

Request to Submit a Bid to the Social Housing Decarbonisation Fund (Housing, Andy Vincent)

Synopsis of report:

Since May 2022 the Housing Service has been preparing a bid to wave 2.1 of the Social Housing Decarbonisation Fund (SHDF). The bidding window to the fund opens in September 2022.

The purpose of the bid is to seek additional funding to deliver on the Housing Service's key carbon reduction target of: -

'Ensure all RBC owned social housing units have an energy efficiency rating of C or above by 2030'

At the beginning of 2022 it was estimated that £8.79m of investment will be required in the Council's housing stock to deliver the above target. Funding to enable this investment is coming from the following sources: -

1. Green Homes Grant – Local Authority Delivery 1. Supported by 30% match funding from Runnymede Borough Council's Housing Service – total of grant and RBC contribution £1.8m in 2022
2. Improvement work to achieve the Runnymede Investment Standard £3.7m by 2026
3. A request for wave 2.1 Social Housing Decarbonisation Funding of £3.29m

Recommendation(s):

- I. Housing Committee Members approve a bid to the Social Housing Decarbonisation Fund wave 2.1.
- II. Housing Committee give delegated authority to the Corporate Head of Housing in conjunction with the Chair and Vice Chair to approve the final bid – including clarified finance figures.
- III. Housing Committee Members note that should this bid be successful the service is on track to deliver a C energy efficiency rating as a minimum for its social housing by March 2026.

1. Context of report

- 1.1 In March 2021 the Department for Business Energy and Industrial Strategy introduced the Social Housing Decarbonisation Fund. The fund is designed to: -

“upgrade a significant amount of the social housing stock currently below Energy Performance Certificate (EPC) C up to that standard. It will support the installation of energy performance measures in social homes in England; and help:

- deliver warm, energy-efficient homes
- reduce carbon emissions

- *tackle fuel poverty*
- *support green jobs*
- *develop the retrofit sector*
- *improve the comfort, health, and well-being of social housing tenants*

- 1.2 Funding via the Social Housing Decarbonisation Fund will be released in a number of waves. Wave 1 of the fund funded 69 projects up to the value of £179m.
- 1.3 The Social housing Decarbonisation Fund wave 2.1 opens for bids at the end of September 2022 and closes in October 2022.
- 1.4 Runnymede Borough Council have 757 properties with an energy efficiency rating below a C.
- 1.5 All of these properties are general needs accommodation.
- 1.6 426 of these properties will achieve a C rating by the installation of new doors, windows, boilers etc. via the Council's 'Decent Homes' programme.
- 1.7 The remaining 331 will require additional work on top of what is planned under our capital programme to achieve a C rating.

2. Runnymede Borough Council's bid to the Social Housing Decarbonisation Fund (SHDF)

- 2.1 A project team has been put together to develop Runnymede Borough Council's bid to the SHDF. The team have been working on the bid since May 2022. The team is comprised of members from Housing Technical Services, Housing Services, the Council's Bid Writer/Grants Officer, and the Climate Change Team.
- 2.2 Runnymede Borough Council's Housing Service is seeking £3.29m from wave 2.1 of the Social Housing Decarbonisation Fund (this figure may change as further analysis is undertaken in preparation of the bid).
- 2.3 This is intended to fund the following work: -

Additional Works	£	Comment
External Wall Insulation	2,650,000	
Planning Application Fees	1,180	Planning applications all traditional dwellings non-painted
Ground Source Heat Pumps X2	638,969	RBC have budgeted £200,000 for this work - £638,969 is the non-budgeted amount
Total	3,290,149	

- 2.4 Work under this scheme would need to be completed by September 2025.
- 2.5 A procurement exercise would need to be completed in order to source a contractor to install External Wall Insulation and Ground Source Heat Pumps.

3. Consultation

- 3.1 Installation of improvement work done under the SHDF will utilise our existing Tenant Improvement Procedure which ensures engagement with tenants throughout the installation of any improvements to their home.
- 3.2 This procedure reflects the requirements of the PAS 2035 (the PAS 2035 process ensures quality installations and effective customer engagement throughout energy efficiency retrofit work) and has been accredited under ISO 9001.

