

# S&E Regional Operational Plan 2014 – 2020.

## Implementation Plan: Social Housing Retrofit

<b>Operational Programme</b>	S&E Regional Operational Programme 2014-2020
<b>Priority</b>	4: Low Carbon Economy
<b>Thematic Objective</b>	4: Supporting the shift towards a low-carbon economy in all sectors in the S&E region.
<b>Investment Priority</b>	(c) Supporting energy efficiency, smart energy management and renewable energy use in public infrastructures, including in public buildings, and in the housing sector.
<b>Scheme</b>	Social Housing Retrofit
<b>Categorisation Code</b>	014
<b>ERDF Certifying Body</b>	Department of Public Expenditure and Reform
<b>Managing Authority</b>	Southern Regional Assembly
<b>Intermediate Body</b>	Department of Environment, Community and Local Government
<b>Level 1 Public Body</b>	Local authorities
<b>Grant Rate</b>	Up to 100%
<b>EU Co-Financing Rate</b>	50% of eligible public investment

### Objectives of Intervention.

The principal objective of the retrofitting proposal is to meet Ireland's commitments in relation to carbon emissions reductions and energy reduction targets for 2020. Implementation of energy efficiency measures in buildings will make a significant contribution to Ireland's carbon emissions reduction targets and energy reduction targets for 2020. The frameworks within which these measures are being implemented are provided by the recast Energy Performance of Buildings Directive and Energy Efficiency Directive.

Energy savings in buildings will contribute 45% of Ireland's total energy savings targets for 2020. The energy retrofitting of buildings in the private and public sector hold the greatest potential for energy savings.

It is intended that this retrofitting proposal will fully meet the stringent requirements and ambitious targets of the Energy Efficiency Directive.

Secondary objectives of the retrofitting proposal include:

- Stimulating employment generation within the construction/energy retrofitting sector. This measure will support some 4167 jobs, taking account of both direct and indirect jobs, over the implementation period;
- Demonstrating the importance of public sector bodies leading by example as required by the Recast Energy Performance of Buildings Directive and the Energy Efficiency Directive.

## Description of Intervention.

### **Measure 1 Social Housing Retrofit**

#### Scheme 1 - Apartments

Of the 25,000 older properties a particular difficulty arises in the case of some 2,000 apartments located in large flat complexes in Dublin city especially, where more than 1,500 of these are found. These 5-storey maisonettes do not meet new building standards of energy efficiency and require a substantial energy retrofit to address this as well as renewable energy use, condensation risk etc. These 5-storey blocks are solid, well located and currently support stable communities in city centre locations and make a positive contribution to the urban form. In the case of Cork and Limerick, the flat complexes are smaller in scale but exhibit the same deficiencies in terms of thermal performance and comfort levels. They will be the subject of similar thermal improvement works. Installation and design of energy efficiency retrofit works will be performed to National Building Regulations and to the detail provided in the National Standards Authority of Ireland Code of Practice for Energy Efficiency Retrofit of Dwellings.

Therefore this theme will provide funding for the energy retrofitting of up to 2,000 thermally deficient and older social housing units.

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- Demonstrating the importance of public sector bodies leading by example as required by the Recast Energy Performance of Buildings Directive and the Energy Efficiency Directive.

The targeted housing units shall undergo an ambitious and all-at-the-same time comprehensive energy efficiency improvements resulting in at least an improvement in one energy efficiency grade rating to be fit for purpose.

A programme of Energy Retrofitting works will include:

- Insulation works;
- Installation of new heating systems based on 91% efficient gas boiler with zoning, temperature controls, and factory insulated hot water cylinders;

- Interventions to improve energy efficiency and seal buildings including draught proofing and ventilation systems; and
- Replacement of windows and doors with high performance double glazing and triple glazing.

*Scheme 2 – Local Authority Houses*

*Insulation Retrofitting Programme.* This scheme will focus on older properties with solid masonry wall construction with a view to retrofitting attic/roof and wall insulation. Due to the higher cost of providing either external wall insulation and/or internal dry-lining/insulation, grants of up to €10,000 per dwelling will generally be payable. The funding will include the replacement of poorly performing doors and windows where necessary.

It is estimated that at least 13,000 such properties across Ireland (8,750 in the S&E Region) will require to be retrofitted in the coming years at an estimated cost of €10,000 each.

The targeted housing units shall undergo an ambitious and all-at-the-same time comprehensive energy efficiency improvements resulting in at least an improvement in one energy efficiency grade rating to be fit for purpose.

Properties in all local authority areas are eligible for funding.

**Measure 2: Retrofitting of Vacant Social Housing Stock.**

In addition to achieving best use of existing resources, minimising voids attracts a much enhanced perception of local authorities where housing applicants can be accommodated as quickly as possible and vacant dwellings are not the source of anti-social behaviour.

