

## Notice of KEY Executive Decision

<b>Subject Heading:</b>	Warm Homes: Social Housing Fund - Partnership Agreement and Expenditure of Grant
<b>Decision Maker:</b>	Councillor Ray Morgon Leader of the Council
<b>Cabinet Member:</b>	Councillor Paul McGeary Cabinet Member for Housing and Property.
<b>ELT Lead:</b>	Neil Stubbings Strategic Director of Place
<b>Report Author and contact details:</b>	Robert Ditsell Project Manager <a href="mailto:Robert.ditsell@havering.gov.uk">Robert.ditsell@havering.gov.uk</a>
<b>Policy context:</b>	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.
<b>Financial summary:</b>	The £2,073,529.49 grant funding, will contribute to the cost of achieving the (EPC) band C standard for a minimum of 205 homes, with the remaining funding coming from the HRA Capital Programme.

<b>Reason decision is Key</b>	Expenditure or saving (including anticipated income) of £500,000 or more
<b>Date notice given of intended decision:</b>	9 <sup>th</sup> June 2025
<b>Relevant Overview &amp; Scrutiny Committee:</b>	Place OSSC
<b>Is it an urgent decision?</b>	Yes. The decision will be taken under General Exception Provisions
<b>Is this decision exempt from being called-in?</b>	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 set out in this report, the Leader of the Council is asked to:

1. Accept grant funding of £2,073,529.00, allocated under the Warm Homes: Social Housing Fund and agreement to any terms or conditions of grant
2. Expend the £2,073,529.00 grant funding on HRA properties in Havering.
3. Expend £5,119,091.00 of the HRA approved budget as the Council's contribution to the programme detailed in this report.
4. Enter into a strategic partnership agreement with other London Councils, through which the grant has been awarded, with London Borough of Camden acting as the Host together with all other accompanying documentation.

### **AUTHORITY UNDER WHICH DECISION IS MADE**

Part 3 Havering Constitution; Section 2: Executive Functions

Paragraphs 1.1 – 1.2

The Leader is responsible for arranging for the exercise of all executive functions... and may exercise any Executive function personally provided notice is given to the Proper Officer.

2. Functions of Cabinet

2.7 To allocate and control financial and land and property resources, to determine priorities in the use of these resources, and take any other action necessary to achieve those objectives.

Powers common to all Strategic Directors; Section 3.3.3.

Grants 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.

£160,000,000 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.

The Strategic Partnership bid was made by London Councils on behalf of various local authorities in London including Havering. London Councils have successfully bid for grant funding under the newly retitled WH:SHF Wave 3 – Warm Homes Social Housing Fund, with the host authority being London Borough of Camden.

The Wave 3 project will upgrade a significant amount of the social housing stock to meet an Energy Performance Certificate (EPC) band C standard, delivering warm, energy-efficient homes, reducing carbon emissions and fuel bills and tackling fuel poverty.

By improving the energy performance of homes below EPC band C, the fund will facilitate the subsequent widespread adoption of decarbonised heating systems.

In a previous ED approved 29<sup>th</sup> May 2024 we were given permission to apply for grant funding between £2,500,000 and £3,000,000.

On the advice of Legal services, this new ED is required to spend the allocated grant.

It is expected that in Summer 2025, DESNZ – Department of Energy Security and Next Zero - will apply to the treasury for further funding, which, if successful, could bring our award closer to our original bid amount.

The Council has already approved significant funding of £27,000,000.00 over the next 5 years, to achieve the target of EPC C by 2030 and to continue on the path to Net Zero carbon by 2040.

The Warm Homes grant is capped per property at £7,500, requiring a Council contribution which will equate to approximately £24,000 per property on average.

This grant funding is based on properties currently having an Energy Performance Certificate (EPC) of D or below and post works achieving a new EPC score of C.

We had approval 21<sup>st</sup> October 2024 to make this grant bid as part of a strategic partnership and we are required to enter into terms and comply with conditions as part of that partnership, sponsored by London Councils and headed by London Borough of Camden.

