

 <b>Brent</b>	<p align="center"><b>Cabinet</b> 13 October 2025</p>
	<p align="center"><b>Report from the Corporate Director, Residents and Housing Services</b></p>
	<p align="center"><b>Lead Member – Cabinet Member for Housing (Councillor Fleur Donnelly- Jackson)</b></p>
<p align="center"><b>Authority to Proceed with New Energy Efficient Heating for The Oaks and Pharamond</b></p>	
<b>Wards Affected:</b>	Roundwood & Brondesbury Park
<b>Key or Non-Key Decision:</b>	Key
<b>Open or Part/Fully Exempt:</b> <small>(If exempt, please highlight relevant paragraph of Part 1, Schedule 12A of 1972 Local Government Act)</small>	Open
<b>List of Appendices:</b>	None
<b>Background Papers:</b>	None
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## 1.0 Executive Summary

- 1.1 This paper concerns a project to install energy efficient heating to replace the existing outdated and inefficient oil, gas and electric heating in the Council owned blocks of flats known as The Oaks and Pharamond. The preferred heat source is via ground source heat pumps, which will be complemented by cavity wall insulation to reduce the heat demand.

- 1.2 The project will be funded utilising a combination of The Warm Homes Social Housing Fund (WHSHF), previously known as the Social Housing Decarbonisation Fund, and a co-funding allocation from the council's Carbon Offset Fund.
- 1.3 The funding proposal has already been approved by the Capital Programme Board.

## **2.0 Recommendations**

That Cabinet:

- 2.1 Approves adding the New Low Carbon, Energy Efficient Heating for Oaks and Pharamond housing to the capital programme.
- 2.2 Notes that the budget of £3,150,911 will be funded by £1,082,353 Warm Homes Social Housing Fund grant and £2,068,558 Carbon Offset Fund.
- 2.3 Authorises the Director of Housing Services to enter the necessary procurements to deliver the scheme including a works contractor and a technical consultant.

## **3.0 Detail**

### **Cabinet Member Foreword**

- 3.1 This report outlines the proposals to proceed with new energy efficient heating for the Oaks and Pharamond.
- 3.2 The current heating at the 2 blocks is inefficient and requires replacing. Pharamond has a communal oil fuelled system which is beyond its serviceable life. The works will also include installation of cavity wall insulation as required. Ground source heat pumps provide less expensive heating and hot water than traditional fossil fuels and the installations require less maintenance over their lifetime. Residents can expect to see a reduction in their heating charges.
- 3.3 The Borough Plan includes two priorities specific to Housing, that are;
  - Strategic Priority 1 – Prosperity and Stability in Brent
  - Strategic Priority 2 – A Cleaner, Greener Future
- 3.4 These two priorities re-affirm the Council's ambition to continue building new Council homes with a target of 1,700 homes by 2028 and improving the quality of housing across the private sector and in the Council's own housing stock. Housing is also a key stakeholder in the delivery of Green Neighbourhoods both through the engagement with Registered Providers and investment in Council owned homes, specifically retrofitting poorly performing housing. It is acknowledged that whilst Housing is not specified in the remaining priorities set out in the borough plan, a safe, suitable, and secure place to call home is a foundation for Thriving Communities, The Best Start in Life, and a Healthier Brent.

3.5 Other strategies that are relevant to Housing include:

- Black Community Action Plan
- Climate and Ecological Emergency Strategy
- Homelessness and Rough Sleeper Strategy
- Equality Strategy
- Health and Well-being Strategy
- Procurement Strategy
- Local Plan
- Inclusive Growth Strategy

## 4.0 Background

4.1 The key WHSHF aims and objectives of the scheme are:

- **Tackling Fuel Poverty:** The primary objective is to reduce the number of households in fuel poverty by improving the energy efficiency ratings of social homes currently below EPC Band C and lowering energy bills for tenants through reducing the demand for heating.
- **Carbon Reduction:** The initiative aims to deliver cost-effective carbon savings that contribute to the achievement of national carbon budgets and progress towards the UK's target of Net Zero by 2050. This will be achieved by reducing CO<sub>2</sub> emissions from social housing.
- **Tenants:** The programme seeks to enhance the comfort, health, and well-being of social housing tenants by delivering warmer, more energy-efficient homes that improve living conditions and reduce energy consumption and costs.
- **Green Economy:** A key goal is to support economic resilience and aid in the growth of the green economy in the UK helping to safeguard and potentially create thousands of jobs and apprenticeships in the fastest growing sector of the UK economy.
- **Develop the Retrofit Sector:** The initiative will help foster growth in the retrofit supply chain, increasing capacity and capability, driving productivity, and encouraging innovation within the construction sector. Additionally, it aims to upskill social landlords in retrofit techniques to support ongoing improvements in energy efficiency across the social housing sector.