Over 4,000 social housing units are vacant at present. A targeted measure is being introduced which will focus exclusively on vacant and boarded-up properties with the objective of returning at least 3,500 of these (2,355 in the S&E region) to productive use as quickly as possible. Funding of up to €30,000 per unit will be provided for a suite of retrofitting works. The programme will focus on retrofitting of the fabric of the dwelling (insulation of walls/roofs, window/door replacement, heating system improvement, etc.). The measure will apply across all local authorities in the S&E region.

Retrofitting on the selected properties under the above measures will be based on the results of a conditional and thermal efficiency survey of social housing units. Local Authorities are required to identify properties without adequate basic fabric insulation or thermal saving measures. Priority will be given to ensuring that all social housing stock will have, as a minimum, wall insulation and attic insulation (300mm). Following this, Local Authorities will identify properties which have un-insulated solid walls – pre 1978 dwellings, solid block, hollow block or mass concrete wall; u-Value.2.1. The document “Guidance note on energy retrofitting of dwellings, 2013” outlines the methodology and offers guidance to Local Authorities to assist in prioritising works for upgrading the energy efficiency of the social housing stock. Priority is given to stock with less than 100mm insulation at present.

The targeted housing units shall undergo an ambitious and all-at-the-same time comprehensive energy efficiency improvements resulting in at least an improvement in one energy efficiency grade rating to be fit for purpose.

## **Responsibilities of Intermediary Body.**

The DECLG will be responsible for ensuring the effective implementation of the measure and for ensuring full compliance with the Regulations governing the EU Structural and Investment Funds, including Procurement, Financial Management, Information and Publicity, Measure Objectives and Horizontal Principles. DECLG will implement transparent and robust financial management and control procedures, to be set out in a detailed Procedures Manual to comply with the requirements of the Managing Authority and the EU. DECLG will be responsible for ensuring that all claims for Structural Fund expenditure, submitted by the Social Housing Operational Partnership/Local Authorities, are supported by appropriate invoices and audit documents and that a clear and robust audit trail is maintained. Spot checks will be carried out on the SPV/Local Authority by the DECLG on management and control systems. These checks will include procedures to verify the implementation of the works co-financed under the measure, the reality of the expenditure claimed and compliance with all the requirements pertaining to this measure.

The DECLG will also be responsible for ensuring that only eligible expenditure is submitted for ESI Fund support to the Managing Authority and that all such expenditure is duly verified

DECLG will be responsible for submitting eligible expenditure to the Managing Authority within the timeframes and format required in order for payment claims to be prepared for submission to the Certifying Authority.

DECLG will compile monitoring/progress reports as required by the Managing Authority and will cooperate and assist with OP level evaluations as required.

## **Responsibilities of Public Beneficiary Body.**

The Social Housing Operational Partnership/Local Authority will be responsible for the implementation of the intervention at local level. As final beneficiaries in the order of reporting, the Partnership/Local Authority will be responsible for ensuring that only eligible expenditure incurred, and expenditure which is in accordance with the terms of the project as approved, is certified. The Partnership will maintain a clear audit trail in relation to EU co-funded expenditure and all claims will be supported by appropriate invoices and records. The Partnership/Local Authority will provide monitoring/progress reports as requested by the Intermediate Body and to include information and activity reports on the implementation of the relevant horizontal principles.

The contribution of the Irish exchequer and the European Structural and Investment Funds 2014-2020 will be acknowledged in all promotional material and reports by use of the appropriate logo and text references.

## **Integration of Horizontal Principles.**

Having completed the screening exercise, the Department will undertake the following to integrate the horizontal principles:

- Report on the number of units occupied by local authority tenants that have been retrofitted.
- Report on the number of vacant properties brought back to productive use and therefore providing extra housing units to address social housing needs of local authorities.

- Report on energy savings achieved through the programmes.
- Address energy poverty concerns by targeting local authority tenants who include vulnerable groups such as people with a disability, older people, jobless households, long-term unemployed, people living in disadvantaged communities among others.
- Improving environment of local authority tenants by reducing number of vacant properties that may be subject to vandalism.

## Selection Process and Criteria.

### Scheme 1 - Apartments

DECLG will assist Local Authorities in identifying apartments for inclusion in the scheme.

### Scheme 2 - Local Authority Houses

The attached document "Guidance note on energy retrofitting of dwellings, 2013" outlines the methodology to be used by Local Authorities in identifying qualifying stock and offers guidance to Local Authorities to assist in prioritising works for upgrading the energy efficiency of the social housing stock.

## 1. Selection Criteria

### Scheme 1 - Apartments

Properties will be selected by the local authorities in consultation with DECLG

### Scheme 2 - Local Authority Houses

Measure 1: Insulation Retrofitting Programme.