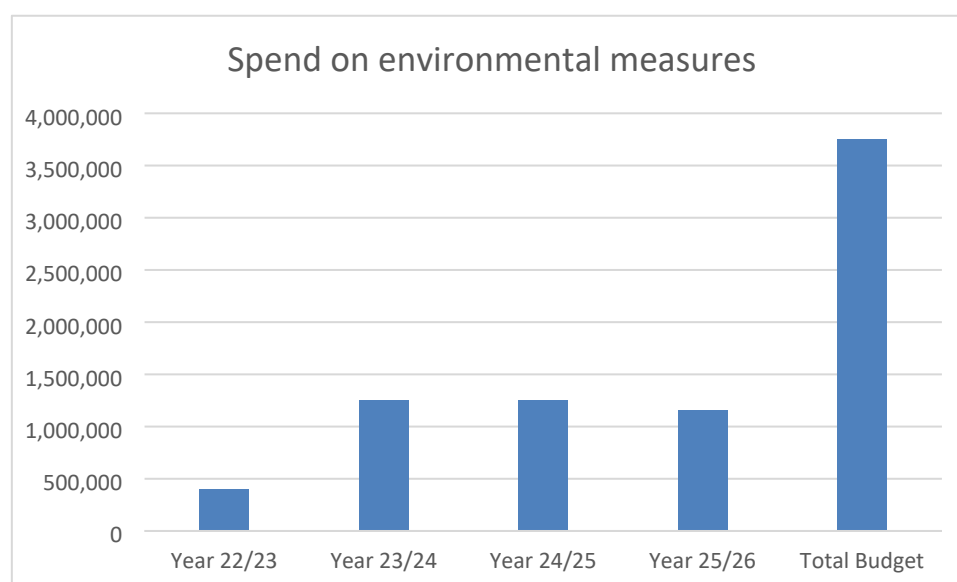
4. Policy Framework Implications

- 4.1 The Housing Asset Management Plan identifies a number of climate change objectives for the Housing Service
- 4.2 The key one that this report impact on is: -

Achieve a C energy efficiency rating as a minimum for all Runnymede Borough Council's social homes by 2030

5. Resource implications

- 5.1 Resources have been identified within the Housing Revenue Account Business Plan to deliver the £3.7m of work identified to improve the energy performance of the Council's housing stock.
- 5.2 This work is phased over 4 years from 2022 – 2026 at the following rate: -



- 5.3 In January 2022 this committee agreed to commit £300,000 of the Council's money to unlock £1.09m of green homes grant. Subsequent to this, approval was given in April via an SO42 to spend a further £100,000 to unlock an additional £200,000 in grant making £1.790m of investment.
- 5.4 A successful Wave 2.1 bid will mean that total investment towards the Housing Service's key carbon reduction target will be:

	Grant £	HRA Reserves £	Total £
Green Homes Grant	1,390,000	400,000	1,790,000
Improvement Work	-	3,700,000	3,700,000
Wave 2.1	3,290,149	-	3,290,149
Total	4,680,149	4,100,000	8,780,149

6. Legal implications

- 6.1 Runnymede Borough Council is obligated as a Registered Provider of Social Housing to comply with the Regulator of Social Housing's Home Standard.
- 6.2 This standard predominantly focuses on ensuring social landlords meet their repairing obligations and comply with the Decent Homes Standard.
- 6.3 Currently the standard does not refer to energy performance. This is anticipated to change when the standard is next reviewed.

7. Equality implications

- 7.1 An Equalities Screening of the impact of work to upgrade the energy performance of the Council's housing stock has been undertaken.
- 7.2 This demonstrates the positive impact of this work – but emphasises the importance of gaining access to properties to undertake improvement work and monitoring closely any refusals we have from tenants.

7. Environmental/Sustainability/Biodiversity implications

- 7.1 The work to improve the energy performance of Runnymede Borough Council's housing stock forms a central strand of the work of the Housing Service to cut its environmental impact.
- 7.2 By delivering a C energy efficiency rating for all Council owned homes – this will reduce the carbon emissions from Council homes by 1078 tonnes per year and will contribute to the Council's objective to achieve Net Zero Carbon by 2030 in respect of its own operations.

8. Other implications

- 8.1 Some procurement work will need to be completed to enable the list of energy efficiency work to be undertaken.
- 8.2 Specifically this will involve the procurement of a contractor to complete external wall insulation (EWI) and install ground source heat pumps.

9. Conclusions

- 9.1 A successful bid to the Social Housing Decarbonisation Fund wave 2.1 will enable the Housing Service to ensure that all its homes have a C energy performance rating by March 2026 (there are likely to be some refusals of the work by tenants).

- 9.2 Additional plans for enhancing energy performance can then be compiled to enable further energy performance improvements prior to 2030.

(To resolve)

Background papers

Housing Asset Management Plan 2021-2026 (within the September 2022 Housing Committee papers)

Social Housing Decarbonisation Fund Wave 2.1 - [Social Housing Decarbonisation Fund: Wave 2.1 - GOV.UK \(www.gov.uk\)](https://www.gov.uk/government/news/social-housing-decarbonisation-fund-wave-2-1)

Social Housing Decarbonisation Fund Wave 1 outcomes - [Social Housing Decarbonisation Fund Wave 1: successful bids - GOV.UK \(www.gov.uk\)](https://www.gov.uk/government/news/social-housing-decarbonisation-fund-wave-1-outcomes)

PAS 2035 - [TrustMark & The Delivery of PAS 2035](https://www.gov.uk/government/news/pas-2035-trustmark)

Energy Performance Rating System (below)

