



Report to: Cabinet Meeting - 31 October 2023

Portfolio Holder: Councillor Lee Brazier, Housing

Director Lead: Suzanne Shead, Director of Housing Health & Wellbeing

Lead Officer: Caroline Wagstaff, Business Manager - Housing Maintenance & Asset Management, Tel: 07929 864367

Report Summary	
Type of Report	Open Report, Urgent Key Decision
Report Title	Devolution Retrofit Funding
Purpose of Report	To approve the government grant funding of £583,500 to be added to the Housing Assets capital programme to fund decarbonisation measure in 38 social housing properties.
Recommendations	That Cabinet: (a) endorse the project plan and accept receipt of grant funding of £583,500 from Department for Levelling Up Housing and Communities (DLUHC), which will be drawn down in arrears; and (b) approve an increase in the Capital Programme of £583,500 in 2023/24 fully funded by DLUHC grant.
Alternative Options Considered	As noted in Section 3 of the report, there were no viable alternatives and taking no action would mean returning grant funding back to government and make it harder for the Council to meet the government requirements on energy efficiency and move towards decarbonisation of social housing stock.
Reason for Recommendations	The DLUHC grant will provide 100% funding to assist the Council in its decarbonisation programme for its own social housing stock. It meets both Community Plan objectives to create better homes as a landlord and improve tenants wellbeing by reducing fuel poverty and contributing to reducing carbon emissions.

1.0 Background

1.1 In preparation for the East Midlands Combined Authority the Department for Levelling Up, Housing and Communities (DLUHC), has allocated a total of £18m of capital funding to Derbyshire County Council as the Lead Funder on behalf of the four Constituent Councils who will form part of the EMCAA, if approved. Each local authority has been allocated £583,500.

- 1.2 On 13 September 2023, the Council received confirmation that £583,000 had been allocated and the Mobilization Grant Offer letter has been signed and returned by our S151 Officer on 3rd October 2023.
- 1.3 The project will deliver domestic energy efficiency and low carbon retrofit activities within Newark and Sherwood District Council and report through The Midlands Net Zero Hub (MNZH) funded by the Department for Energy Security as part of the Government's clean growth strategy, hosted by Nottingham City Council.
- 1.4 The Council are currently working with MNZH as part of the Social Housing Decarbonisation Fund (SHDF) Wave 2.1 project to deliver carbon neutral heating, solar and air source to 102 council owned homes. The objectives of this scheme being:
- 85 Whole House Retrofit approach scaled with all compliant required SAP measures installed (Target of 5 homes per Local Authority)
 - 600 PAS2035 compliant measures installed (Target of 36 per Local Authority)
 - Improved health and wellbeing for home occupiers through a pre and post survey
 - Reduced consumption and lower carbon footprint.
 - Reduced number of households below an EPC C
 - Average Standard Assessment Procedure (SAP) improvement
- 1.5 As NSDC is already in delivery mode, working on SHDF, this project is seen as an extension of this work, with all works meeting PAS 2035 standards and certificated by Trustmark.
- 1.6 All measures are expected to be signed up to receive measures in period October – December 2023 and be completed by June 2024.
- 1.7 Grant allocation will be based on a monthly claim and completion of the monthly monitoring form and payment made within 30 working days of evidence of the payment date agreed.

2.0 **Proposal**

2.1 The proposal is outlined in **Appendix 1** and this meets the grant funding requirements and will deliver 51 decarbonisation or energy saving measures in a further 38 social housing homes.

2.2 These properties have been selected because either/or:

Properties cannot currently be funded under the government's Social Housing Decarbonisation Fund criteria.

- They have EPC ratings of either a 'D' or 'E'
- The properties require whole house retrofit approach and include external wall insulation which is expensive.

- 2.3 These measures will benefit tenants by reducing heating costs and it will be more likely that tenants keep their homes sufficiently heated. This benefits the Council in maintaining their homes and the Council is less likely to have to intervene to remedy any damp and mould.
- 2.4 Procurement will be by 'direct call-off' from one of the procurement frameworks that the Council are a member of. This will allow for a quick start on site (given the tight timescales) but give assurance that tried and tested contractors will be used that have already gone through a value for money assessment.
- 2.5 This report asks Cabinet to endorse the project plan and formally accept receipt of grant funding of £583,500 from DLUHC, which will be drawn down in arrears and to approve this additional spend and increase in the Capital Programme of £583,500 in 2023/24 accordingly.