Local Authorities are required to identify properties without adequate basic fabric insulation or thermal saving measures as follows:

- properties which have un-insulated solid walls – pre 1978 dwellings, solid block, hollow block or mass concrete wall; u-Value.2.1.

Measure 2: Retrofitting of Vacant Social Housing Stock.

Properties will be selected by the local authorities on the basis of unit cost, the extent of local housing need and the age/condition of the property.

## Appeals.

DECLG's procedure for dealing with appeals is as follows: It is anticipated that all qualifying properties would be approved. In the event of a dispute about eligibility the case will be referred to the Department's technical team for review and recommendations.

## Performance Indicators.

### Priority-level Output Indicators Investment Priority 1(a)

ID	Indicator	Measurement Unit	Fund	Category of Region	Target Value	Source of Data	Frequency of Reporting
CO31	Number of Households with improved energy consumption classification	Number of households	ERDF	More Developed	19,497	DCENR, SEAI and DECLG	Annual
CO34	GHG Reduction*	Tonnes of CO2 equivalent	ERDF	More Developed	8,945	DECLG	Annual

## Programme-Specific Result Indicators Investment Priority 1(b)

ID	Indicator	Measurement Unit	Category of Region	Baseline Value	Baseline Year	Target Value	Source of Data	Frequency of Reporting
4(a)	Increase the average thermal performance of households in the S&E Region	kWh per m <sup>2</sup>	More developed	210 kWh per m <sup>2</sup>	2014	185 kWh per m <sup>2</sup>	DCENR and SEAI	Annual

## Financial Management.

The Department of Environment, Community and Local Government (DECLG) will enter into an Administrative Agreement with the Regional Assembly which will set out in detail the responsibilities of each. This agreement will be prepared by the Regional Assembly in consultation with the Department in its capacity as an Intermediary Body

DECLG will be responsible for ensuring the effective implementation of the intervention and for full compliance with the Regulations, particularly those concerning financial management, control, publicity and public procurement. DECLG will update its Procedures Manual to comply with the requirements of the Department of Public Expenditure and Reform Circular on the management of EU co-funded programmes 2014-20; and the EU regulations.

DECLG will ensure that the beneficiary Local Authorities are provided with a grant award document setting out the conditions of support for each operation, including the specific requirements concerning the products or services to be delivered under the operation, the financing plan, the time limit for execution and the conditions for use of the Structural Funds IT System 2014-2020.

DECLG will be responsible for ensuring that all payment claims for European Structural and Investment Fund expenditure, submitted by Local Authorities, are supported by receipted invoices and audit documents, and that a clear and sufficient audit trail exists. Spot checks will be carried out by DECLG and/or by other bodies on their behalf on management and control systems in the Local Authorities. These checks will include procedures to verify the delivery of the retrofit schemes co-financed and the reality of expenditure claimed and compliance with applicable national and Community rules on, in particular, the eligibility of expenditure for support, public procurement and protection of the environment.

DECLG will also be responsible for ensuring in respect of co-financed Intervention/projects, that only eligible expenditure actually incurred is submitted to the Managing Authority. DECLG is responsible for the certification of all expenditure incurred by the Local Authorities. Project level data will be



updated, as and when requested and specified, by the EU Structural Funds I.T. System.

### **Document Retention.**

In accordance with Article 140 of the Common Provisions Regulation (EC) 1303/2013 all supporting documents regarding expenditure, verification checks, certification and audits on operations for which total eligible expenditure is less than €1,000,000.00 will be kept available for the EU Commission and Court of Auditors for a period of three years from 31 December following the submission of the accounts in which the expenditure of the operation is included. In the case of operations over €1,000,000.00 all supporting documentation shall be kept for a 2 year period from 31 December following the submission of accounts in which the **final** expenditure of the completed operation is included.

### **Monitoring and Reporting Arrangements.**

The Department of the Environment, Community and Local Government will provide reports and data in the required formats as required via the EU Structural Funds IT System and by the Managing Authority for onward reporting to the OP Monitoring Committee.

The DECLG will compile reports on performance at intervention level, setting out progress against agreed intervention objectives and targets and in relation to performance on the horizontal principles.

### **Information and Publicity.**

The contribution of the Irish exchequer and the EU Structural and Investment Funds 2014-2020 will be acknowledged in all promotional material, annual reports, letters of offer etc. and by use of appropriate logo and text references. The relevant Structural Funds regulations and Information and Publicity will be complied with in this regard. DECLG will ensure that the Local Authorities as beneficiaries will comply with section 2.2 of Annex XII of Commission Regulation 1303/2013 and with Articles 4 and 5 of Commission Implementing Regulation 821/2014.