



**Decision of Cabinet Member for
Housing, Homelessness & Renters
Security**

14 November 2022

**Report from the Corporate Director,
Resident Services**

**Application to the Social Housing Decarbonisation Fund
Wave 2.1 for external grant funding**

Wards Affected:	All
Key or Non-Key Decision:	Non-Key
Open or Part/Fully Exempt: <small>(If exempt, please highlight relevant paragraph of Part 1, Schedule 12A of 1972 Local Government Act)</small>	Open
No. of Appendices:	N/A
Background Papers:	N/A
Contact Officer(s): <small>(Name, Title, Contact Details)</small>	Oliver Myers Head of Environmental Strategy, Commissioning and Climate Change Oliver.myers@brent.gov.uk 020 8937 5323

1.0 Introduction

- 1.1 The Social Housing Decarbonisation Fund (SHDF) is a grant fund administered by the Department for Business, Energy and Industrial Strategy (BEIS) that aims to support Registered Providers of social housing with making improvements to the energy performance of their housing stock.
- 1.2 Previous waves of funding include the SHDF Demonstrator, which awarded around £62m of funding as an initial investment to test innovative approaches to retrofitting at scale, and Wave 1 of the SHDF, which has awarded around a further £179m of funding, delivering from 2022 to 2023.
- 1.3 For the current funding round, BEIS is placing emphasis on the scaling up of housing retrofit, and £800m was committed as part of the 2021 Spending Review settlement. The Wave 2.1 competition will look to allocate as much of this funding as possible.

- 1.4 Brent Housing Management would like to submit an application to this wave of funding for works to support energy efficiency improvements to 125 of their worst performing housing stock. The SHDF allows lead applicants to make consortium bids, incorporating other registered providers. As part of the application being led by the London Borough of Brent we are therefore incorporating two First Wave Housing Limited properties eligible for funding. This brings the total number of social homes included within our application up to 127.
- 1.5 The SHDF W2.1 competition launched on 29 September 2022. In order to be considered for funding, Brent will need to submit its application in advance of the grant funding deadline on Friday 18th November.

2.0 Recommendations

That the Cabinet Member for Housing, Homelessness & Renters Security in consultation with the Leader:

- 2.1 Approves the submission of an application for grant funding as set out in Section 5 of this report from the Social Housing Decarbonisation Fund.

3.0 SHDF Wave 2.1 Key Aims and Objectives

- 3.1 Fuel Poverty: Reduce the number of households in Fuel Poverty by improving the energy efficiency rating of social homes below EPC Band C and reducing energy bills.
- 3.2 Carbon: Deliver cost effective carbon savings to contribute to carbon budgets, and progress towards the UK's target for Net Zero by 2050 by reducing CO2 emissions from social housing.
- 3.3 Tenants: Improve the comfort, health, and well-being of social housing tenants by delivering warmer and more energy-efficient homes.
- 3.4 Green Economy: Support economic resilience and a green recovery in response to the economic impacts of Covid-19, supporting thousands of jobs.
- 3.5 Develop the Retrofit Sector: Create the conditions for growth in the retrofit supply chain capacity and capabilities, boosting productivity and innovation in the construction sector. Additionally, upskilling social landlords in retrofit to support future improvements to energy efficiency in the social housing sector.

4.0 SHDF Grant Criteria

- 4.1 Funding is available to support energy efficiency improvements to social homes that are currently EPC D or lower, in order to bring them up to an EPC C.
- 4.2 Energy efficiency improvements must be made on a 'fabric-first' approach, that is, insulation and ventilation are considered before any low carbon heating system is put in place.

- 4.3 The grant funding available under SHDF is variable based on the starting EPC rating and property characteristics of the homes identified for inclusion in the bid. For example, a larger grant is available for a solid wall property at a starting EPC band F than for a cavity wall property starting at EPC D.
- 4.4 A minimum of 50% co-funding from the Registered Provider is required, although in practice this percentage is higher due to the cost caps imposed by the grant fund criteria.

5.0 Brent's Application

- 5.1 The properties identified for inclusion in the bid have been prioritised based on several factors, including:
- the current worst performing properties in terms of their EPC rating
 - alignment with any other planned works to the properties, and
 - being located in one of the Brent Green Neighbourhood areas.
- 5.2 In total, Brent's application contains 127 social homes (2 owned by First Wave Housing and the remainder owned by the London Borough of Brent). An additional 2 non-social homes will receive measures on an infill basis as they are part of a larger block of social homes. Table 1 gives an overview of the property locations by postcode and Table 2 the starting EPC band of selected properties.

Table 1. Breakdown of properties by postcode

Postcode	Number of properties
NW10	71
NW2	17
HA9	10
NW9	8
HA0	6
HA3	6
NW6	4
W10	2
HA8	2
W9	1
UB5	1
NW19	1

Table 2. Breakdown of properties by starting EPC Band

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

- 5.3 If successful in receiving this grant funding, works would be carried out by Brent Housing Management's long term contractual partner Wates, who have successfully delivered 12 previous SHDF projects elsewhere in the country and have a pre-established understanding of Brent's housing stock.

6.0 Financial Implications

6.1 Total costs for the SHDF project come to £2,958,450. The grant and co-funding proportions are broken out below:

- Total grant funding applied for: £1,345,703
- Total co-funding required: £1,609,519
- Total leaseholder contribution: £3,228

6.2 The co-funding required will be provided from the following sources:

- £900,000 from the Brent Carbon Offset Fund
- £642,184 from Brent Housing's Capital Budget
- £42,146 from First Wave Housing's Capital Budget
- £25,189 from the Brent Digital Transformation Budget

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.

7.2 Subject to grant approval, the Corporate Director Resident Services has delegated authority pursuant to paragraph 9.5 of Part 3 of the Constitution and Financial Regulation 8.2.2 of Part 2 of the Constitution to enter into a grant funding arrangement. In doing so, the Corporate 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 and must only exercise delegated powers where the Director of Finance approves entry into such arrangement.

8.0 Equality Implications

8.1 There are no equality implications at this stage of making the application for funding.

9.0 Any Other Implications (HR, Property, Environmental Sustainability - where necessary)

9.1 Funding from the SHDF would enable Brent to make energy efficiency improvements to some of its worst performing housing stock, improving insulation and therefore reducing carbon emissions from domestic properties. The project is therefore directly aligned with our commitment to tackle the Climate and Ecological Emergency.

9.2 Developing the retrofit sector is an integral part of the funding programme and every opportunity would be taken to use this project as a means of supporting the green economy in Brent.

Report sign off:

PETER GADSDON

Corporate Director, Resident Services