



Officer Key Decision

Report to the Director of Housing

Date of Decision: 11th April 2023

Authority to Enter into a Grant Agreement for the Social Housing Decarbonisation Fund Wave 2.1

Wards Affected:	All
Key or Non-Key Decision:	Key Decision
Open or Part/Fully Exempt: (If exempt, please highlight relevant paragraph of Part 1, Schedule 12A of 1972 Local Government Act)	Part Exempt: Appendix 2 and 3 are exempt because they contain the following category of exempt information as specified in Paragraph 3, Schedule 12A of the Local Government Act 1972, namely: "Information relating to the financial or business affairs of any particular person (including the authority holding that information).
No. of Appendices:	<ol style="list-style-type: none"> 1. Cabinet Member for Housing, Homelessness & Renters Security Report 14 November 2022. 2. Social Housing Decarbonisation Fund (SHDF) Grant Agreement (exempt) 3. Offer Letter dated 20 March 2023 from Department of Business Energy and Industrial Strategy (BEIS) (exempt)
Background Papers:	N/A
Contact Officer(s): (Name, Title, Contact Details)	<p>Ryan Collymore Head of Service Housing Management Property Ryan.Collymore@brent.gov.uk</p> <p>Emma Sharpe Funding and Bid-Writing Manager for Climate Action Emma.Sharpe@brent.gov.uk</p>

1.0 Purpose of the Report

- 1.1 This report requests approval to enter into a grant agreement with the Department for Business, Energy and Industrial Strategy (BEIS) for the Social Housing Decarbonisation Fund Wave 2.1 (SHDF).

2.0 Recommendations

That the Director of Housing:

- 2.1 Approves the Council entering into a grant agreement with BEIS for the SHDF in the sum of £1,345,703.19 that includes a grant of up to £25,189 for Digitalisation.

3.0 Detail and brief summary of decision Reasons for decision

- 3.1 The Council has been successful in its application to BEIS for the SHDF Wave 2.1. In order to receive grant funding, the Council is required to sign the Grant Offer Letter and the Grant Funding Agreement, copies of which are attached as Appendix 1 and 2 respectively.

4.0 Alternative Options Considered

- 4.1 Officers have considered whether the social housing retrofit project installing energy efficiency measures in 129 properties across the borough can be achieved using the Council's own resources but have concluded that without such additional grant funding it would not be possible. Officers are not aware of any other suitable sources of funding that would enable the Council to achieve the project outcomes.
- 4.2 Tables 2 and 3 below give the starting EPC band of the properties being treated and the wall type respectively. Starting from a lower EPC band and being a solid wall property increase the cost of retrofit, but do attract a higher cost cap under SHDF. Hence why for this funding stream a 'worst first' approach has been taken, prioritising works to Brent's worst performing and therefore more expensive to treat properties.

Table 1. Breakdown of properties by starting EPC Band

Starting EPC Band	G	F	E	D
Number of properties	1	2	28	98

Table 2. Breakdown of properties by wall type

Wall Type	Solid	Cavity
-----------	-------	--------

Number of properties	92	37
----------------------	----	----

5.0 Additional background

5.1 The London borough of Brent (LB Brent) submitted an application to the SHDF Wave 2.1 on 17th November 2022. Approval to submit the application was given by the Cabinet Member for Housing, Homelessness & Renters Security. In total, LB Brent applied for £1,345,703.19 of capital grant funding.

5.2 Brent will be providing match funding to the value of £1,609,518.82. The funding sources for the match funding have been agreed as follows:

Funding Source	Amount
Carbon Offset Fund	£900,000.00
Major Repairs Capital Programme	£642,183.57
First Wave Housing (ring-fenced for the two FWH properties)	£42,146.02
Digital Transformation (ring-fenced for digitalisation of retrofit)	£25,189.23
Co-funding total	£1,609,518.82

5.3 The project applied for was to undertake the following activities:

- Bring 127 of Brent's worst performing housing stock up to an EPC Band C, plus two additional non-social properties which will receive infill works.
- This is in direct support the SHDF W2.1 strategic aims of reducing CO₂ emissions from social housing and improving the comfort and wellbeing of tenants.
- The properties will each receive a retrofit assessment, and a decarbonisation plan in line with PAS 2035. The vast majority of the energy efficiency improvements will be obtained through the installation of insulation and associated ventilation.
- Where reasonably possible, the homes will be brought down to an energy demand of 90 kWh/m²/year.
- The project delivery period runs from April 2023 – March 2025.

