

**Classification:** Public

**Key Decision:** Yes

## Gravesham Borough Council

**Report to:** Cabinet

**Date:** 21 March 2022

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

**Subject:** The Social Housing Decarbonisation Fund (SHDF) Wave 1 funding award

### Purpose and summary of report:

To inform Cabinet of notification received confirming the award of grant funding for Social Housing Decarbonisation Fund (SHDF) Wave 1.

### Recommendations:

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 2022/23 capital programme, recognising that 51% of the cost of the project is to be met from external funding and 49% funded by the Council.

Key Implications:	
Item	Implications
Legal	The Decent Home Standard and Landlord and Tenant Act (1985) makes it clear that landlords are responsible for the maintenance and repair of their housing stock, ensuring they provide good quality housing fit for habitation.
Finance and Value for Money	GBC's financial contribution will be taken from the Energy Efficiency budget (C940) of £1,888,650, already established for the 22/23 programme. The SHDF funding will increase the total budget provision to £2,771,987. Aggregated buying power via Public Sector Frameworks delivers competitive pricing and value for money and the prospective contractor will need to outline what social value commitments they could bring to the Council if successful.
Corporate Plan	<b>People:</b> Protected Environment - enforce high regulatory requirements and carbon neutral borough. Quality Living - safeguard residents and putting our customers first. <b>Place:</b> Connected Community - improve resident well-being <b>Progress:</b> Entrepreneurial Authority - deliver a more resilient, creative and cost effective council
Climate Change	The project contributes to the Council's Climate Change Strategy by: (a) Reducing carbon emissions of our housing stock (b) Reduction in energy consumption and fuel bills for our tenants

	(c) Providing warmer energy efficient homes for our tenant  An outline of expected outcomes can be found at section 3 of the report.
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## 1. Introduction

- 1.1 The SHDF Wave 1 was released by the Department of Business, Energy & Industrial Strategy (BEIS) on the 23 August 2021 and invited Registered Providers of social housing including Private and Local Authority, to apply for funding to be used to improve the energy performance of social housing.
- 1.2 The key rules for the use of funding are that eligible homes must be within EPC bands D, E, F and G, ensuring that priority is given to the worst energy performing homes. The aim is to raise the EPC ratings of these homes to band C, in preparation for the widespread adoption of decarbonised heating systems. Works should also meet the space heating requirement of 90kwh/m<sup>2</sup>/yr and justification should be provided for each property if this is not likely to be met.
- 1.3 Support was provided to the Council by the Social Housing Retrofit Accelerator (SHRA), which is a fully funded support service backed by BEIS to help social
- 1.4 The council was notified on the 7 February 2022 by BEIS, that they were successful with their bid of £823,337.11, with Gravesham being only one of two councils in Kent, which were successful through the scheme.
- 1.5 The funding will contribute 51% towards the total project cost of £1,623,507.78 with Gravesham contributing the remaining 49%, £800,170.67.
- 1.6 Project delivery timescales are set by BEIS and the initial completion date of 31<sup>st</sup> January 2023 has been extended to 31<sup>st</sup> March 2023, providing one year to procure a partner and deliver the project.

## 2. Feasibility and Proposal

- 2.1 The main criteria of the bidding process were that a “worst performing first”, ‘fabric first’ and ‘lowest regrets’ approach must be taken by bidders. The definitions of both these approaches were defined by BEIS as:
  - 2.1.1 **Worst Performing First-** Properties with an EPC band D,E,F or G be tackled first, to ensure funding is targeted towards the worst performing homes within our housing stock. On completion of the improvement works, properties must reach an EPC band C, or and EPC band D where this is not possible.
  - 2.1.2 **Fabric First:** A fabric first approach (of insulation and heat loss prevention measures) is required. This ensures that heat loss prevention measures are installed before other energy efficiency measures to maximise comfort and bill savings for the consumer, and to maximise the dwelling’s suitability for low carbon heating either now or in the future.
  - 2.1.3 **Lowest Regrets:** The approach to retrofit taken should minimise the potential of measures installed through SHDF having to be replaced in the future on the journey to Net Zero for the social housing stock.

- 2.2 Following the criteria of the funding, 364 properties with a range of EPC bandings D-F have been identified using our energy performance database software, Parity Portfolio. These properties will benefit from a range of fabric measures consisting of external wall insulation, double glazing, loft and cavity wall insulation.

### **3. Expected Outcomes**

- 3.1 The expected outcomes will see the delivery of warm, energy-efficient homes, a reduction in carbon emissions and a reduction in energy bills for our tenants. Carbon emissions.
- 3.2 Following the completion of the works it is expected that:
- 10 properties will be improved to an EPC band B
  - 346 properties will be improved to an EPC band C
  - 8 properties will be improved to an EPC band D
  - 60.71% of homes will meet the target space heat requirement of 90kwh/m<sup>2</sup>/yr with justification provided for homes that will not.
  - The average annual bill saving for residents will be £183.72
  - The total annual energy savings from the works will be 1,683,673 kWh

### **4. Budget**

- 4.1 An Energy Efficiency budget (C940) of £1,888,650 has been established for the 22/23 programme, supplemented by the SHDF grant funding that has been allocated to GBC to cover 50% of the project costs.
- 4.2 A total Capital budget of £1,623,507.78 is required to carry out the project identified for SHDF grant funding. To cover the costs of the project, the SHDF grant will contribute £823,337.11 with GBC contributing the remaining £800,170.67 from the Energy Efficiency budget (C940).

### **5. Appendices**

- 5.1 There are no appendices.

### **6. Background Documents**

- 6.1 There are no background documents.

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<b>Secondary Implications</b>	
<b>Risk Assessment</b>	<p>The use of procurement frameworks such as those developed by the SEC and LHC significantly reduces financial risk to the council.</p> <p>Assurances have been given by the proposed contractor that they will be able to deliver the project within budget and to timescale.</p>
<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? Not applicable</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>Crime and Disorder</b>	N/A
<b>Digital and website implications</b>	Grant funding award has been announced via GBC social media.
<b>Safeguarding children and vulnerable adults</b>	Following GBC’s Safeguarding Policy “Protecting children and vulnerable adults”