

REDDITCH BOROUGH COUNCIL

## Executive Committee 23<sup>rd</sup> March 2021

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### GREEN HOMES FUNDING

<b>Relevant Portfolio Holder</b>	Councillors Craig Warhurst/ Anthony Lovell
<b>Portfolio Holder Consulted</b>	Yes
<b>Relevant Head of Service</b>	Guy Revans, Judith Willis
<b>Report Author</b>	<b>Name:</b> Simon Parry, Kath Manning <b>Job Title:</b> Housing Property Services Manager, Climate Change Officer <b>Contact email:</b> simon.parry@bromsgroveandredditch.gov.uk kath.manning@bromsgroveandredditch.gov.uk <b>Contact Tel:</b> Ext 3201, Ext 3044
<b>Wards Affected</b>	No specific ward relevance.
<b>Ward Councillor(s) consulted</b>	n/a
<b>Relevant Strategic Purpose(s)</b>	<ul style="list-style-type: none"><li>- Finding somewhere to live</li><li>- Living independent, active &amp; healthy lives</li><li>- Aspirations, work &amp; financial independence</li><li>- Communities which are safe, well maintained &amp; green</li></ul>
Non-Key Decision	
If you have any questions about this report, please contact the report author in advance of the meeting.	
This report contains exempt information as defined in Paragraph(s) of Part I of Schedule 12A to the Local Government Act 1972, as amended	

### 1. RECOMMENDATIONS

The Executive Committee **RECOMMEND** that:

- 1) The Capital and Revenue Budgets (Housing and General Fund) are increased to receive Redditch Borough Council's Green Homes Grant scheme Local Authority Delivery Part 2 allocation of £280,700.
- 2) Delegated authority is granted to the Head of Environmental and Housing Property Services and Head of Community & Housing Services in consultation with Portfolio Holders for Housing and Climate Change to administer the funding received in line with the grant conditions.

## **Executive Committee 23<sup>rd</sup> March 2021**

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### **2. BACKGROUND**

- 2.1. The Department for Business, Energy and Industrial Strategy (BEIS) have allocated £59.95m of funding to Phase 2 of the Local Authority Delivery (LAD) element of the Green Homes Grant scheme, which runs until December 2021.

The distribution of this funding is being managed via Local Energy Hubs (the Midlands Energy Hub, MEH, in the case of Redditch).

The allocations have been calculated to reflect the number and proportion of EPC Band E, F and G properties within the Local Authority area: for Redditch Borough Council this will be £255,000, with an additional capitalisation allocation of £22,950 and an additional fixed cost of £2,750 for Stock Analysis or modelling to support proposal development and future energy efficiency schemes.

The deadline to accept the allocation is 15<sup>th</sup> April 2021.

#### 2.2. Key information:

- Funded measures must improve the properties' Government's Standard Assessment Procedure for Energy Rating of Dwellings (SAP) ratings.
- Measures must be targeted at properties with the worst SAP ratings: Energy Performance Certificate (EPC) score D (up to 50% of properties), E, F and G.
- Decarbonisation of energy systems is integral to the scheme, so no fossil fuel powered measures will be funded.
- The occupants of the properties in the scheme must be overall at above average risk of fuel poverty: across the scheme, there must be an average household income of less than £30k or other factors which are a proxy for fuel poverty risk such as receipt of means tested benefits.
- The average capital works per property cannot exceed £10k.
- The deadline for completion of funded projects is December 31<sup>st</sup> 2021, unless extended by MEH with permission from BEIS and HM Treasury as required.
- Any tenures may be funded, though the proportion of funding differs between tenures (see 3. Financial Implications).

## **Executive Committee 23<sup>rd</sup> March 2021**

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- 2.3. RBC took part in a successful Green Homes Grants LAD Part 1a bid to fund works to privately owned properties, for which the completion deadline has been extended to June 30<sup>th</sup> 2021, so it is anticipated that the majority of the Part 2 funding will be spent on RBC Social Housing properties.

### **3. FINANCIAL IMPLICATIONS**

- 3.1. RBC have been allocated a capital grant of £255,000 to be spent in line with grant conditions.
- 3.2. An additional capitalisation allocation of £22,950 can be used for administration and enabling works and can be allocated to capital or revenue budgets at the discretion of the Council. This mobilisation payment will be awarded upon signing of the Award Letter.
- 3.3. Upon Signing of the Award Letter, or once MEH has received the funding from BEIS whichever is later, an additional fixed cost of £2,750 is provide all councils for Stock Analysis or modelling requirements to support proposal development and future energy efficiency schemes.
- 3.4. A full project proposal (see Operational Implications) and compliance with reporting requirements is required for receipt of the full Part 2 grant allocation. A full breakdown of funding need and allocation between Housing and General Fund will be ascertained as part of the development of this project proposal.
- 3.5. For privately rented or social housing properties, Green Homes Grant funding can only fund up to two-thirds of the cost of measures, up to a maximum of £5000. (Any owner occupier properties are required by BEIS to be fully funded using the grant monies.) There is sufficient funding in the existing RBC Housing Capital Budget 2021-22 to provide match funding for RBC social housing properties.

