

**Classification:** Public

**Key Decision:** Yes

## Gravesham Borough Council

**Report to:** Cabinet

**Date:** 4 January 2022

**Reporting officer:** Nicole Arthur, Service Manager (Housing Operations)

**Subject:** The Local Authority Delivery (LAD) Scheme Phase 2 funding grant

### **Purpose and summary of report:**

To inform Cabinet of notification received confirming the award of grant funding for The Local Authority Delivery (LAD) Scheme Phase 2.

### **Recommendations:**

Cabinet are asked to:

1. Note the grant award notification and ratify the decision to accept the award taken by the Director (Housing), in consultation with the S.151 Officer.
2. Approve the addition of the project to the current year capital programme, recognising that 67% of the cost of the project is to be met from external funding and 33% funded by the Council.

## **1. Introduction**

1.1 The Local Authority Delivery (LAD) Scheme was announced by the Chancellor in July 2020 to support English Local Authorities, with up to £500 million with the aim of helping those most likely to be in fuel poverty. Delivery has been split into two phases; with Phase 1 (£200m) funding being allocated through two LA competitions managed by The Department of Business, Energy and Industrial Strategy and Phase 2 (£300m) funding being allocated to the five Local Energy hubs to distribute within their region.

1.2 The key rules for the use of funding are that Eligible homes are EPC bands E, F and G although some D rated properties are permitted under Phase 2. Eligible

measures are any energy efficiency and heating measures compatible with the Standard Assessment Procedure (SAP) with a focus on insulation and low carbon heating. Fossil fuel is excluded.

- 1.3 The council has been awarded up to £297,000 under the second phase of the scheme. To be eligible to receive the funding, the council needs to contribute 33% of the total project costs. The scheme is administrated by the Greater South East Energy Hub (GSEEH) who are also responsible for distributing the funding.
- 1.4 As is becoming increasingly common, the timeframe for utilising this government grant funding stream is relatively short. The funding is only available until 31 March 2022, after which any unspent funds will need to be returned. In response to this time pressure, the Director (Housing) has given approval so that the work can commence as soon as possible. Cabinet are therefore requested to ratify the decision to accept the award taken by the Director (Housing) for the purpose of securing external funds to install the energy saving measures as outlined in section 2 of this report.

## **2. Utilising the funding**

- 2.1 To maximise the benefits of the funding, homes with some of the lowest energy ratings will be targeted for improvement. A fabric first approach will be taken to reduce heat loss and improve the insulation to the envelope of each property.
- 2.2 Using Parity Portfolio, the Council's web-based assessment tool, 100 suitable homes have been identified which can be improved substantially by completing various energy efficiency measures and all the properties identified meet the requirements to be eligible for LAD2 Funding. This includes properties with an EPC band rating of E, F or G.
- 2.3 The homes will see an improvement in the current EPC ratings, reduced energy costs to the resident and reduction in carbon emissions. In line with the requirements of the funding, the project has a delivery deadline of March 2022 which is achievable.

## **3. Budget**

- 1.1 A total Capital budget of £148,500 is required to carry out the project. Although the grant funding amounts to £297,000, due to government restrictions on utilising the grant and time timescales given, only £99,000 can be utilised towards the projects identified. The council's financial contribution amounts to £49,500 and this can be accommodated within the Capital Works budget - Insulation Works (C517/C0031). As per Section 4.4.4 of the council's Financial Procedure Rules, the Corporate Management Team may, after consultation with the Section 151 Officer, vire up to £50,000 between any heads of expenditure or income within the approved revenue or capital budget for which they are responsible and this has recently been approved.

- 1.2 The Insulation works (C517/C0031) budget used to improve properties identified with insufficient loft or cavity wall insulation is showing an underspend. This is due to the Energy Team utilising the Government's Energy Company Obligation (ECO) scheme to fully fund social housing properties with no insulation. We are expecting to improve approximately 40 eligible homes this year, with full funding available from ECO in the region of £60,000 and with no Council contribution.
- 1.3 The 100 homes identified for LAD2 funding are not eligible for improvements under ECO's requirements. Therefore, the insulation budget compliments this project and ensure we are achieving the most efficient financial outcome form our available resources.
- 1.4 The unused £198,000 of the LAD2 allocation will not be used within this financial year, but it is expected the LAD2 delivery deadline date will be extended past March 2022 and the remaining funding still be available for future projects.

#### **4. Background papers**

- 4.1 None

IMPLICATIONS	APPENDIX 1
<b>Legal</b>	
<b>Finance and Value for Money</b>	<p>Section 4.4.6 of the Financial Procedure Rules permits Cabinet to incur, without Council's prior approval, expenditure not within the approved budget where the cost is to be met from external funding, a contingency or reserve set up for the purpose. This report therefore incorporates a recommendation to ensure that the Project is treated as an in-year addition to the capital programme</p> <p>This project proves to be excellent value for money which will generate savings for the resident and maximises grant funding.</p>
<b>Risk Assessment</b>	Assurance have been given by the Contractor that they will be able to deliver the project to the timescales and budget available.
<b>Data Protection Impact Assessment</b>	<p><i>A data protection impact assessment (DPIA) should be carried out at the start of any major project involving the use of personal data or if you are making a significant change to an existing process.</i></p> <p>a. Does the project/change being recommended through this paper involve the processing of <a href="#">personal data</a> or <a href="#">special category data</a> or <a href="#">criminal offence data</a>? A definition of each type of data can be found on the Information Commissioner's Office website via the above links No.</p> <p>b. If yes to question a, have you completed and attached a DPIA including Data Protection Officer advice? N/A</p> <p>c. If no to question b, please seek advice from your nominated DPIA assessor or the Information Governance Team at <a href="mailto:gdpr@medway.gov.uk">gdpr@medway.gov.uk</a>.</p>
<b>Equality Impact Assessment</b>	<p>a. Does the decision being made or recommended through this paper have potential to cause adverse impact or discriminate against different groups in the community? If yes, please explain answer. No</p> <p>b. Does the decision being made or recommended through this paper make a positive contribution to promoting equality? If yes, please explain answer. No</p> <p><i>In submitting this report, the Chief Officer doing so is confirming that they have given due regard to the equality impacts of the decision being considered, as noted in the table above</i></p>
<b>Corporate Plan</b>	#1 People- Carbon Neutral Borough
<b>Climate Change</b>	The project fully contributes to the Council's Climate Change Strategy
<b>Crime and Disorder</b>	There are no crime and disorder implications associated with this decision

<b>Digital and website implications</b>	There are no digital or website implications associated with this decision
<b>Safeguarding children and vulnerable adults</b>	The scheme would help to reduce the risk of fuel poverty for the residents of the sheltered scheme