

# SHEFFIELD CITY COUNCIL

## Climate Change, Economy and Development Transitional Committee

### Meeting held 10 February 2022

**PRESENT:** Councillors Mark Jones (Chair), Barbara Masters (Deputy Chair), Tim Huggan, Dianne Hurst, Douglas Johnson, Martin Smith and Paul Turpin

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#### **1. APOLOGIES FOR ABSENCE**

1.1 Apologies for absence were received from Councillors Mazher Iqbal and Chris Rosling-Josephs.

#### **2. EXCLUSION OF PUBLIC AND PRESS**

2.1 No items were identified where resolutions may be moved to exclude the public and press.

#### **3. DECLARATIONS OF INTEREST**

3.1 Councillor Paul Turpin declared a personal interest in item 6 of the agenda 'Climate Change Action Plan - Domestic Retrofit' by virtue of him being a Director of an insulation company.

#### **4. PUBLIC QUESTIONS AND PETITIONS**

4.1 There were no public questions or petitions received from members of the public.

#### **5. CLIMATE CHANGE ACTION PLAN - DOMESTIC RETROFIT**

5.1 The Committee received a presentation from Mark Whitworth (Sustainability and Climate Change Service Manager) on 'Introduction to Domestic Retrofit'.

5.2 Also in attendance for this item were Janet Sharpe (Director of Housing Services) and Laura Chippendale (Sustainability Programme Officer).

5.3 Mark explained that this session followed the update given at the Climate Change, Economy and Development Transitional Committee meeting held 10 November, 2021. At that meeting, as part of the conversation on the Draft 10-point for Climate Change Action, it had been agreed that further information be provided to this Committee on delivering the retrofitting of homes equitably.

5.4 He confirmed that the objectives of this session were detailed within the report 'Domestic Retrofit Working Group' (attached in the agenda pack for this meeting) and the aim was to increase the Committee's understanding of the benefits and

challenges of retrofit. Maximising social justice had been noted as a clear priority and today's session would recommend the next steps to be taken.

- 5.5 A 'Domestic Retrofit' evidence gathering session had been organised for Committee members and would take place on 24 February. This session would involve representatives from other organisations who had offered to share their experiences.
- 5.6 Mark explained what was meant by domestic refit and outlined the three main approaches: an 'incremental' approach, a 'fabric first' approach and a 'whole house' approach. He also explained what a 'Net Zero Retrofit' might look like and outlined the benefits of this to the city, the Council and to residents.
- 5.7 There were a number of barriers which were not considered to be insurmountable, but it was important to be clear about challenges and to work with other cities and organisations to overcome them.
- 5.8 Challenges were also faced around social justice. Those who were already suffering disadvantages were expected to be the most likely to be impacted by energy price increases and fuel poverty. It was hoped that this agenda would help to address these challenges.
- 5.9 The risks of not acting were fairly apparent. These risks included an increased risk of fuel poverty, social and health impacts, economic issues re property values, attractiveness of the city, and missed opportunities around funding and grants. Efforts were being made to secure all available funding, but this did not scratch the surface on what was required.
- 5.10 Mark explained the broader issues around national policy and the challenge of meeting the UK target of Net Zero. Changes to SAP10 would also have a major impact on any decisions made and current local policies would also influence this.
- 5.11 Members of the Committee raised questions and the following responses were provided:-
- A comment was made that open discussions were as much an important part of the process as costings, and a question was asked about when conversations could be started with residents to arm them with the information they needed.
  - With regard to the main different types of retrofitting, a question was asked about what the difference was between those approaches in terms of cost-benefit of retrofitting, and the potential implications of providing incremental gains but then building over the top of them. The questioner noted that in terms of the Local plan and new homes standards, it would be useful to understand what Sheffield could do as a city to demonstrate its ambition in the absence of a national steer from Government.
  - Mark Whitworth advised that this would be addressed during the next presentation at today's session and would also be picked up as part of the wider conversations. The 'Domestic Retrofit evidence gathering session' for Committee members on 24 February would hear from some of the

organisations that had done some of this work already.

