

Agenda Item No: 6

Report to: Cabinet

Date of Meeting: 2 November 2015

Report Title: EU Funding Project approval – Climate Active Neighbourhoods (CAN)

Report By: **Andrew Palmer**
Assistant Director Housing and Built Environment

Purpose of Report

To seek approval for delegated authority to be given to the Director of Operational Services and the Deputy Leader of the Council and Housing, Communications and Equalities Portfolio Holder, to enter into a Sub - Partnership Agreement with AmicusHorizon to support the EU Funded CAN project.

Recommendation(s)

1. To give delegated authority to the Director of Operational Services and Deputy Leader of the Council and Housing, Communications and Equalities Portfolio Holder, to sign a sub-partner agreement with AmicusHorizon to deliver the HBC associated activities and outcomes for the CAN (Climate Active Neighbourhoods) EU cooperation project.

Reasons for Recommendations

Hasting Borough Council has led on the development of the project locally which will see a provisional total investment of approximately £845K (Euro 1.183m) to the town. The funding will be used to support various capital and revenue projects in the Ore Valley area. It will help to reduce carbon emissions from properties and improve the housing conditions of residents living in both the social and private dwellings. The initiative will also help alleviate fuel poverty.

AmicusHorizon is the full partner for the project in Hastings, with Energise Sussex Coast and HBC identified as local sub-partners.

Background

1. Climate Active Neighbourhoods is an EU North West Europe Interreg cooperation project that was approved at first stage application in July 2015 and is now being progressed for full application submission by 20th December 2015.
2. The CAN project will enable UK partners to develop new, local approaches to meeting the national challenge of delivering the Carbon Plan, and so support compliance with UK CO₂ emission reduction targets.
3. The CAN project emphasis is the implementation of technologies to improve energy efficiency in the home, encouraging behavioural change to reduce energy consumption and developing a 'bottom up approach' (community development) to building community resilience to climate change.
4. European partners in the CAN project include Climate Alliance (an international city network for climate protection) as lead Partner from Germany, five local authorities (Arnhem - Netherlands, Brest Metropole – NW France, Essen - Germany, Plymouth, Worms - Germany), one regional and one local energy agency (Energy agency Rhineland-Palatinate and Energy agency Liège - Belgium), and a regional regeneration agency (EPAM Seine Aval - France).
5. UK Partners include AmicusHorizon (with Energise Sussex Coast and Hastings Borough Council as sub-partners) and Plymouth City Council (with Plymouth Energy Community, and local RSLs and Housing cooperatives as sub-partners).
6. AmicusHorizon will work with Energise Sussex Coast and HBC to reduce energy consumption and alleviate fuel poverty in public and private sector housing in the wards of Ore, Baird, and Tressell. The area has a combined population of 15,000 residents, with approximately 40% concentrations of social rented housing and a rising private rented sector.
7. AmicusHorizon will use the funding to eco-uplift 100 properties to approximately Energy Performance Certificate C standards which will be required to all social rented sector housing by 2020.
8. Energise Sussex Coast will work with residents to encourage behaviour change, energy efficiency practices and will support, evaluate and develop instruments for monitoring different efficiency measures. The exact sub-partner relationship between AmicusHorizon and Energise Sussex Coast is still to be finalised.
9. HBC role will be to act as sub-partner to Amicus Horizon taking a strategic view of the community involvement and coordinating role. HBC will utilise existing structures of neighbourhood engagement and ensuring linkage of the Energise Sussex Coast and Amicus activities with other similar initiatives within the neighbourhood and the wider town. These include projects such as the BIG Local Programme, work with local community centres, the potential creation of health and wellbeing centres in the area and the 2 Seas Interreg 'SHINE' project if approved.
10. Given the programme rules regarding partner budgets and the number of full partners anticipated in the partnership, the lead partner advised HBC be

contracted as a sub-partner through Amicus Horizon who is a full partner (and has the largest share of the Hastings budget). As a sub-partner HBC remains involved in the partnership, which was the desire of the partnership and the programme and is able to play a strategic role.

