

North Tyneside Council

Report to the Director of Housing and Property Services

Date: 21 April 2023

Title: Social Housing Decarbonisation Fund (SHDF) – Funding Bid – Grant acceptance

Portfolio(s): Housing	Cabinet Member(s):	Councillor John Harrison
------------------------------	---------------------------	---------------------------------

Report from Service

Area: Housing and Property Services

Responsible Officer(s): Steve Colby – Program Delivery Manager Tel: 07583 140
Sophie Carr – Construction Project Manager 037

Wards affected: All

PART 1

1.1 Executive Summary:

On 21 September 2022 the Investment Programme Board approved the Director of Housing and Property Services submitting a bid for £1.2 million ‘matched funding’ to the social housing decarbonisation fund (Wave 2) (SHDF). This is a government initiative to support the social housing sector and provide the Authority with a 50% contribution towards energy installations that improve the energy efficiency of homes in the borough.

On 20 March 2023 the Authority was notified that its application was successful and has secured an award of £1,211,508.79 to deliver improvements such as Solar PV installations and Internal/External wall insulation to Authority owned housing stock across the borough. The award of grant was conditional on the Authority meeting a deadline of the 24th April 2023 to submit the award documentation to the Department for Business, Energy and Industrial Strategy (BEIS). An extension to this has been requested with BEIS to allow time for the Authority’s approval process to be completed however, a response to this request is still awaited.

This report requests that the Director of Housing & Property Services in consultation with the Cabinet Member for Housing, the Director of Resources and the Head of Law enter into a Grant Funding Agreement (GFA) and Grant Letter Offer (GLO) on behalf of the Authority, to accept the grant award of £1.2m.

1.2 Recommendation(s):

It is recommended that of the Director of Housing and Property Services, in consultation with the Cabinet Member for Housing, the Director of Resource and the Head of Law and pursuant to General Delegation GD6, accept a grant award of £1,211,508.79 from the Department of Business, Energy and Industrial Strategy from the Social Housing Decarbonisation Fund, subject to entering into an appropriate Grant Funding Agreement.

1.3 Forward Plan:

This item was included on the Forward Plan on 14 April 2023. It has not been possible to give twenty-eight days' notice of this decision because the timescales provided by Central Government for a decision to be taken on the acceptance of the grant award have not made that possible.

1.4 Council Plan and Policy Framework

This report relates to the following priorities in the 2021 – 2025 Our North Tyneside Plan. In particular, it supports the Authority's drive to be a green North Tyneside through energy saving installations and a thriving North Tyneside through improvements to the quality and energy efficiency of the Authority's housing stock.

The funding would support work towards the Authority's drive to be net-zero by 2030 and to reduce carbon emissions while saving tenants money on their energy bills.

1.5 Information:

The report provides some detailed information around the funding opportunities and the Authority's bid to BEIS.

1.5.1 Background

The Social Housing Decarbonisation Fund (SHDF) (Wave 2.1) is available to Local Authorities to deliver energy efficiency measures that support our Carbon

reduction ambitions following the Climate Emergency being announced back in 2019. The SHDF has £800m available in this round of bidding for energy efficiency measures in social housing stock and must be spent between 2023 and 2025. The SHDF is available to North Tyneside council for all social housing properties that fall below a C rating on the Energy Performance Certificate (EPC) register. The Authority's project is for circa £2.5m that will support the delivery of insulation works and Solar PV to eligible properties across the Authority's housing stock. If successful the project will help tackle fuel poverty, deliver warm and energy-efficient homes, reduce carbon emissions, and improve the comfort, health, and well-being of social housing tenants.

There is a requirement to provide 50% match funding as part of the bid requirement. The Authority has already had a range of insulation and Solar PV work included in its HRA Capital Investment Plan; it already has the match funding requirement (circa £1.2m) that can be met from existing resources. So, there is no call for additional resources, and the Authority would be spending grant monies delivering on its existing work commitments.

If approved, the funding will support the delivery of external wall insulation of 60 flats across 10 blocks including communal areas, allowing the blocks of flats in Longbenton to be fully insulated, along with the installation of Solar PV arrays to 100 homes.

1.5.2 SHDF Funding Criteria

All the homes will need to meet the qualifying criteria of being Authority stock and having an EPC rating below C to be eligible for the funding.