4.2 The 80 properties included in Brent's bid are located across two blocks: Pharamond and The Oaks. These blocks are a mixture of social housing currently administered by Brent and held within the Housing Revenue Account and private leaseholders.

4.3 Table 1 gives an overview of the property locations by postcode, Table 2 the starting EPC band of selected properties and Table 3 further detail on estimated costs and carbon savings.

**Table 1. Breakdown of properties by postcode**

Block name	Postcode	Number of properties
The Oaks	NW10 3SA	44
Pharamond	NW2 5RD	36

**Table 2. Breakdown of properties by starting EPC Band**

Starting EPC Band	G	F	E	D	C
Number of properties	1	1	5	10	18

*Note: Only 35 out of 80 properties have current EPC ratings, and the table reflects this limitation. Further survey work/investigation is required prior to the works being undertaken and this has been factored into the proposed first year of the programme*

**Table 3. Further detail on estimated costs / carbon savings**

Number of properties	Estimated cost of energy works £'000s	Estimated Lifecycle	Tonnes CO2e saved (lifetime)	Cost / tonne lifetime Carbon Saving £
80	3,151	30 years	6,000	615

- 4.4 The energy efficiency improvements for both blocks would involve installing a new heating system, by using ground source heat pumps, and replacing cavity wall insulation. The Pharamond block is of particular importance from an environmental sustainability perspective due to its reliance on an oil-fuelled heating system, which is scheduled for replacement to meet sustainability and efficiency targets.

## **5.0 Pre-tender Considerations**

- 5.1 The new heating will provide benefits as follows:

- They are currently among the worst-performing properties in terms of their EPC ratings. Properties are expected to improve to a SAP C rating.
- Retrofitting properties within concentrated blocks is more efficient than addressing scattered street properties.
- Pharamond has an outdated, inefficient heating system which requires replacement. The proposal includes installing a more cost-effective, efficient, sustainable heating system through ground-source heat pumps.
- We are seeking to de-gas The Oaks and remove the oil fuel source from Pharamond so that both blocks are in line with our current approach to high rise council properties.

- The resident demographic at the properties is expected to benefit from warmer homes through the installation of cavity wall insulation as part of the works
- It is anticipated that the works will ultimately result in cost-savings to residents through a reduction in their energy bills, achieved through warmer, more efficient and sustainable properties. This will be modelled as part of detailed feasibility. Brent will in effect become the heat supplier to the 2 blocks and will need to comply with Heat Network Metering & Billing Regulations and decide how much of resident's heat usage it will recharge. VAT will be recharged at 5%. This will be considered in a future report once more detail is available.
- The Council will make savings on revenue maintenance costs and capital renewal costs over the elemental lifecycle. The new plant is very low maintenance once installed and has minimal running costs when compared to other sources of energy. The actual values will be calculated once more detail is available.

5.2 The project timetable is as follows and is in accordance with the terms of the grant funding:

Financial Year	FY 2025/2026	FY 2026/2027	FY 2027/2028	FY 2028/2029
Outline Design and Specification	Oct			
Procure Consultants	Nov			
Full Design and Specification Plus Planning	Dec - Mar	Apr - May		
Procurement of Works Contractor		June - Aug		
Contract Award and Works Commencement		Sep -	Ongoing	- Aug
Works Completed and Commissioned				Sep - Oct

### Options Appraisal

5.3 Following Cabinet's decision in October 2024 to amend the governance of the Carbon Offset Fund, officers have recently evaluated alternative options for its use. This process included identifying other street properties within the council's housing stock that have poor energy efficiency ratings, as alternatives to Pharamond and The Oaks. Two scenarios were considered, which identified 82 properties suitable for either "light" or "deep" retrofit work. The financial implications of these scenarios ranged from £600k to £4m, with further feasibility work needed to determine whether these alternatives would result in greater carbon savings compared to retrofitting Pharamond and The Oaks. Additionally, it was noted that retrofitting separate street properties would pose greater delivery risks due to the complexities involved, compared to working on two communal blocks.

