

Notice of KEY Executive Decision

Subject Heading:	Application for Grant Funding Under the Social Housing Decarbonisation Fund - Wave 3
Decision Maker:	Neil Stubbings Strategic Director of Place
Cabinet Member:	Councillor Paul McGeary Cabinet Member for Housing and Property
ELT Lead:	Neil Stubbings Strategic Director of Place
Report Author and contact details:	Rob Ditsell Project Manager Robert.ditsell@havering.gov.uk
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 Energy Security and Net Zero for an estimated sum of between £2.5 million – £3.0 million through the Social Housing Decarbonisation Fund Wave 3

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Reason decision is Key	Expenditure or saving (including anticipated income) of £500,000 or more
Date notice given of intended decision:	24 th April 2024
Relevant Overview & Scrutiny Committee:	Place OSSC
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

~~People – Supporting our residents to stay safe and well~~

Place - A great place to live, work and enjoy X

~~Resources – Enabling a resident focused and resilient Council~~

Part A – Report seeking decision

DETAIL OF THE DECISION REQUESTED AND RECOMMENDED ACTION

For the reasons stated in this report, the Strategic Director is recommended to agree that the Council submit a bid estimated sum of between £2.5 million – £3.0 million in grant funding to the Department Energy Security and Net Zero (DESNZ) through the Social Housing Decarbonisation Fund (SHDF) Wave 3 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

Scheme 3.3.3 – Strategic Director

5.1 To apply for, accept and thereafter spend / allocate any grant funding connected with their directorate provided that any match funding or residual liabilities can be met from the existing budget of the directorate. For the avoidance of doubt this delegation shall allow the acceptance of any grant offered / allocated to the Council without any application.

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 £3.8 billion Social Housing Decarbonisation Fund to improve the energy performance of social rented homes.

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

£160 million was allocated for the first wave of the SHDF proper, and in October 2021 the Leader of the Council approved a bid for funding of £1,270,000 which was based upon grant caps for the proposed property types.

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.

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 £200 million.

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In addition to this data from Savills and within a separate Executive Decision report we are looking to appoint Baily Garner as the Councils specialist consultant to fulfil required roles to enable the Council to administer and deliver a Project of this nature.

This bid will use the findings from Savills and Baily Garner 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 over a three year financial period from 2025/2026 to 2027/2028.

It is anticipated that the Council will wish to build on the success of the completed SHDF Wave 1 Project with the aid of awarded funding and take advantage of further funding rounds.

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.

OTHER OPTIONS CONSIDERED AND REJECTED

Do Nothing – by not submitting a bid for this grant programme, the Council would be 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

None.

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

Name: Rob Ditsell

Designation: Project Manager

Signature:



Date: 24th May 2024

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. The Council is making a decision to bid for grant funding for that purpose.

The Council has the power to bid for grant funding through its general power of competence in Section 1 of the Localism Act 2011 to do anything that individuals generally may do. There are limitations on the general power of competence, but the limitations do not apply to this decision.

Therefore, the Council can bid for the grant funding.

FINANCIAL IMPLICATIONS AND RISKS

This report seeks approval to submit a bid for funding to DESNZ for an estimated sum of between £2.5 million – £3.0 million

If successful, the Council will be expected to pay a third of the total eligible project cost. This will be funded from the HRA Capital Programme, Project Code C38720.

Financial risks

Should the bid be rejected, or a lower amount offered, then the project's value for money would be re-evaluated and alternative funding sources considered.

It will be necessary to ensure that the Council can meet any grant conditions set by DESNZ prior to entering into contract, to avoid non-compliance and the possibility of having to repay the grant.

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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 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.

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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.

ENVIRONMENTAL AND CLIMATE CHANGE IMPLICATIONS AND RISKS

This funding is focused on improving the Council's owned properties energy performance. We would look to bring the Energy Performance Certificate (EPC) of properties below C upto a C rating with a lowest regrets approach and a roadmap to enable us to enhance the properties further with future measures towards EPC A at a later date.

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.

This aim is in line with the Council's target for all properties to achieve EPC C by 2030 and to be Net Zero by 2040.

BACKGROUND PAPERS

None

APPENDICES

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



Neil Stubbings
Strategic Director of Place

Date: 20th June 2024

Lodging this notice

The signed decision notice must be delivered to Committee Services, in the Town Hall.

For use by Committee Administration

This notice was lodged with me on _____

Signed _____