

NEWCASTLE-UNDER-LYME BOROUGH COUNCIL
URGENT DECISION TAKEN BY THE CHIEF EXECUTIVE ON BEHALF OF CABINET

Report Title: Social Housing Decarbonisation Funding

Submitted by: Executive Director - Commercial Development & Economic Growth

Portfolios: Finance, Town Centres and Growth

Ward(s) affected: All

Purpose of the Report

To outline the success in securing funding for Aspire Housing in the Social Housing Decarbonisation Funding.

Recommendation

That

- 1. The Social Housing Decarbonisation Funding is accepted on behalf of Aspire Housing.**
- 2. That the Executive Director Commercial Development and Economic Growth is authorised to sign the Grant Memorandum of Understanding with the Department for Business, Energy and Industrial Strategy.**
- 3. That the Executive Director Commercial Development and Economic Growth in consultation with the portfolio holder for Finance, Town centres and Growth is authorised to enter into a contract with Aspire Housing for the delivery of the project.**

Reasons

The Council has been successful in securing funding from the Social Housing Decarbonisation Programme and Cabinet need to give approval to accept this prior to the relevant legal agreement being signed with Aspire Housing and project being undertaken. Unfortunately, there was a delay in BEIS making the funding allocation with notification being received by the Council on 7th February, however the MOU needs to be signed by 28th February therefore an urgent decision to accept the funding is required.

1. **Background**

- 1.1 In August 2021, the Government opened Wave 1 of the Social Housing Decarbonisation Fund. This fund provides support to registered providers of social housing (including private and local authority providers) with the installation of energy performance measures. The funding is aimed at properties, which are EPC rated D or less and to install measure which improve their EPC rating to a minimum of Band C and achieve a minimum space heating demand target of 90 kwh/m²/year. Funding for specific properties has fixed costs caps determined by their EPC rating.
- 1.2 The Borough Council does not own social housing. However, there are approximately 8,500 social homes within the Borough that are within the ownership of registered providers. The largest of which, is Aspire Housing, which has close to 8,000 social homes.
- 1.3 An essential requirement of the Decarbonisation Fund is for a local authority to be designated as the lead party, even when the properties intended to receive the funding are within the ownership of the Registered Provider. Aspire Housing as a Registered Provider, is not permitted to apply to the bid; and funding is awarded to the local authority, who is expected to 'manage' the process.

1.4 The Council is committed to delivering the Newcastle under Lyme Sustainable Environment Strategy and the commitment within that Strategy to ensuring a sustainable future that leads to improvements within our communities and to strive to reduce our own impact on the environment. It was therefore considered appropriate to work in partnership with Aspire Housing to bid for the Social Housing Decarbonisation Fund.

2. **Issues**

- 2.1 Aspire Housing have assessed their housing stock and identified their worst performing properties from an energy performance perspective. These are untreated Non Traditional properties which are rated as EPC D and eligible properties for this funding. Aspire Housing produced a bid based on meeting the criteria of the Decarbonisation Fund to improve 44 semi-detached British steel framed house construction houses located within Bradwell.
- 2.2 It is intended that External Wall Insulation will be installed to the properties to improve the fabric and to uplift the EPC rating to a C and to achieve energy efficiency where the space heating demand to 90 kwh/m2/year is achieved. Funding from the Decarbonisation Fund, a grant of £10,000 per property is permitted.
- 2.3 In addition to this, while the work with the External Wall Insulation is being undertaken, Aspire Housing will be funding any steel repairs required to the frames and replacing the obsolete windows with new double glazing.
- 2.4 The delivery timeframe is 1st April 2022 to 31st March 2023. The funding is only available this fiscal year 2021/22 therefore there is a need to urgently agree the Grant Memorandum of Understanding with the Department for Business, Energy and Industrial Strategy. Unfortunately, there was a delay in BEIS making the funding allocation with notification being received by the Council on 7th February, however the MOU needs to be signed by 28th February therefore an urgent decision to accept the funding is required.

3. **Proposal**

- 3.1 To accept the funding and to sign the Grant Memorandum of Understanding with the Department for Business, Energy and Industrial Strategy.

4. **Reasons for Proposed Solution**

- 4.1 Aspire Housing have committed to delivering the project and key improvements will be made to the poorest performing energy efficiency properties, thus contributing to a sustainable borough and helping local residents at a time of increasing fuel costs.

5. **Options Considered**

- 5.1 The Council can decide to accept or decline the grant funding at this stage, prior to signing the MOU.

6. **Legal and Statutory Implications**

- 6.1 The Council is required to sign the Grant Memorandum of Understanding with the Department for Business, Energy and Industrial Strategy. The Council will then be required to sign an agreement with Aspire Housing to ensure they meet all of the requirements in the MOU.
- 6.2 As part of the MOU with BEIS the promotion of the scheme is to state that ‘This funding was provided through the Government’s Social Housing Decarbonisation Fund (SHDF), which is administered by the Department for Business, Energy and Industrial Strategy (BEIS). Around 20,000 social homes across England will be made warmer and benefit from cheaper energy bills thanks to £179m of Government funding that has been announced.’

7. **Equality Impact Assessment**

- 7.1 No negative equality impacts have been identified, the grant is for specific works to Aspire’s non-traditional lowest scoring energy performance properties therefore the beneficiaries are not equality targeted.

8. **Financial and Resource Implications**

- 8.1 The Council is not contributing any financial resources directly to the project but will require existing officer time to complete the MOU, monitoring returns and payment of grant to Aspire. In order to make this communication effective the Council will seek to work jointly with Aspire on the liaison with BEIS.
- 8.2 As part of the bid Aspire Housing developed proposals within the fund criteria and committed to the match funding required, the total costs of the scheme will be £2m. BEIS will award a grant of up to £509,978.

Major Risks

- 9.1 There will be regular programme monitoring meetings with Aspire Housing to ensure the project is delivering as planned throughout the programme.

10. **UN Sustainable Development Goals (UNSDG)**

- 10.1 As the proposals relate to improving sustainability they will impact a number of UN Sustainable Development Goals (UNSDG). These are:-



11. **Key Decision Information**

- 11.1 This is a key decision as the grant is over £50,000.

12. **Earlier Cabinet/Committee Resolutions**

12.1 None

13. **List of Appendices**

13.1 None.

14. **Background Papers**

14.1 The Grant Memorandum of Understanding with the Department for Business, Energy and Industrial Strategy.

Signed:



Chief Executive

Date: 17.2.22