- 5.4 This project would not have been viable without funding from the WSHF, and the council's Carbon Offset Fund.

### **Benefits to Council**

- 5.5 The project provides the following benefits to the Council.

Description of Benefit	Financial/ non-financial benefit?	Estimated benefit amount?	When will the benefit be realised?	One-off or recurring?
New heating and hot water system for the Oaks.	Financial	£1,100,000	2026 /27	One-off
New heating and hot water system for Pharamond.	Financial	£900,000	2026 / 27	One-off
Reduction in ongoing maintenance costs.	Financial	£20,000 per annum	2027 /2028	Recurring
Carbon Savings	Non-financial	6,000 Tonnes	2027 / 2028	One-off

### **Alignment with Strategic Objectives**

- 5.6 The programme will improve energy efficiency and reduce carbon emissions in 80 poorly performing properties in the council housing stock from an energy efficiency perspective. This work aligns with Brent's Climate & Ecological Emergency Strategy (2021-2030) and is a specific key deliverable within the current Climate Programme 2024-2026, approved by Cabinet in October 2024. It also aligns with several existing Borough Plan priorities, specifically under Strategic Priority 2: *A Cleaner, Greener Future* and Strategic Priority 5: *A Healthier Brent*. The programme directly supports these priorities by enhancing environmental sustainability and the co-benefit of seeking to improve the health and well-being of Brent's residents living in the properties identified for works, with warmer homes delivered through improved insulation measures.
- 5.7 This project is the second substantial retrofit programme undertaken by LB Brent, furthering the Council's commitment to decarbonisation. The first programme involved retrofitting 100 properties throughout the borough as part of the Social Housing Decarbonisation Fund 2 project. The project contributes to advancing the borough's climate action goals and reflects an increased ambition to improve energy efficiency across the council's housing stock.

### **Procurement**

- 5.8 A consultant will be procured from a Framework.
- 5.9 The works contractor will be procured from a Framework.
- 6.0 Stakeholder and ward member consultation and engagement**
- 6.1 The Cabinet Member for Housing and ward councillors have been briefed and consulted on this proposal.

## 7.0 Financial Considerations

- 7.1 The proposed budget for the project is £3.15m funded by £1.08m Warm Homes Social Housing Fund grant and £2.07m Carbon Offset Fund. The Corporate Director for Housing and Resident Services approved entry into the Warm Homes Social Housing Fund grant in May 2025.

Warm Homes Social Housing Fund	£	1,082,353
Carbon Offset Fund	£	2,068,558
Total	£	3,150,911

- 7.2 The budget is made up as follows:

THE OAKS AND PHARAMOND				
Estimated cost of the heating works			£	2,400,000
Allowance to reinstate dwellings following removal of existing heating			£	120,000
Cavity wall insulation / wall ties allowance			£	320,000
Mast Climbers / asbseil allowance			£	100,000
Additional consultancy			£	100,000
Contingency			£	110,911
			£	3,150,911

- 7.3 There is remaining Carbon Offset Funding which could be used if further cost uplifts are unavoidable. Because of the current challenging financial position of the Housing Revenue Accounts, there is no additional funding available to cover overspends nor other works to improve the properties.
- 7.4 Section 5.5 outlines some estimated cost savings arising from the project. The Council will recharge residents for their energy usage from the new ground source heat pump installation. The financial savings are savings for the HRA.
- 7.5 VAT is charged at 5% on energy projects so this is a taxable supply and the VAT on the capital works is recoverable.
- 7.6 The selected heating specification will also legally be considered a betterment and mostly not fully rechargeable. Officers are considering at what cost/rate to charge the 23 leaseholders in the 2 blocks to recover non-betterment costs. This will potentially reduce the required funding from the Carbon offset Fund.