3.0 Alternative Options Considered

- 3.1 As this grant funding is essentially a 'gift' to assist in the council's decarbonisation programme no other funding measure were considered.
- 3.2 Given the tight timescales for delivery, knowledge of eligible stock and quick mobilisation are essential to this project; this ruled out any possibility of including stock in the private rented sector.
- 3.3 The option not to accept the grant funding was considered, but not recommended as this increases the number of tenants that will benefit in the next year from more effective and efficient heating or energy consumption and contributes to reducing the carbon emissions in its council housing homes at zero cost.

4.0 Urgent Key Decision

- 4.1 Given that a Key Decision is defined as one that is likely to 'result in the Council spending or making savings of over £150,000 revenue or £300,000 in capital' this item should have been advertised for a minimum of 28 days on the Council's Forward Plan on the website.
- 4.2 As this has not been the case, the general exception procedure as set out in the Constitution is to be followed which provides that the decision can still be taken if the Monitoring Officer has informed the Chair of the Policy & Performance Improvement Committee five clear days in advance of the meeting; this has been done.

5.0 Implications

In writing this report and in putting forward recommendations, officers have considered the following implications: Data Protection, Digital and Cyber Security, Equality and Diversity, Financial, Human Resources, Human Rights, Legal, Safeguarding, Sustainability, and Crime and Disorder and where appropriate they have made reference to these implications and added suitable expert comment where appropriate.

Financial Implications (FIN23-24/2021)

- 5.1 Should the grant be accepted a new Capital budget of £583,500 is required, provisionally split £480,000 in 2023/24 and £103,500 in 2024/25 and will be fully financed by the grant.
- 5.2 The payment profile of the grant has been based on estimated expenditure provided as part of the business case. This will be claimed monthly in arrears based on actual activity as part of the monitoring and evaluation.
- 5.3 Should the budget profile need to be amended, this can be reported through quarterly budget monitoring reports, in line with the project milestones reporting to Nottingham City Council.
- 5.4 There are no additional revenue costs for delivery.

Background Papers and Published Documents

Except for previously published documents, which will be available elsewhere, the documents listed here will be available for inspection in accordance with Section 100D of the Local Government Act 1972.

None

Appendix 1 - Retrofit Devolution Capital Fund Plan

Retrofit Devolution Capital Fund		Total Sum £583,500						
TYPE	SCHEME	MEASURE(S) INSTALLED	No.	No. Measures	Est. Cost per measure	Est. Total Cost	£	Comments
Whole Home Retrofit		Air Source Heat Pump 5/7KW Solar PV & Battery EWI	5	15	£47,000	£235,000		Possible direct procure of Phoenix or another from framework
Solar PV & Battery	ASHP no solar - Forge CI etc	Solar PV & Battery	12	12	£8,500	£102,000		TBC
Air Source	Air source (no solar)	Air Source Heat pump	16	16	£10,000	£160,000		Westfields via EEM
ASHP & Solar PV	Off Gas Grid not in SHDF	Air Source Heat Pump 5/7KW Solar PV & Battery	5	10	£18,500	£92,500		Wrights Renewals
TOTAL			38	53		£589,500		

Installation Progress	Number of measures Solar PV	Capital Cost	Number of measures Heat Pump	Capital Cost	Number of Whole Home Retrofit	Capital Cost	Forecast Total Measures Installed	Forecast Total Homes Completed	Total Capital Costs
Input Category	Number	£	Number	£	Number	£	Number	Number	£
Month / Scheme	Devo-Retrofit		Devo-Retrofit		Devo-Retrofit		Devo-Retrofit	Devo-Retrofi	Devo-Retrofit
Sep-23									
Oct-23	1	£8,500.00	1	£10,000.00					£18,500.00
Nov-23	2	£8,500.00	2	£10,000.00					£37,000.00
Dec-23	2	£8,500.00	2	£10,000.00					£37,000.00
Jan-24	3	£8,500.00	3	£10,000.00					£55,500.00
Feb-24	4	£8,500.00	2	£10,000.00					£54,000.00
Mar-24			5	£10,000.00					£50,000.00
Apr-24			5	£10,000.00					£50,000.00
May-24	4	£8,500.00							£34,000.00
Jun-24	1	£8,500.00	1	£10,000.00	5	£235,000.00	15		£253,500.00
Jul-24									
Aug-24									
Totals	17	£59,500.00	21	£80,000.00		£235,000.00	15	374,553	£589,500.00