### **4. LEGAL IMPLICATIONS**

- 4.1 The general power of competence in s1 of the Localism Act 2011 empowers the council to undertake such a project.
- 4.2 Given the level of spend and timescale, an OJEU compliant framework will be used to procure delivery of the works (in progress).
- 4.3 A legal review of the Grant Conditions will be undertaken prior to acceptance.

## **Executive Committee 23<sup>rd</sup> March 2021**

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### **5. STRATEGIC PURPOSES - IMPLICATIONS**

#### **Relevant Strategic Purposes**

5.1 The funding aligns as follows:

- **Finding somewhere to live:** improving housing stock
- **Living independent, active & healthy lives:** healthier home environments
- **Aspirations, work & financial independence:** addressing fuel poverty
- **Communities which are safe, well maintained & green:** reducing carbon emissions

#### **Climate Change Implications**

5.2 This funding is specifically to reduce energy consumption with an emphasis on decarbonisation, so is key for addressing Climate Change.

### **6. OTHER IMPLICATIONS**

#### **Equalities and Diversity Implications**

- 6.1. Allocation of the funding will be based on criteria set by BEIS and will not be based on personal characteristics other than related to income.
- 6.2. Equality and Diversity considerations particularly in relation to accessibility will be included in procurement of Contractors and the design of the project, with the Policy Team consulted as necessary.

#### **Operational Implications**

6.3 The Housing Capital and Compliance Team will oversee the operational delivery, working closely with the:

- Tenancy and Neighbourhood team for liaison with tenants
- Climate Change Officer in respect of privately owned properties
- Public Energy Efficiency Programme Lead and Midlands Energy Hub Regional Principal Energy Projects Officer in respect of low carbon technologies.

6.4. Property assessments for RBC social housing are in process, under the Worcestershire County Council ERDF funded Public Energy Efficiency Programme (PEEP). These will identify appropriate measures for the Green Homes Grant funding and PEEP may also

## **Executive Committee 23<sup>rd</sup> March 2021**

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contribute funding to measures that are not eligible under the Green Homes Grant scheme.

6.5 Once contractors are procured and the mobilisation payment has been received, engagement with tenants, leaseholders and homeowners, detailed technical surveys, Retrofit Assessments and pricing will take place, to enable production of the proposal.

6.4 Key Dates:

15/4/21	Deadline to enable signing of award letter and enable release of mobilisation payment
24/5/21	Final deadline for submitting proposal and accessing full funding allocation
July	Interim report
December 31 <sup>st</sup> 2021	Delivery completion deadline

### **7. RISK MANAGEMENT**

<b>Risk</b>	<b>Effect</b>	<b>Mitigation</b>
No funding	Benefits not realised.	<ul style="list-style-type: none"><li>• Accept funding</li></ul>
Timescales - deadlines not met	Funding not accessed or needs to be returned.	<ul style="list-style-type: none"><li>• Preparation already in progress.</li><li>• Regular monitoring of spend.</li><li>• Close communication with Midlands Energy Hub regarding potential delays and any need for reallocation.</li><li>• Finance and legal to review Grant Conditions regarding any risks related to returning funding.</li></ul>
Covid19	Transmission and resultant harm, impact on timescales.	<ul style="list-style-type: none"><li>• Covid-secure practices.</li><li>• Health and Safety involvement in project planning.</li></ul>
Insufficient experience of low carbon technologies	Measures underperform	<ul style="list-style-type: none"><li>• Expert advice from PEEP and Midlands Energy Hub</li></ul>

## **Executive Committee 23<sup>rd</sup> March 2021**

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### **8. APPENDICES and BACKGROUND PAPERS**

Background papers:

- MEH Green Homes Grants Local Authority Delivery Part 2 – Grant Letter Redditch
- MEH Green Homes Grants Local Authority Delivery Part 2 Guidance

### **9. REPORT SIGN OFF**

<b>Department</b>	<b>Name and Job Title</b>	<b>Date</b>
Portfolio Holder	<ul style="list-style-type: none"><li>• Cllr Craig Warhurst Portfolio Holder for Housing and Procurement</li><li>• Cllr Anthony Lovell Portfolio Holder for Climate Change</li></ul>	9/3/2021
Lead Director / Head of Service	<ul style="list-style-type: none"><li>• Guy Revans Head of Environmental and Housing Property Services</li><li>• Judith Willis Head of Community &amp; Housing Services</li></ul>	9/3/2021
Financial Services	<ul style="list-style-type: none"><li>• Kate Goldey Senior Business Support Accounting Technician</li><li>• Chris Forrester Head of Finance and Customer Services</li></ul>	2/3/2021  11/3/2021
Legal Services	<ul style="list-style-type: none"><li>• Clare Flanagan Principal Solicitor</li><li>• Rachel Martin Team Leader – Contracts and Commercial</li></ul>	3/3/2021  11/3/2021
Policy Team	n/a	
Climate Change Officer	Kath Manning Climate Change Officer	Report author