- Janet noted that Sheffield City Council had the benefit of experience in delivering a comprehensive Decent Homes programme which had taken the 'whole house' approach over a period of 12 years. The design currently being carried out would aim to ensure that none of the work that had currently been undertaken would be aborted when further improvements were required to achieve Net Zero.
- It was considered by a questioner that although the Energy Recovery Facility within Sheffield was effective in terms of energy recovery, secondary electricity generation to the district heating network was limited. There were concerns about the provision of energy to those homes without gas supply if electricity supply was interrupted, for example during a storm. The question asked was about how to achieve sustainability and continuity of supply in such circumstances.
- In response, Mark advised that discussions had been taking place with officers and were being picked up as part of the 10 Point Plan and the decarbonisation route map. Mark's team had been working closely with Housing Services and had been looking at ongoing work and sharing information more widely as appropriate. Conversations were taking place to see what support could be offered from voluntary and community organisations, and these wider conversations would form part of this programme over the coming year.
- With regard to the Local Plan, Mark's team had been working closely with planning officers on the development of the 10 Point Plan to make sure it reflected the progress made and to embed the conversations and work from the 10 Point Plan.
- Mark agreed that climate resilience issues needed to be part of the consideration around future energy in the city. It was important to understand in more detail what the challenges around energy supply were and understand where future supply might come from.
- A question was asked about how much work had been done to insource within the city and to upskill the local workforce in the longer term, to make sure there was a workforce fit for the future.
- Janet Sharpe noted that this was a significant challenge nationally, not just in Sheffield. The Council currently required evidence of accreditations to ensure competency. Recent tenders had shown huge costs added to provide such accreditation within their proposals, so it was considered more beneficial to have those skills and experience within the Council. There was currently a shortage of people in the country who were qualified and accredited at contractor level. Sheffield City Council had been contributing regionally and nationally to this very important agenda, and as a result it was hoped that improvements across the city could happen at a faster pace. In terms of affordability and pace it was also important to learn from previous Green Homes schemes.
- Janet explained that it was important to look at the changes needed and to enable upskilling of those who would deliver the maintenance service. A period of transition was anticipated as changes to properties were delivered. This was a national and regional issue, and it was important to look at a wider skills agenda for the future. The challenge was to achieve the pace in delivering in line with appropriate timescales. This required

significant funding at national, regional and local level to make sure that the skillsets were in place, although the challenge around funding was noted.

- Mark noted that programmes around skills and economy were needed and were part of the 10 Point Plan. Some practical steps had already been taken, for example consideration for providing a supply chain for businesses at the procurement stage. Work was being carried out with the employability programme team to address some of the gaps, and a plan was starting to form around this. It was also important to continue to build on work with the South Yorkshire Mayoral Combined Authority and their provision of skills.
- A question was asked about whether Sheffield City Council was communicating its concerns to Northern Powergrid about inefficiencies with the local network and how this might be improved.
- Mark advised that Sheffield City Council had been consulting with Northern Powergrid and were in the process of setting up a series of liaison meetings. They were also working with other organisations at both city and regional level as necessary.
- A question was asked about whether Sheffield City Council had a voluntary database or questionnaires for contractors to gauge their opinions, for example a key set of questions on what works well or what could be done to improve processes.
- Janet explained that representatives regularly went to speak at local events with contractors about the challenges that they had and to help them access funding. Officers were clear on the standards that would be expected from the Council and were able to offer support and engagement in the procurement process. There was also a good framework both regionally and across the country. Engagement also took place with consortiums to understand the key challenges and accreditation needed, but this needed to increase significantly. It was important to be very clear about the standards expected to ensure that previous problems weren't repeated.
- Mark noted that there were local SME's in those consortiums, and the question around a database could be picked up with planning officers to see what they already had in place and what could be learned from their experiences. Conversations had also taken place about setting up a panel of experts across the city, including industry, academia, professionals and learnt experiences. This would be discussed at the informal members session to be held on 24 February.
- A member noted that Burngreave Building Company had worked with the Council on repair work and felt this was an example of the opportunity for the Council to lead the way in helping the local economy. The questioner asked if there was an approach whereby the Council could have a traded service to stimulate collaboration, assist with private sector growth and ensuring that dividends harvested by the Council could be reinvested back in the city.
- Janet advised that collaboration with the Sheffield Housing Company had been a clear joint partnership with the role of delivering new homes. The role of the partnership was also to test the standards of those homes. This process had helped with the Council's own rebuilding, by making sure

standards were as high as possible. Priorities included looking at the Council's repairs service and delivering the improvements required, and also looking at other work that could be done outside of the council housing stock. The steps that needed to be taken would include appropriate upskilling of the workforce to enable this to happen in a way that was value for money and provided a good service.

