

This Report will be made public on 14 April 2022

Report Number

C/21/107

To: Cabinet
Date: 26 April 2022
Status: Non key decision
Responsible Officer: Andy Blaszkowicz – Director, Housing & Operations
Cabinet Member: Councillor David Godfrey - Cabinet Member for Housing and Special Projects

SUBJECT: SOCIAL HOUSING DECARBONISATION FUND – AWARD UPDATE AND NEXT STEPS

SUMMARY: This report provides an update to Cabinet on the successful award of the Social Housing Decarbonisation Fund Wave 1 (SHDF) application and outlines the next steps to deliver the project. The project is designed to improve the energy efficiency and thermal performance of 109 of the Council's worst performing housing properties using a 'fabric first' approach. The project also includes a complete retrofit of Ross House to deliver a 'zero carbon in use' flag ship building.

REASONS FOR RECOMMENDATIONS:

Cabinet are asked to note the Social Housing Decarbonisation Fund award and the outline programme and approach to deliver the project. Cabinet are asked to approve the issue of a tender for the works and acceptance of the subsequent winning bid. Further to this Cabinet are asked to provide approval for Officers to submit a bid later this year for Wave 2 of the Social Housing Decarbonisation Fund which will allow further works to the Council's housing stock.

RECOMMENDATIONS:

- 1. To receive and note the report.**
- 2. To accept the award of the Social Housing Decarbonisation Fund (SHDF) Wave 1 totaling £1,989,090.**
- 3. To note the proposed programme of works to deliver the project.**
- 4. To approve that Officers issue a tender for the required works and enter into a contract with the successful bidder.**
- 5. To provide delegated authority to the Director – Housing & Operations to undertake any tasks to conclude the project within the agreed budget framework.**
- 6. To note that Officers intend to submit a further bid for Wave 2 of the Social Housing Decarbonisation Fund (SHDF), the detail of which will be reported separately to cabinet.**

1. BACKGROUND – WHAT IS THE FUND

- 1.1 The 2019 Conservative Manifesto committed to a £3.8bn Social Housing Decarbonisation Fund (SHDF) over a 10-year period to improve the energy performance of social rented homes, on the pathway to Net Zero 2050. The SHDF aims to deliver warm, energy-efficient homes, reduce carbon emissions and fuel bills, tackle fuel poverty, and support green jobs. The SHDF supports the aims of the Prime Minister’s Ten Point Plan for a Green Industrial Revolution.
- 1.2 Up to £160m has been made available to Registered Providers (RPs) of Social Housing, including Private and Local Authority (LA) providers in England through Wave 1 of the SHDF to support the installation of energy performance measures in social homes by 31st March 2023 taking a worst first, fabric first, lowest regrets approach.

2. GRANT AWARD

- 2.1 Following a Wave 1 bid submission on 15th October 2021 the authority received confirmation from BEIS on 7th February 2022 that the bid had been successful and a grant awarded of £1,989,090. F&H DC’s contribution of £994,545 was included in the 2022/23 budget setting activities.
- 2.2 To secure the grant payment a Memorandum of Understanding (MoU) was required to be completed and submitted to BEIS by 28th February 2022.
- 2.3 The MoU was approved by BEIS on 23 March 2022 with funds being deposited on 25th March 2022.
- 2.4 The details of the breakdown of the match funding and grant award are outlined in the following table:

	BEIS Award	FHDC Contribution
Works	£1,668,000	£834,000
Ancillary and Administration	£321,090	£160,545
Total	£1,989,090	£994,545

3. PROGRAMME

- 3.1 The Wave 1 rollout commenced on 1st April 2022 and has a deadline of 31st March 2023 for delivery.
- 3.2 The following table gives an indicative programme timeline for delivery

