

Notice of KEY Executive Decision

Subject Heading:	Application for grant funding under the Social Housing Decarbonisation Fund (SHDC)
Cabinet Member:	Councillor Joshua Chapman, Lead Member for Housing
SLT Lead:	Patrick Odling-Smee, Director of Housing
Report Author and contact details:	Mark Howard, Programme Delivery Manager e:mark.howard@havering.gov.uk t: 01708 434000
Policy context:	Supports the outcomes within the London Borough of Havering's Corporate plan. Places. Making sure that our neighbourhoods are a great place to live by investing in them and keeping them clean, green and safe
Financial summary:	This report seeks approval to submit a bid for grant funding from the Department for Business, Energy and Industrial Strategy for a total of £1 million through the Social Housing Decarbonisation Fund Wave 1 This funding will support the ambitions of the Council to meet carbon reduction targets.
Reason decision is Key	Expenditure or saving (including anticipated income) of £500,000 or more
Date notice given of intended decision:	15 September 2021

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Relevant OSC:	Towns & Communities OSC
Is it an urgent decision?	No
Is this decision exempt from being called-in?	No

The subject matter of this report deals with the following Council Objectives

Communities making Havering	<input type="checkbox"/>
Places making Havering	<input checked="" type="checkbox"/>
Opportunities making Havering	<input type="checkbox"/>
Connections making Havering	<input type="checkbox"/>

Place an X in the [] as appropriate

Part A – Report seeking decision

DETAIL OF THE DECISION REQUESTED AND RECOMMENDED ACTION

For the reasons stated in this report, the Leader of the Council is recommended to agree that the Council submit a bid for £1 million in grant funding to the Department for Business, Energy and Industrial Strategy (BEIS) through the Social Housing Decarbonisation Fund Wave 1 funding provision.

The required Council funding to support the grant bid is available through the Housing Revenue Account (HRA).

AUTHORITY UNDER WHICH DECISION IS MADE

According to Part 2 of the Council's constitution "Powers of the Executive" – the Leader of the Council may choose to execute functions personally where the function is usually delegated to:

1. Cabinet
2. A committee of the Cabinet
3. Individual Cabinet Members
4. Staff
5. Joint Committees

In this instance, the submission of grant bids over £500,000 is usually delegated to Cabinet, as per "2.1 General functions of Cabinet". (q) To approve applications for the submission of bids for grants and other financial assistance which require the provision of additional finance or match funding or are likely to lead to residual costs or implications for the Council or where the amount of the grant application exceeds £500,000.

STATEMENT OF THE REASONS FOR THE DECISION

As part of the Government's commitment to carbon reduction targets, the 2019 Conservative manifesto included a proposal (subject to spending reviews) for a £3.8B Social Housing Decarbonisation Fund to improve the energy performance of social rented homes.

In 2020, a £50M Demonstrator fund was provided in order to test targets, technology and delivery.

BEIS has now announced up to £160M for the first wave of the SHDF proper, and bids are invited by 15 October 2021

Funding is targeted at improvements to building fabric, to improve air tightness and insulation, and at properties below an EPC rating of C.

Funding is capped according to the EPC rating of the properties included in the bid and landlords are expected to contribute 1/3 of the total eligible project costs, which can include 15% administrative and ancillary costs. Provision for any landlord contribution already exists within the HRA.

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As part of the 2020 stock condition survey carried out by Savills (UK) Limited, energy surveys were undertaken on 2,500 dwellings and the estimated cost of bringing all HRA stock up to an EPC of a high C is estimated to be £200M.

This bid will use the findings of that survey to identify suitable properties meeting the bid criteria and provide an opportunity to test suitable retrofit measures and supply chains in anticipation of larger and more comprehensive funding bids in future rounds of SHDF.

The measures bid for must be delivered by January 2023 so it is not considered feasible to bid for a larger grant at this time.

OTHER OPTIONS CONSIDERED AND REJECTED

Do Nothing – by not submitting a bid for this grant programme, we are missing a significant opportunity to secure external funding for the housing energy efficiency programme as part of the Council's wider commitment to reducing the production of carbon dioxide.

Submit a Bid Later – the Government has indicated that further rounds of funding will be made available, and it is expected that further bids will be made in later rounds, but it would be an opportunity missed not to bid in this round and commence the Council's wider programme

Use Alternative Funding (e.g. HRA) – the SHDF is currently targeting specific retrofit measures. In order to deliver Housing Services' Asset Management Strategy, HRA funding will be required in future to deliver other necessary retrofit measures.