- A member felt that it was important not to focus solely on the technologies available, and instead focus on the approach to be taken, ie target improvements on a small number of properties or look at a wider number of homes. The question raised was about what the funding solution might be, and what the Council could do to unlock partnership deals and/or funding.
- Janet agreed with these observations and felt that it was important to focus on quality and practical design solutions. Communications with private landlords and residents should be kept as simple as possible, and it was hoped to encourage them to come and talk to technical officers at the Council, who would be able to offer advice on design solutions and put them in contact with approved installers. It was felt that more people would want to invest in their homes if this process was made easier for them.
- For some years the Council had been investing in a 'fabric first' approach. Homes had been built, clad and insulated to a much higher standard than was required by building standards. The Council had invested heavily in this, and 6,900 Council properties had achieved an Energy Performance Certificate rating of C. In order to continue on this path, it was important to make sure that the planning process ensured that new homes were approved to an appropriate standard.
- In terms of where the funding came from, Janet felt that the current grant system arrangements were not fit for purpose and were very piecemeal and competitive. Organisations were reluctant to invest in training and upskilling staff without a longer-term promise. The roadmap being developed would allow for conversations to take place with Government at senior level and enable work to be carried out a faster pace. Current funding was mainly via the Housing Revenue account rent money.
- Mark Whitworth agreed and wondered whether a middle ground might be found. The informal session on 24 February would include experiences from other cities, for example Nottingham. They had targeted a small number of properties and had achieved their aims but were also investing in other approaches to try to balance and target their limited finances. In terms of Sheffield, ways of working with other cities across the UK were being looked at to try and unlock funding. Conversations had been started about shared prosperity funding and looking at funding from other routes as well as the Council's own resources.
- A question was asked about the Council's collaboration approach regionally and whether the Council could lead in a way that would be beneficial for the city. There were lots of private tenants and owner occupiers whose income was limited who would benefit most from these improvements, and it was felt that a regional strategy could be developed in order to address this.
- Janet noted that as well as working on Council housing stock across the city, periodic checks were also carried out on private housing stock. As

part of the roadmap, the priority was to work with other organisations to look at the measures and improvements that were needed. Help and advice could be given on a practical level, for example on access to grants. Collaboration with housing associations and local firms was taking place, with the aim of offering help and support to those on low incomes. It was important to understand what actions were needed and what they would mean to the end user. Conversations had started with the Department of Work and Pensions and the Council's benefits teams to help people access benefits to make improvements more affordable. It was also important ensure that improvements would help to reduce bills, particularly due to the huge rise in energy costs. The biggest challenges were currently in the private sector, so this was a key priority.

- Mark Whitworth noted that retrofit was a shared challenge across the whole region, and this was an opportunity to work together. For example, Leeds and West Yorkshire Combined Authority had worked with Better Homes Yorkshire and had utilised collective purchasing to build and retrofit. Mark Atherton, Director of Environment at Greater Manchester Combined Authority would be attending the informal member session on 24 February to talk about a retrofit taskforce involving 11 different authorities. Their report had been approved and it had been recognised that 900,000 homes needed to be retrofitted, requiring an investment of £830m. It was hoped that by the authorities coming together, they could create a supply chain and start to maximise grant opportunities and provide some certainty.
- At this point, Councillor Turpin declared a personal interest as director of an insulation company that was not yet trading. As it was a personal interest, he was able to remain and participate in the meeting. He outlined some of the obstacles he had met whilst setting up the business and also the lessons he had learned. He was aware of the issues around upskilling of staff and gaining qualifications.
- He felt it would be useful to remind residents of the benefits of making improvements to their homes, namely improving their wellbeing and potentially making a return on their investment. He noted that the Local Plan was a good opportunity to assist in achieving Net Zero and believed that the Council was on the threshold of making a difference.
- Councillor Masters commented that those listening to the webcast of this meeting might be concerned about a potential conflict of interest for Councillor Turpin and suggested that he used his language more appropriately.
- Councillor Jones responded by stating that he believed that it was useful to show the public that committee members had a good understanding of the issues being raised and the benefit of their experience to these discussions.