11. The provisional budget for the programme across Europe as a whole totals £5.5m (7.3m Euros)
12. Hastings partners intend to submit proposals totalling £845K with a 60% intervention rate. This means Hastings will attract a total of £507K new investment to improve energy efficiency of homes, encourage adaptation of small energy saving technologies, reduce energy consumption and build community resilience to climate change.
13. The project proposal compliments the SHINE (2 Seas Programme) proposal for Central St Leonards. Under this programme, it will allow for improvements in other parts of the town as identified.
14. If approved in autumn 2015, it will be a 3 year project (April 2016 – March 2019).
15. The proposed 3 year budget for each of the Hastings partners are as follows (euros – .714 Exchange Rate):

HBC: Euro 148K (£106K)
AmicusHorizon: Euro 680K (£486K)
Energise Sussex Coast: Euro 354K (£253K)

Total: Euro 1,183,000 (£845K)
16. The proposed total programme budget for Hastings Borough Council is £106K over 3 years (.714 conversion rate), with £64K coming from the EU grant (60%) and the remaining 40% (£42K) from a mix of cash and staff match (£3,600 cash and approximately £39,000 from staff match over 3 years).
17. The funding at HBC will enable the recruitment of a part-time worker, at two days per week, to deliver the specific activities identified below.
18. There is potential for further match funding to expand the project from SSE (national energy company) and Big Local as the interventions are developed.
19. Details of the key activities of Hastings partners are as follows:
 - AmicusHorizon will retrofit 100 poor performing homes (where carbon emissions and fuel bills are high) to an EPC band C and deliver ‘smart’ technology improvements.
 - Energise Sussex Coast is currently proposing to develop and implement new tools to tackle fuel poverty, through energy demand management measures and mechanisms to finance improved fabric energy efficiency. As examples this includes:

- Recruit and train community energy champions and technicians
 - Establish and run a Community Energy Advice Centre
 - Develop and launch an 'Energy Local' pilot enabling the community to manage their energy demand through smart technology and time of use tariffs (demand side management)
 - Develop and launch a community energy tariffs available to local residents, in Plymouth and Hastings
 - Provide 600 houses provide energy advice and install 500 energy kit and 100 smart meters, real time monitoring system
- HBC will carry out the following activities:
 - Creation of a local 'low carbon' neighbourhood forum / partnership with local community organisations and residents
 - Championing of local partners work and introducing / influencing other local initiatives to consider the climate change agenda and incorporate adaptation measures into their strategies and projects.
 - Working with partners to develop other local initiatives in the neighbourhood and Hastings district as a whole, to increase community awareness and ability to adapt to climate change.

20. Hasting Partners are still finalising the details of the project and the above proposed budgets and activities for all partners are currently subject to change. The final proposal from the Lead Partner (Climate Alliance) will not be confirmed until on 30th November 2015.

Policy implications

- a) Equalities and Community Cohesiveness:
 - a. CAN directly addresses fuel poverty issues.
- b) Environmental issues:
 - a. CAN will directly reduce the CO2 emissions of the area.
- c) Economic/Financial Implications:
 - a. Council spend on this project has been to support the development of the project and monitor its implementation using existing partnership structures and ensure synergies with other programmes/projects.
 - b. Any grant payment to HBC will be in Euros and there is an exchange rate risk (project loss or gain) but the exchange used represents the current position.
 - c. The permanent staff resource assigned across the project term of 3 years is sufficiently small therefore minimising the risks attached to permanent staff reductions over this period.
 - d. There is a potential Euro 30K charge (shared amongst all 10 partners) if the project is not approved. AmicusHorizon may ask HBC to contribute to the cost.
- d) Organisational Consequences:

- a. Provision for a part-time worker has been made in the project to lead on HBC activities.
- e) Poverty Implications:
 - a. CAN will directly help reduce fuel poverty.

Wards Affected

Tressell, Ore, and Baird

Policy Implications

Please identify if this report contains any implications for the following:

Equalities and Community Cohesiveness	X
Crime and Fear of Crime (Section 17)	
Risk Management	
Environmental Issues	X
Economic/Financial Implications	X
Human Rights Act	
Organisational Consequences	X
Local People's Views	
Poverty Implications	X

Background Information**Officer to Contact**

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