 3.1 The risks associated with this application have been mitigated through funding conditions set out in paragraph 1.11.

4 Financial and Other Resources Implications

- 4.1 A maximum of £200,000 has been allocated to this proposal, for spend through 2022/2023. Confirmation of total project cost to be provided following completion of procurement exercise.

5 Legal Implications

- 5.1 The comments of the Interim Monitoring Officer are included in the report.

6 Equalities Implications

- 6.1 NTCA has an Equality and Diversity Policy and is fully committed to complying with the Equality Act 2010 and to fulfilling its statutory duties towards its employees and residents with regards to equality and inclusion.

7 Inclusive Economy Implications

- 7.1 All business case development fund applications are required to set out an approach which contributes towards NTCA's ambitions for an inclusive economy, this has been assessed through the appraisal process and considered acceptable.

8 Climate Change Implications

8.1 Although this proposal will not directly reduce carbon emissions, it supports the climate change priorities set out in the NTCA Corporate Plan, the NTCA Energy Green Growth and Climate Change Blueprint, the North of Tyne Housing and Land Board and the North of Tyne Citizens' Assembly on Climate Change.

9 Consultation and Engagement

9.1 The project has been discussed at Technical Officers Group meeting, Investment Panel, at Officer level in NTCA. In addition, the North of Tyne Citizens' Assembly on Climate Change identified retrofitting homes as one of their top 5 recommendations and the project sponsor has undertaken engagement with relevant stakeholders.

10 Appendices

10.1 None

11 Background Papers

11.1 NTCA Delegated Decision Report 1st April 2020, Investment Fund Update, Part B: Energy, Green Growth and Climate Change – a North of Tyne Blueprint
<https://www.northoftyne-ca.gov.uk/wp-content/uploads/2020/09/20200401-InvestmentB-report.pdf>

NTCA Delegated Decision Report 28th April 2020, Unlocking Sustainable Future Homes through Collaboration – next steps of the North of Tyne Housing and Land Board:
<https://www.northoftyne-ca.gov.uk/documents/28-april-2020-housing-and-land-board-delegated-decision-record/>

NTCA Cabinet Paper 27th July 2021
<https://www.northoftyne-ca.gov.uk/wp-content/uploads/2021/07/Agenda-Pack-Cabinet-27-July-2021.pdf>

NTCA Cabinet Paper 25th January 2022
<https://www.northoftyne-ca.gov.uk/wp-content/uploads/2022/01/Agenda-25.01.2022.pdf>

12 Contact Officers

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11. Sign-off

Portfolio holder Yes	Director/SMT Yes	Chief Finance Officer: Yes	Monitoring Officer: Yes
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