5.12 The Committee received a presentation from Janet Sharpe (Director of Housing Services) on 'Retrofitting Sheffield' and 'Introduction to Possible Solutions'. She outlined what work was already being done, what else needed to be done, the challenges faced, and she explained some of the possible solutions.

5.13 Arup had been commissioned by the Council in 2020 to look at what was needed

to achieve the 2030 Net Zero target and this had provided priorities on what work was required on domestic properties across the city.

- 5.14 There were a number of key recommendations from Arup, including improving the fabric of homes, reducing energy consumption in homes and removing the reliance on fossil fuels. At that time, it was estimated that between £2 billion and £5 billion was required to bring all homes in the city to the Net Zero standard, of which an expected £700m would be required to address Council housing stock.
- 5.15 Since 2004, over £1 billion had been invested on Council housing stock via both capital investment and repairs and maintenance. A 'fabric first' approach had been taken, with a clear asset management plan and strategy. Over the next 5 years an estimated spend of £130m was anticipated on improvements such as energy efficiency and roofing.
- 5.16 Janet outlined the significant challenges faced around funding regimes and then went on to discuss possible solutions. These included learning from others, and officers had provided case studies from other cities and organisations to help inform the process.
- 5.17 Members of the Committee raised questions and the following responses were provided:-
- A questioner noted the comprehensive and wide-ranging work that had been done by the team and asked how much could be done whilst waiting for government grants. The question raised was around how much the Council could take control via innovative financing systems. There was also a concern of the consequences faced when the national grid failed, for example during a storm.
  - Janet confirmed that currently housing stock had a mixture of gas and electricity, so if electricity systems failed, gas was the backup. In order to provide this backup, it was important to consider a balance of technologies along with their associated risk and costs.
  - A question was raised about whether a simple approach should be taken to ensure schemes were likely to succeed, and whether evidence was actively being sought from schemes that had failed.
  - In response, Janet confirmed that this was the case.
  - The Chair suggested that members provide any relevant alternative information to officers in advance of the informal session due to take place on 24 February.
  - Janet noted that Sheffield was part of the Core Cities partnership and was a member of a number of consortiums which brought with it shared experience of schemes and solutions. She agreed that solutions should be kept as simple as possible and noted that there was a lot of expertise and practical solutions available from builders and contractors.
  - A member raised concerns about the reliance on electricity to power homes. It was also noted that some research that had been carried out looking at a low technology solution that could help some households to reduce their heating bills by installing doors at the end of passageways. It was suggested that a presentation on this might be useful to the

Committee members.

- The member also noted that there were a number of facilities across Sheffield that provided local electricity generation schemes and asked if officers were linking with them to receive their input.
- The Chair confirmed that this would be noted.

5.18 The Chair asked that Committee members put forward suggestions of partners that could be invited to the informal session due to take place on 24 February.

5.19 It was noted by the Chair that it was important not to have an over reliance on Government funding and he made a suggestion of writing to Government ministers to better understand their position and seek joint ways of working.

5.20 It was noted that no public questions had been heard at the meeting, and a suggestion was made to provide signposting on Citizen Space to the next meeting of the Committee that was due to take place on 10 March, 2022.

5.21 **RESOLVED:** That the Committee:-

- (a) notes the information reported as part of the presentation, the additional information now reported and the responses to the questions raised;
- (b) thanks Janet Sharpe and Mark Whitworth for attending the meeting and responding to the questions raised;
- (c) ask that members of the Committee put forward relevant alternative evidence to bring to the Domestic Retrofit evidence gathering session on 24 February;
- (d) ask that members of the Committee put forward suggestions of partners to invite to the Domestic Retrofit evidence gathering session on 24 February;
- (e) writes to the appropriate Government minister to seek an understanding of funding opportunities and joint ways of working; and
- (f) requests that Citizen Space be utilised to signpost members of the public to the next meeting of the Committee, due to take place on 10 March, 2022.

## **6. DATE OF NEXT MEETING**

It was noted that the next meeting of the Committee would be held on Tuesday, 10 March, 2022, at 10.00 am, in the Town Hall.