

Eden District Council

Cabinet

14 February 2023

Social Housing Decarbonisation Fund & Home Upgrade Grant 2

Portfolio:	Housing & Health Portfolio
Report from:	Interim Director of Resources
Wards:	All Wards
OPEN PUBLIC ITEM	

1 Purpose

- 1.1 To seek delegated authority to approve the acceptance of an award of a grant from the Social Housing Decarbonisation Fund (SHDF), in the event that it is successful.
- 1.2 To seek delegated authority to approve the acceptance of an award of a grant from the Home Upgrade Grant 2 (HUG2) in the event that it is successful.

2 Recommendation

It is recommended that Cabinet:

- 2.1 Delegate approval to the Interim Director of Resources in consultation with the Housing and Health Portfolio Holder to accept a successful grant award from the SHDF.
- 2.2 Note the support from Westmorland and Furness and Cumberland Shadow Council's for a Cumbria wide bid for HUG2.
- 2.3 Delegate approval to the Interim Director of Resources in consultation with the Housing and Health Portfolio Holder to accept a successful grant award from HUG2.
- 2.4 Delegate approval of the drafting of any funding agreements and associated contracts with partners to the Assistant Director of Legal and Democratic Services.

3 Report Details

Social Housing Decarbonisation Fund

- 3.1 The Green Homes Team has been working with a number of Registered Providers to pull together a bid for the Social Housing Decarbonisation Fund (SHDF).
- 3.2 The SHDF provides funding from the Government through the Department of Business, Energy & Industrial Strategy (BEIS) and is focused on assisting Registered Providers (Housing Associations) bring their stock up to an EPC rating of C. Registered Providers will contribute 50% of the costs and will be able to receive 50% matched funding. The worst stock (EPC F/G with

uninsulated solid walls) will be eligible for up to £17,000 of funding from the scheme, with Registered Providers then matching this; giving a total spend of £34,000 to decarbonise the property.

- 3.3 The BEIS conditions of grant state that consortium bids will have the greatest chance of success, we have therefore been working as the lead along with 5 Registered Providers across Cumbria gathering the necessary data and buy in to submit a consortium bid.
- 3.4 If successful the grant could be worth up to £10.3m with an estimated administration grant of 12%. This would be hugely useful in combatting both fuel poverty and carbon consumption in Cumbria.
- 3.5 The Social Housing Providers partners included in the consortium are:
 - Eden Housing Association
 - South Lakes Housing Association
 - Westfield Housing Association
 - Progress Housing Association
 - Fair Oak Housing Association
- 3.6 It is proposed that the Eden Green Homes Team would be the programme administrators. Each Registered Provider would be responsible for their own delivery and procurement.
- 3.7 The announcement is expected at the end of February or beginning of March and the turnaround time for accepting the award is 15 days. This means we need to get as many approvals agreed up front and have delegated authority to give us the flexibility to meet the deadline.

Home Upgrade Grant 2

- 3.8 The Green Homes Team have also been liaising with the other district councils in Cumbria with a view to submitting a bid for HUG2.
- 3.9 HUG2 is also Government Funding through BEIS, but with the following objectives:
 - Deliver progress towards the statutory fuel poverty target for England, by improving as many fuel-poor homes as possible to EPC C by 2030, with an interim milestone of EPC D by 2025.
 - Enable delivery of wider Net Zero programme to phase out high-carbon heating for homes off the mains gas grid, by growing supply chains and ensuring such policies are not to the detriment of fuel poor households.
- 3.10 The same consortium conditions apply and EDC have again taken the lead on a Cumbria wide bid. Whilst, no formal consultation with the two new shadow Councils is required, given most of the benefit of the bid would be past vesting day informal consultation has been undertaken.
- 3.11 The new Chief Executives for Westmorland and Furness, and Cumberland are supportive of EDC submitting a bid on behalf of the Cumbrian consortium and agreed to Westmorland and Furness taking the lead in the delivery, should the bid be successful.

- 3.12 The timetable for submission and responses is set out below:-
- 27 January 2023 – Bid submission to BEIS
 - February 2023 – Bid Response from Turner & Townsend and BEIS
 - March 2023 – Agree procurement path and consortium MOU's.
- 3.13 These timescales are again extremely tight hence the requirement for delegated approval to accept the grant.
- 3.14 If either or both are successful the grants and any associated contracts will be novated to the new authority of Westmorland and Furness on behalf of both new authorities.

4 Policy Framework

- 4.1 The Council has four corporate priorities which are:
- Sustainable;
 - Healthy, safe and secure;
 - Connected; and
 - Creative
- 4.2 This report meets Sustainable and Healthy, Safe and Secure corporate priorities

5 Consultation

- 5.1 The Portfolio holder for Housing and Health along with CLT have been consulted, and they are supportive of the schemes.
- 5.2 The CEOs for both new authorities have also been consulted with and are supportive of the intended approach.
- 5.3 A briefing of the projects will be given to the informal shadow cabinet of Westmorland and Furness.

6 Implications

6.1 Financial and Resources

- 6.1.1 Any decision to reduce or increase resources or alternatively increase income must be made within the context of the Council's stated priorities, as set out in its Council Plan 2019-2023 as agreed at Council on 7 November 2019.
- 6.1.2 As a condition of HUG2, there is a requirement to have a Project Manager, and Data Analyst but this would have no impact on the current budget as the administration fee received would cover any additional staffing costs.
- 6.1.3 Based on the bid of £12.4m this would give the project an admin fee of £1.62m for additional staffing costs.
- 6.1.4 The bid for SHDF is £10.3m of which 12% will be for administration costs.

6.2 Legal

- 6.2.1 The provision of functions set out in this report shall be provided in accordance with relevant legal requirements including those that impact on equality and diversity and taking account of the legal duties that the Council has towards staff.

- 6.2.2 The SHDF funding and HUG2 funding is subject to completion of a funding agreement with delegation to the Assistant Director of Legal and Democratic Services to draft and approve terms of the same.

6.3 Human Resources

- 6.3.1 Any additional posts will be funded from the grant, and won't happen until after post vesting day.

6.4 Environmental

- 6.4.1 The SHDF will have a significant positive impacts on carbon emissions relating to the proposal.

6.5 Statutory Considerations

Consideration:	Details of any implications and proposed measures to address:
Equality and Diversity	No implications
Health, Social Environmental and Economic Impact	The funding for SHDF and HUG 2 will have a positive impact on the Health on our residents, and could have a positive impact on our local economy.
Crime and Disorder	No implications
Children and Safeguarding	No implications

6.6 Risk Management

Risk	Consequence	Controls Required
The Council fails to deliver the programme	Reputational	Appropriate resources; robust project and contract management

7 Other Options Considered

- 7.1 We could decide to not to bid for green homes funding but this would have an impact on the sustainability of our residents homes and the environment. Therefore this is not an option to be considered.

8 Reasons for the Decision/Recommendation

- 8.1 Participating with both grant schemes means we can improve the EPCs of properties across the county, and make an impact on the reduction of our carbon footprint.

Tracking Information

Governance Check	Date Considered
Chief Finance Officer (or Deputy)	23 January 2023
Monitoring Officer (or Deputy)	1 February 2023
Relevant Assistant Director	27 January 2023

Background Papers: **None**

Appendices: **None**

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