PRE-DECISION CONSULTATION

Consultees for this proposal include: OneSource business partners, SLT and Themed Board.

NAME AND JOB TITLE OF STAFF MEMBER ADVISING THE DECISION-MAKER

Name: Mark Howard

Designation: Programme Delivery Manager

Signature:



Date: 17 September 2021

Part B - Assessment of implications and risks

LEGAL IMPLICATIONS AND RISKS

The Council has a statutory duty under Section 8 of the Housing Act 1985 to consider housing conditions in its district and the needs of the district with respect to the provision of further housing accommodation.

Section 1 of the Localism Act 2011 gives the Council a general power of competence to do anything an individual can do, subject to any statutory constraints on the Council's powers. The recommendations in this report are in keeping with this power and the Council has the power to receive grant funding.

This decision sets out the information relating to the grant bid only, any acceptance of funding and the entering into of a new grant contract will be subject to a further report setting out related information and implications, and subject to the Council's executive decision process.

Officers will ensure they are cognisant of the funding conditions associated with the grant and agree the Council is able to accept and perform its obligations

FINANCIAL IMPLICATIONS AND RISKS

This report seeks approval to submit a bid for funding to BEIS for £1 million.

If the Council's bid for £1 million in grant funding were successful, this would allow HRA funding to be diverted to other suitable schemes.

There is provision within the HRA in 2021/22 under C38720 Task 3.0 for Energy Saving Works which will meet the 30% Council contribution towards the cost of the works.

Financial risks

Bid rejected / reduced allocation, should the bid be rejected, or the Council is offered a lower amount, then the right is reserved to reassess the project's value for money and examine alternative funding sources or delivery options available to increase affordable housing levels.

Grant conditions - grant would be advanced with a number of conditions. It is necessary to ensure that the Council can meet any obligations set by BEIS prior to entering into contract to avoid repayment of grant.

HUMAN RESOURCES IMPLICATIONS AND RISKS (AND ACCOMMODATION IMPLICATIONS WHERE RELEVANT)

There are no Human Resources implications arising from this report.

EQUALITIES AND SOCIAL INCLUSION IMPLICATIONS AND RISKS

The Public Sector Equality Duty (PSED) under section 149 of the Equality Act 2010 requires

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the Council, when exercising its functions, to have due regard to:

- (i) The need to eliminate discrimination, harassment, victimisation and any other conduct that is prohibited by or under the Equality Act 2010;
- (ii) The need to advance equality of opportunity between persons who share protected characteristics and those who do not, and;
- (iii) Foster good relations between those who have protected characteristics and those who do not.

Note: 'Protected characteristics' are age, disability, gender reassignment, marriage and civil partnerships, pregnancy and maternity, race, religion or belief, sex/gender, sexual orientation.

The Council is committed to all of the above in the provision, procurement and commissioning of its services, and the employment of its workforce. In addition, the Council is also committed to improving the quality of life and wellbeing for all Havering residents in respect of socio-economics and health determinants.

The grant bid set out in this report would benefit local residents by providing funding to improve the thermal efficiency of affordable housing, improving comfort and reducing fuel bills.

HEALTH AND WELLBEING IMPLICATIONS AND RISKS

Health & Wellbeing Benefits:

Havering council is committed to improving the health and wellbeing of its residents. The provision of good quality and affordable housing is an important determinant of health and wellbeing as housing impacts both our physical and mental health and wellbeing.

A successful bid will support Havering's ambitions to provide more good quality, genuinely affordable homes for local people, through the improvement of thermal efficiency and reduction of fuel bills. This will impact positively on individuals and families on low income by reducing fuel bills and improving their quality of life.

Health & Wellbeing Risks:

The proposals to bid for grant funding do not give rise to any health and wellbeing risks.

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BACKGROUND PAPERS

None

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Part C – Record of decision

I have made this executive decision in accordance with authority delegated to me by the Leader of the Council and in compliance with the requirements of the Constitution.

Decision

Proposal agreed

Delete as applicable

Proposal NOT agreed because

Details of decision maker

Signed

Name:

Cabinet Portfolio held:

CMT Member title:

Head of Service title

Other manager title:

Date:

Lodging this notice

The signed decision notice must be delivered to the proper officer, Debra Marlow, Principal Committee Officer in Democratic Services, in the Town Hall.

For use by Committee Administration

This notice was lodged with me on _____

Signed _____

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Appendix 1

Social Housing Decarbonisation Fund

Wave 1 Competition Guidance