



**Service Delivery  
Committee**

**Tuesday, 05  
September 2023**

**Matter for  
Information**

**Report Title: Social Housing Decarbonisation Fund (2023-2025)**

**Report Author(s): Ben Clark-Monks (Selective Licensing Team Leader)**

<b>Purpose of Report:</b>	This report outlines the approved Social Housing Decarbonisation Fund project to be undertaken between April 2023 to September 2025.
<b>Report Summary:</b>	The Social Housing Decarbonisation Fund is an external funding source secured from the Department for Energy Security and Net Zero (DESNZ). Funding has been secured in conjunction with the Midlands Net Zero Energy Hub to retrofit energy efficiency measures to Council housing stock to improve the energy performance of properties.
<b>Recommendation(s):</b>	<b>That the content of the report be noted.</b>
<b>Senior Leadership, Head of Service, Manager, Officer and Other Contact(s):</b>	<p>Adrian Thorpe (Head of the Built Environment) (0116) 257 2645 <a href="mailto:adrian.thorpe@oadby-wigston.gov.uk">adrian.thorpe@oadby-wigston.gov.uk</a></p> <p>Chris Eyre (Housing Manager) (0116) 257 2726 <a href="mailto:chris.eyre@oadby-wigston.gov.uk">chris.eyre@oadby-wigston.gov.uk</a></p> <p>Ben Clark-Monks (Selective Licensing Team Leader) (0116) 257 2883 <a href="mailto:ben.clark-monks@oadby-wigston.gov.uk">ben.clark-monks@oadby-wigston.gov.uk</a></p> <p>Baljit Rakkar (Grants Technical Officer) (0116) 257 2613 <a href="mailto:baljit.rakkar@oadby-wigston.gov.uk">baljit.rakkar@oadby-wigston.gov.uk</a></p>
<b>Strategic Objectives:</b>	Our Council (SO1) Our Communities (SO2) Our Environment (SO4)
<b>Vision and Values:</b>	Proud of Everything We Do (V2) Collaborative & Creative (V3) Resourceful & Resilient (V4)
<b>Report Implications:-</b>	
Legal:	There are no implications directly arising from this report.
Financial:	The implications are as set out at section 2 of this report.
Corporate Risk Management:	Decreasing Financial Resources / Increasing Financial Pressures (CR1) Key Supplier / Partnership Failure (CR2) Reputation Damage (CR4)

Equalities and Equalities Assessment (EA):	There are no implications arising from this report. EA not applicable
Human Rights:	There are no implications arising from this report.
Health and Safety:	There are no implications arising from this report.
<b>Statutory Officers' Comments:-</b>	
Head of Paid Service:	The report is satisfactory.
Chief Finance Officer:	The report is satisfactory.
Monitoring Officer:	The report is satisfactory.
<b>Consultees:</b>	<ul style="list-style-type: none"> <li>• Adrian Thorpe (Head of Built Environment)</li> <li>• Chris Eyre (Housing Manager)</li> <li>• Christopher Harrison (Climate Change Officer)</li> </ul>
<b>Background Papers:</b>	None.
<b>Appendices:</b>	None.

## 1. Introduction to Social Housing Decarbonisation Fund

- 1.1 Government committed to £3.8 billion funding over a 10-year period to improve the energy performance of social rented homes to coincide with the wider Net Zero 2050 target.
- 1.2 Funding is secured through submitting a bid to the Department for Energy Security and Net Zero (DESNZ), similar to the method used to secure Local Authority Delivery (LAD) and Home Upgrade Grant (HUG) funding.
- 1.3 Social Housing Decarbonisation Fund (SHDF) is designed to be used to make energy efficiency improvements to Social Housing and can be accessed by Local Authorities or Housing Associations.
- 1.4 The Authority has secured the funding in conjunction with the Midlands Net Zero Energy Hub, operated by Nottingham City Council who act as the lead Authority for the consortium, and mirrors the structure in place for LAD and HUG funding. The Hub provide essential advice and support services that the Authority would not have the capacity to deliver alone, along with providing us access to their dynamic purchasing system to assist with securing suitably qualified and accredited contractors to undertake the work.
- 1.5 All work must be completed in line with Publicly Available Specification 2035 (PAS 2035).
- 1.6 PAS 2035 is a new British standard that creates a recognisable quality standard for the retrofit and energy efficiency sector for housing. All projects funded by the Social Housing Decarbonisation Fund, Energy Company Obligation, Local Authority Delivery Scheme or Home Upgrade Grant will be required to comply with the standard.