1.5.3 The Authority's Bid outline.

Funding will be drawn down to support the installation of energy efficiency measures within homes in North Tyneside, reduce tenants' energy bills, reduce carbon emissions, and provide a catalyst for improving residential energy efficiency in the borough. The £1.2 million award will assist in providing energy efficiency measures in a minimum of 200 energy efficiency measures in homes. The measures will include:

- External wall insulation
- Internal wall insulation
- Solar PV

The scheme will start delivery in July 2023 and all measures must be delivered before the 31 March 2025.

1.5.4 – Outline Programme Delivery

The delivery plan for the programme will commence after the signing of the Grant Award Pack with BEIS. Following this, procurement will commence to ensure that a delivery partner is in place for delivery July 2023. The scheme will follow existing marketing and engagement processes to promote and communicate the project to relevant households, marketing activity will continue with targeted campaigns throughout the duration of the project with the Authorities dedicated customer liaison supporting with all communications surrounding with delivery of the work.

1.6 **Decision options:**

The following decision options are available for consideration by the Director of Housing and Property Services.

Option 1

The Director may approve the recommendation set out in paragraph 1.2

Option 2

The Director may not approve the recommendation in paragraph 1.2.

Option 1 is the recommended option.

1.7 **Reasons for recommended option:**

Option 1 is recommended for the following reasons:

By accepting the grant, the Authority can progress towards its declared Climate Emergency and carbon reduction targets. In addition, at least 200 homes will be assisted in improving the energy efficiency of their homes & benefit from energy savings.

1.8 **Appendices:**

None.

1.9 Contact officers:

Steve Colby – Programme Delivery Manager – 07870394939

Sophie Carr – Construction Project Manager – 07976465619

1.10 Background information:

The following background papers/information have been used in the compilation of this report and are available at the office of the author:

- Gateway Form 0 – 21 September 2022
- Gateway Form 1 – 21 September 2022
- North Tyneside SHDF wave 2 application form – 18 November 2022

PART 2 – COMPLIANCE WITH PRINCIPLES OF DECISION MAKING

2.1 Finance and other resources

The award of funding is contingent on the Authority matching the award. The budgets to match the value of the award have already been factored into the HRA capital investment plan, and the proposed value is within the anticipated budget envelope.

2.2 Legal

The Grant will require the Authority to enter into a Grant Funding Agreement with the Department for Business Energy and Industrial Strategy and the Authority's legal services will advise in relation to this Agreement before it is finalised.

The Director of Housing and Property Services in common with all Directors has a general delegation to take decisions on behalf of the Authority on all matters where they have managerial or professional responsibilities for their service areas. The Director is responsible for delivering housing and property service activities that meet the needs of the people of North Tyneside. That would include providing energy efficient housing stock that meets the needs of the Authority, its tenants as well as benefitting the environment.

2.3 Consultation/community engagement

2.3.1 Internal Consultation

Consultation has been carried out internally with the Senior Management Team within Housing and Property Services when considering the terms of the grant funding available alongside the long term aims of the Authority's housing delivery plan.

Consultation and approval from the Cabinet Member for Housing was sought prior to submitting the funding application with relevant Gateway Forms approved by the Investment Programme Board(IPB).

2.3.2 External Consultation/Engagement

Market engagement events will be undertaken following appointment of a delivery partner to ensure local small and medium sized enterprises can form part of the delivery supply chain. A full communication strategy will be added to ensure that those households identified as eligible are aware of the opportunity and the benefits of energy efficient installations within their homes.

2.4 Human rights

There are no human rights issues arising from this report.

2.5 Equalities and diversity

The Authority is aware of its obligations under the Equality Act 2010 and will work with the delivery partner, when identified, to ensure that equality is at the forefront of all operations.

2.6 Risk management

Any risk management issues are included within the Authority's Risk Register and will be managed by this process.

2.7 Crime and disorder

There are no crime or disorder issues arising as a result of this report.

2.8 Environment and sustainability

The delivery of this programme of measures will positively impact the carbon footprint of the borough. The delivery of energy efficiency and energy generation measures as set out in section 1.5.3 of this report will reduce carbon emissions in the domestic sector and therefore reduce the overall carbon footprint of North

Tyneside. As the programme is delivered the carbon emission reductions will be quantified and reported within the Authority's Climate Emergency Board performance framework.

PART 3 - SIGN OFF

- Chief Executive
- Director Service
- Cabinet Member
- Chief Finance Officer
- Monitoring Officer
- Assistant Chief Executive