Annex 6b - Baseline Milestone Schedule																	
Milestone	Date Completed	Units	Jan-22	Feb-22	Mar-22	Apr-22	May-22	Jun-22	Jul-22	Aug-22	Sep-22	Oct-22	Nov-22	Dec-22	Jan-23	Feb-23	Mar-23
MS1 - Project Team Establishment	30/04/2022 30/01/2022	% Complete				100%											
MS2 - PAS 2035 Risk Assessment Stage Completed	15/11/2022 30/09/2022	No. homes			16		16	16	16	16	16	16	16	13			
MS3 - Dwelling Assessment Stage Completed	15/12/2022 30/09/2022	No. homes				16		16	16	16	16	16	16	13			
MS4 - Design and Coordination Stage Completed	31/12/2022 30/09/2022	No. homes				16		16	16	16	16	16	16	13			
MS5 - Procurement Activity Completed	30/04/2022 30/01/2022	% Complete				100%											
MS6 & MS7 - Installation started and completed	28/02/2023 30/11/2022	No. homes							16	16	16	32	16	16	13	Float	
MS8 - Handover & Data Lodgment Completed	31/03/2023 31/12/2022	No. homes								16	16	16	32	16	16	13	Float

3.3 The programme includes the retrofitting of Ross House and bringing 109 of our worst performing HRA properties to an EPC rating of C.

4. NEXT STEPS

4.1 The following tasks are required to be completed before installation works can commence and these are currently being progressed:

- Finalise Project Plan & Project Initiation Documents
- Update Risk Register
- Recruit Delivery Team (Project Manager, Energy Surveyor/COW & RLO/Administrator)
- Recruit PAS 2023 Assessors, Designers and Coordinator
- Test and source Procurement supply chain options (Frameworks considering Direct Call Offs for fast-track)
- Confirm 109 list of properties to be included in the programme with a backup list
- Commence Resident Engagement
- Finalise Communication Plan
- Agree Data Sharing Agreement with BEIS
- Schedule Monthly meeting with Monitoring Officer
- Schedule monthly data submission meetings
- Schedule Quarterly meeting with BEIS

5. WAVE 2 SOCIAL HOUSING DECARBONISATION FUND (SHDF) BID SUBMISSION

5.1 A Wave 2 bid application process has been announced and the bid window will open on 30th August 2022. Wave 1 funding was £179 million but Wave 2 is likely to be circa £800 million.

5.2 The Wave 2 bid if successful can be rolled out over a 2-3 year period and it is intended to create a bid based on all other properties within FHDC's HRA portfolio currently below EPC rating of C.

6. RISK MANAGEMENT ISSUES

6.1 A summary of the perceived risks to the Council is shown below:

Perceived risk	Seriousness	Likelihood	Preventative action
Costs being higher than estimated budget	High	Low	A detailed budget analysis has been carried out and the final approval of the works will be subject to competitive tender
The specified technology not providing the expected output performance upon completion	High	Low	The recommendations have been developed by industry specialists and the proposed technology is tried and tested.
Data sharing between the Council and BEIS	High	Low	A property data sharing agreement will be put in place, agreed by our Information Officer
Non Delivery	High	Low	Delivery Team resources identified

7. LEGAL/FINANCIAL AND OTHER CONTROLS/POLICY MATTERS

7.1 Legal Officer's Comments (NM)

The Council must comply with the terms of the Memorandum of Understanding otherwise there is a risk that the grant will be repayable.

7.2 Finance Officer's Comments (ST)

I can confirm that this SHDF grant of £1,989,090.00 was received on 25/03/2022. In addition the match funding element to be provided by FHDC is included in this year's HRA capital budget.

7.3 Climate Change Implications (OF)

Climate Change Implications arising from report will be overall positive such as:

- Greenhouse Gas emissions - the proposed works will improve energy efficiency and thermal performance of the properties which is expected to reduce greenhouse gas emissions.
- Resilience – improving the energy performance of the properties will improve resilience of the homes to the impacts of climate change.
- Social and economic impacts – the proposed works should lead to a reduction in domestic energy use and alleviating fuel poverty.

7.4 **Diversities and Equalities Implications (AB)**

There are no diversities or equalities implications arising directly from this report.

8. **CONTACT OFFICERS AND BACKGROUND DOCUMENTS**

Councillors with any questions arising out of this report should contact the following officers prior to the meeting:

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