5.4 Brent Housing's maintenance partner Wates will be contracted to undertake the works as part of their long-term partnering contract with the Council. Wates is the lead partner of a team of energy experts who jointly manage and deliver an end-to-end PAS 2035 and PAS 2030 retrofit service. Their 'one-stop-shop' service has been developed through 30+ years' experience partnering with local authorities, housing associations, public sector clients, energy specialists, funding companies, subcontractors and material suppliers. They work alongside core delivery partners, Energy Specifics Ltd (Retrofit Coordination and Retrofit Assessments), and Constructive Thinking Ltd (Retrofit Design).

- 5.5 Wates have access to a broad range of national suppliers and have developed long-term, established partnerships with their supply chain. Their SHDF Wave 2.1 subcontractors will all be TrustMark, Constructionline and PAS 2030 accredited, and each individual installer will hold relevant qualifications for each energy efficiency measure. Their materials suppliers will be BBA accredited, and offer 25-year guarantees wherever possible.
- 5.6 The purpose and objectives of the funding are consistent with the Borough Plan 2023-2027 Strategic Priority 2: A Cleaner, Greener Future and Strategic Priority 5: A Healthier Brent¹.
- 5.7 Brent received official notice of its successful application to the grant on 22nd March 2023. In order to receive the grant, the Grant Funding Agreement and related documents must be returned to BEIS by the 24th April.
- 5.8 The project will be managed day-to-day by the Brent Major Works and Refurbishments Manager, who will have responsibility for monitoring and reporting to the grant administrators. The project sponsor is the Head of Service Housing Management Property who will provide project oversight.
- 5.9 This will be LB Brent's first substantial retrofit programme, marking a definitive point in our decarbonisation agenda and a huge scaling up in our ambition to support Clean Growth.
- 5.10 The project will also support the Fuel Poverty Target set out by BEIS, as Brent faces high levels of income deprivation, known to be closely linked with fuel poverty². The homes being prioritised for retrofit works as part of this project are located in some of the most deprived areas of the borough, including the Stonebridge estate which ranks within the 5% most deprived LSOAs in England.
- 5.11 LB Brent published a Climate and Ecological Emergency Strategy in 2021, pledging to do all in our gift to achieve carbon neutrality in the borough by 2030. In support of this agenda, Brent are committed to doing all that it can to achieve an average rating of Energy Performance Certificate B in directly owned council stock by 2030.

6.0 Financial Implications

- 6.1 The total grant award secured from the Department for Business, Energy & Industrial strategy is £1,345,703.19 which must be fully utilised by 31st March

¹ https://legacy.brent.gov.uk/media/16420610/brent-borough-plan-2023-27.pdf?_ga=2.183727078.1319560331.1679660348-1580545394.1632996962

² Fair Society, Healthy Lives – The Marmot Review, 2020.

2025. The following funding sources have been identified to provide the match funding necessary for the grant.

Funding Source	Amount
Social Housing Decarbonisation Fund Wave 2.1	1,345,703.19
Carbon Offset Fund	900,000.00
Major Repairs Capital Programme	642,183.57
First Wave Housing (ring-fenced for two FWH properties)	42,146.02
Digital Transformation (ring-fenced for digitalisation of retrofit)	25,189.23
Total Project Spend	2,955,222.01

- 6.2 The total project spend as part of the Capital Programme will require approval in line with the Council's constitution. The contribution of £42k will be subject to approval by First Wave Housing.
- 6.3 The grant monies can only be spent in line with the grant agreement on delivering warm, energy-efficient homes, reducing carbon emissions and fuel bills, tackling fuel poverty, and supporting green jobs. The Council will appoint the Director of Finance to be the accountable officer for this grant and approves the entry into the grant agreement.
- 6.4 The grant will be paid in two instalments through a drawdown process each financial year in line with the project milestones.