## 2. Funding Details

- 2.1 Funding is split into a two year delivery window with funding being split into capital allocation to fund the purchase and installation of measures and administration and ancillary matters (A&A) which can be used to fund resource such as staffing.

## 2.2 Funding Allocations

	Total Allocation	Total Capital Allocation	A&A Max (12%)	Expected No. Homes
2023-24	£277,152.74	Up to £246,682.93	Up to £25,515.79	30
2024-25	£302,348.44	Up to £269,108.66	Up to £22,808.76	98
<b>Grant Totals</b>	<b>£579,501.18</b>	<b>£515,791.59</b>	<b>£46,324.55</b>	<b>128</b>

2.3 SHDF requires that the Authority co-fund, which means that the Authority would need to contribute at least an equal amount to the grant received.

2.4 The approved HRA capital programme includes £1.5m scheme for Social Housing Decarbonisation funded from HRA resources, as set out below. This will be used as the co-funding for the grant.

HRA Approved Capital Programme	2023/24	2024/25	2025/26
Social Housing Decarbonisation Fund	0.5m	0.5m	0.5m

2.5 The Capital Programme for Social Housing Decarbonisation Fund was established to ring fence funding for improvements within the HRA to drive the stock towards the minimum energy performance banding of C by 2030 in line with Governments Clean Growth Strategy and the pending updated decent homes standard for Social Housing. The awarded grant funding will supplement this existing budget to allow for additional works to be completed and reducing the overall direct burden.

2.6 This current approved capital programme allocation will not be fully spent as co-funding for this grant, it allows for additional decarbonisation works and it allows for further co-funding should additional grant funding become available from wider consortium underspending, allowing faster mobilisation. The team have already engaged with the Midlands Net Zero Energy Hub to register interest for additional funding.

2.7 £579,501.18 is the maximum amount of funding that could be secured in line with the outlined project.

An increase to the HRA Capital Programme Social Housing Decarbonisation Fund to reflect the grant allocation will be reported to Policy, Finance and Development Committee as part of the Quarter 1 budget monitoring report to reflect the successful grant award.

## 3. Project details for Wave 2.1

3.1 This project will focus on 128 sheltered bungalows.

- 3.2 Each property will be subject to a retrofit assessment to outline the most appropriate improvement measures for the property.
- 3.3 Retrofit assessments are PAS 2035 compliant surveys which outline appropriate measures for the property.
- 3.4 PAS 2035 outlines that installation works must have a fabric first approach, which primarily relates to the insulation present or proposed at the property. This can then be supported by carbon reduction measures such as the insulation of solar panels, high retention electric storage heaters or air source heat pumps as an example.
- 3.5 If a property doesn't require fabric measures this would not preclude carbon reduction measures being installed, installers are only required to review the need for fabric measures first.
- 3.6 The Authority is focusing on insulation measures in all properties and also the installation of solar panels to reduce energy costs to tenants and the Authority's wider carbon footprint. Where appropriate the Authority will also look to improve electric storage heaters at those limited bungalows that do not have a mains gas supply.
- 3.7 **For Information – Funding cannot be used to replace existing gas boilers, unless they are replaced with a heat pump or electric heating.**
- 3.8 A contractor to undertake the works will be secured through Nottingham City Councils, Dynamic Purchasing System which is a framework of approved PAS 2035 contractors that have been vetted prior to admission. Our tender will be published on the system to allow contractors to bid for work to ensure best value for the Authority and a competitive bidding process. Once selected our internal legal team will produce a contract between the successful party and the Authority outlining required terms.
- 3.9 The overall aim of the project is to reduce energy bills for vulnerable residents, reduce the carbon footprint of the Authority's housing stock and ensure that our stock is maintained to as high a standard as practicable.
- 3.10 Of the 128 properties assessed none fell below the minimum energy standard of an E rating using the existing EPC data available. A break down of the banding of these properties is provided below.

3.11

<b>Banding</b>	<b>Number of properties</b>
A	0
B	0
C	16
D	109
E	3
F	0
G	0

- 3.12 The Authority will continue to work with the Midlands Net Zero Hub to look to secure further funding to support future projects.