## 8.0 Legal Considerations

- 8.1 As noted in this report, funding from the Warm Homes Social Housing Fund grant is being proposed. Officers will confirm that applicable obligations, requirements and benchmarks are followed, and all conditions are met for the receipt of grant funds.
- 8.2 Further, procurement of those consultants stated above need to be in accordance with the Council's constitution, relevant standing orders, and the relevant procurement laws. Should these recommendations be agreed by

Cabinet, officers will consult with legal and procurement colleagues to progress such appointments.

## **9.0 Equity, Diversity & Inclusion (EDI) Considerations**

9.1 As a public authority, the Council is subject to the Public Sector Equality Duty (PSED) under Section 149 of the Equality Act 2010 (EqA). This duty requires the Council to actively consider the need to eliminate discrimination, advance equality of opportunity, and promote good relations between people from different backgrounds. In line with this duty, a full Equality Impact Assessment (EIA) was carried out as part of the adoption of the Brent Climate and Ecological Strategy in 2021. This EIA is publicly available on the Council's website and outlines the anticipated impacts of climate and housing interventions on different groups, particularly those who may be disproportionately affected by poor housing conditions or fuel poverty.

9.2 Key EDI considerations in the context of the housing retrofitting and energy efficiency improvements include:

**Prioritisation of At-Risk Groups:** The retrofitting of housing and improvements to energy efficiency are designed to target those who are most at risk of fuel poverty, with a specific focus on households that include vulnerable groups such as elderly residents, those with disabilities, and families with young children. Ensuring that these households benefit from warmer, more energy-efficient homes help reduce health inequalities, particularly in relation to respiratory illnesses exacerbated by cold, damp living conditions.

**Fuel Poverty:** The strategy prioritises households in areas with high levels of fuel poverty, particularly those with residents who are from lower-income backgrounds, Black, Asian, and Minority Ethnic (BAME) communities, and other groups that may face greater barriers to accessing energy-efficient housing. These groups are often more vulnerable to the negative effects of poor housing conditions, including the physical and mental health impacts of living in energy-inefficient homes.

**Health Impacts:** There is a clear link between poor housing conditions and public health outcomes. Retrofitting homes to improve energy efficiency will not only reduce energy bills but will also mitigate risks associated with respiratory and cardiovascular diseases, which are more prevalent among vulnerable groups. Reducing these health risks aligns with the Council's commitment to improving public health outcomes and advancing equality of opportunity for all residents, particularly those most in need.

9.3 By ensuring that energy efficiency interventions are delivered in a way that is inclusive and equitable, the Council aims to make a significant contribution to reducing health disparities and promoting a more sustainable, healthy living environment for all residents.

9.4 Engagement with residents of the affected blocks will be coordinated in collaboration with the Council's delivery partner to ensure clear and timely



information about the upcoming energy efficiency improvements. This will include providing updates on the project timeline, potential disruptions, and the benefits of the work to residents.

## **10.0 Climate Change and Environmental Considerations**

- 10.1 Implementing this project will 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 a key deliverable within the Council's current Climate Programme (2024-26) approved by Cabinet in October 2024.
- 10.2 This project will also seek to support the green economy in Brent, with opportunities to collaborate with local partners, such as Brent's own Green Skills Centre at the College of Northwest London, to build local capacity and skills.

## **11.0 Human Resources/Property Considerations (if appropriate)**

- 11.1 None.

## **12.0 Communication Considerations**

- 12.1 The project will require a comprehensive communication strategy. This will include an open day where the project team is invited to discuss the project logistics and impact on the residents.
- 12.2 A detailed communications plan will be developed to include tenants and leaseholders. This will include:
- An initial letter to all residents and ward councillors outlining the scope and objectives of the project. This will explain what disruption can be expected and that residents can remain in their homes during the works.
  - A meeting with residents once more detailed specifications are prepared. This is expected to be in December 2025. This will be followed up by minutes of the meeting and a copy of the specification.
  - Newsletters and / or meetings at each milestone stage.
  - Monthly newsletters during the course of the works.
  - A separate meeting for leaseholders when a decision is made around their recharges.
  - Section 20 consultation meetings.
  - Ad-hoc meetings as required.

### **Report sign off:**

**Thomas Cattermole**

Corporate Director Residents and  
Housing Services