7.0 Legal Implications

- 7.1 In accordance with paragraph 13 of Part 3 of the Constitution, submission of bids for additional resources from government is a decision for individual Cabinet Members in relation to their portfolio area in consultation with the Leader. Officers have confirmed in paragraph 5.1 that relevant approval was obtained.
- 7.2 The Director Resident Services has delegated authority pursuant to paragraph 9.5 and 9.7 of Part 3 of the Constitution and Financial Regulation 8.2.2 of Part 2 of the Constitution to enter into a grant funding arrangements. In doing so, the Director must ensure that the objectives of the grant agreement are consistent with the Council objectives and priorities in accordance with Financial Regulation 9.1.2.
- 7.3 As the Council will be an accountable body in respect of grant funding and in accordance with Financial Regulation 9.1.1, the Director Resident Services must only exercise delegated powers to enter into grant funding arrangements where the Corporate Director, Finance and Resources approves entry into such

arrangement. The Corporate Director, Finance and Resources has confirmed in the Financial Implications approval to entry into the grant agreement.

- 7.4 The Council is required to enter into a formal grant agreement, a copy of which is at Appendix 2. Legal Services have reviewed the grant agreement and can confirm that it is legally permissible for the Council to enter into the grant agreement.
- 7.5 The Council's power to apply for grant funding and enter into a Grant Agreement can be found under section 111 of the Local Government Act 1972, or under the power of general competence set out in section 1 of the Localism Act 2011.
- 7.6 Section 111 of the Local Government Act 1972 allows the local authority to do anything which is "calculated to facilitate, or is conducive or incidental to, the discharge" of any of its functions. This can include entering into a grant agreement and spending money, however it is subject to the powers exercisable through other legislation, it cannot be used to authorise what is prohibited by other statutory provisions.
- 7.7 Section 1 of The Localism Act 2011 provides that the Council may do anything "which individuals may generally do". This is a free-standing power of general competence which is subject to section 2 of the Act. The Council would not be able to rely on the S.1 power where a pre-existing power sets out more specific restrictions, or where a post-commencement power indicates that the power of general competence is excluded.
- 7.8 Any grant funding received will be subject to certain conditions. Failure to adhere to such conditions could require the Council to refund some or all of the grant received.

8.0 Equality Implications

- 8.1 Pursuant to s149 Equality Act 2010 (the "Public Sector Equality Duty"), the Council must, in the exercise of its functions, have due regard to the need to:
- (a) eliminate discrimination, harassment and victimisation and other conduct prohibited under the Act
 - (b) advance equality of opportunity between persons who share a relevant protected characteristic and persons who do not share it; and
 - (c) foster good relations between persons who share a relevant protected characteristic and persons who do not share it,
- 8.2 The Public Sector Equality Duty covers the following nine protected characteristics: age, disability, marriage and civil partnership, gender

reassignment, pregnancy and maternity, race, religion or belief, sex and sexual orientation.

- 8.3 Having due regard involves the need to enquire into whether and how a proposed decision disproportionately affects people with a protected characteristic and the need to consider taking steps to meet the needs of persons who share a protected characteristic that are different from the needs of persons who do not share it. This includes removing or minimising disadvantages suffered by persons who share a protected characteristic that are connected to that characteristic.
- 8.4 There is no prescribed manner in which the council must exercise its public sector equality duty but having an adequate evidence base for its decision is necessary.
- 8.5 The proposals in this report have been subject to screening and officers believe that there are no adverse equality implications.

9.0 Consultation with Ward Members and Stakeholders

- 9.1 Approval to submit the bid was given by the Cabinet Member for Housing, Homelessness & Renters Security on 17th November 2022.
- 9.2 The decision to enter into a Grant Agreement for the SHDF was added to the Forward Plan on the 23rd February 2023. The decision can therefore now be signed off and published on the website to undergo the call-in period.

10.0 Human Resources/Property/Environmental Implications (if appropriate)

- 10.1 Brent's Major Works and Refurbishments Manager will oversee project management, and be responsible for the monitoring and reporting requirements to the grant administrators. The project sponsor is the Head of Service Housing Management Property who will provide project oversight. Project management will be carried out within the existing remit of these roles.
- 10.2 The project will result in energy efficiency improvements to 129 properties across Brent, including 127 social homes. These homes are currently at an EPC of D – G and will be improved to a minimum of EPC C with an energy demand of 90 kWh/m²/year or lower wherever reasonable possible.
- 10.3 The energy efficiency improvements made to Brent's current worst performing housing stock is expected to generate ~598,504 kWh of energy savings and will reduce carbon emissions from domestic properties. The project is therefore directly aligned with our commitment to tackle the Climate and Ecological Emergency.

Any conflict of interest declarations by members consulted:

None

Any dispensations to be granted by the Chief Executive:

None

Report sign-off:

Hakeem Osinaike
Director of housing