Joining a consortium is advantageous to the Council as follows:-

- Additional support from Retrofit London and GLA.
- Less onerous bid process with more favourable monitoring and control terms.
- Partnerships are announced and awarded earlier, allowing for more mobilisation time.
- Ability for shared learning and sharing best practices.
- Flexibility to reallocate grant monies in the event of underspend or over delivery.
- Better placed to draw additional funding should it become available.
- Efficiencies at scale throughout the Project life cycle.

The Council will be required to enter into a Partnership Agreement with London Councils and be governed by a consortium governance structure.

The key milestones/outputs under the Partnership Agreement are:

- Spend all allocated grant by 31st March 2028; and
- Deliver retrofit measures to at least 205 homes over the course of the Warm Homes Social Housing Fund Wave 3 programme by 30th September 2028.

#### OTHER OPTIONS CONSIDERED AND REJECTED

**Do Nothing** – by not accepting this grant money for this wave, 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. To not accept the allocated grant money at this stage could be harmful to the reputation to the Council also.

**Submit a Bid Later** – the Government has indicated that further rounds of funding may be made available, but the Council has already been awarded grant through this funding round, on terms understood and acceptable at the time of the bid, so to decline to utilise the grant would appear perverse.

**Use Alternative Funding (e.g. HRA)** – the WH:SHF 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

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

Name: Robert Ditsell

Designation: Project Manager

Signature:



Date: 12<sup>th</sup> June 2025

## **Part B - Assessment of implications and risks**

### **LEGAL IMPLICATIONS AND RISKS**

This report seeks authority to accept external SHF (Social Housing Fund) grant funding from the Department for Energy Security & Net Zero (DESNZ) via the London Borough of Camden and to enter into a partnership agreement with the various other local authorities in London including committing to contribute match funding from the Council's HRA budget.

The Council has a "general power of competence" under Part 1 Chapter 1 of the Localism Act 2011 which gives it the same power to act as that of an individual, subject to other statutory provisions limiting or restricting its use. The recommendations in this report are compatible with the above statutory power.

The Council must ensure that it complies with all its obligations under the Partnership Agreement and the application to the DESNZ for the SHF grant funding. The Partnership Agreement includes duties and obligations to the London Borough of Camden (LBC) which are of a materially similar nature owed to DESNZ under the grant funding agreement between LBC and DESNZ.

Such obligations include keeping accurate records and accounts in relation to the Project and the funded activities. In the event that Havering do not deliver all of its allocated programme, Camden and Havering may agree to vary the level of grant to utilise the 'spare capacity' in the programme.

The Council's Contract Procedure Rules (CPR) state:

25.1 Where the Council receives Grant Funding and is named as the accountable body for the expenditure of monies, and where the terms of the grant permits the council to directly carry out Works, or buy Services or Supplies, any procurement will be conducted in line with CPR.

### **FINANCIAL IMPLICATIONS AND RISKS**

The £2,073,529.49 grant funding, will contribute to the cost of achieving the (EPC) band C standard for a minimum of 205 homes. The remaining funding, estimated to be around £5,119,091.00 will come from the HRA Capital Programme, Project Code C38720, which was approved by Cabinet in February 2025.

The breakdown of the grant funding is as follows:-

<b>Number of Homes</b>	<b>Grant per property</b>	<b>Total Grant</b>
187 Homes - Fabric measures	£7,500	£1,402,500.00
18 Homes - Low Carbon Heating	£20,000	£360,000.00
		<b>£1,762,500.00</b>
Admin and Ancillary grant funding		£311,029.49
<b><u>Total Grant Funding</u></b>		<b>£2,073,529.49</b>

### **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 acceptance detailed 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.

Acceptance of the grant funding 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 accept the 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 up to 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 acceptance 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**

- Appendix 1. Cabinet Report - *Refer to section 1A for Energy Saving Works.*
- Appendix 2. London Councils Legal Pack.
- Appendix 3. Havering Grant Step-down Letter.
- Appendix 4. Governance Model 2.0

## 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 Committee Services, in the Town Hall.

#### For use by Committee Administration

This notice was lodged with me on \_\_\_\_\_

Signed \_\_\_\_\_