

## **Hambleton District Council**

**Report To:** Cabinet

**Date:** 5 October 2021

**Subject:** **Social Housing Decarbonisation Fund**

**Portfolio Holder:** Planning  
Councillor D A Webster

**Wards Affected:** All Wards

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### **1.0 Purpose and Background**

- 1.1 The purpose of this report is to provide Cabinet with an overview of the Social Housing Decarbonisation Fund and the potential opportunity for Hambleton District Council to participate in a joint funding application with Broadacres Housing Association which would benefit properties on the Ashlands estate in Northallerton.
- 1.2 The Government has committed £3.8bn to the Social Housing Decarbonisation Fund over a 10-year period to improve the energy performance of social rented homes through which a significant amount of social housing stock will be upgraded to meet an Energy Performance Certificate B and C standard. The aim is to deliver warm, energy-efficient homes, reduce carbon emissions and fuel bills, tackle fuel poverty and support green jobs. By improving the energy performance of homes below Energy Performance Certificate Band C, the fund will facilitate the subsequent widespread adoption of decarbonised heating systems as part of the social housing landlords' normal asset management strategy.

### **Request**

- 1.3 The Council has been approached by Broadacres to consider if it would be prepared to act as the "lead authority" on a bid for Social Housing Decarbonisation Fund Tranche 1 funding as initially funding can only be awarded to Local Authorities using Section 31 as specified in Section 33 of the Local Government Act 2003. If the Council was unable to support this request at this time, then Broadacres would have to wait for future rounds of funding where it is anticipated that Registered Providers will instead be able to apply directly to the Department for Business, Energy and Industrial Strategy.
- 1.4 For any application for Social Housing Decarbonisation Fund Tranche 1 funds, a lead Authority must be agreed, and this authority would then serve as the primary point of contact with the Department for Business, Energy and Industrial Strategy, if successful. The lead authority would also be expected to enter into a Memorandum of Understanding with the Department for Business, Energy and Industrial Strategy before the grant was paid.

- 1.5 The proposed Social Housing Decarbonisation Fund grant application would involve retrofitting some of the properties on the Ashlands estate in Northallerton as these are some of Broadacres' least thermally efficient homes, with wall hung tiles or cladding covering a large proportion of the external wall, with minimal insulation behind this.
- 1.6 Broadacres advises that it is presently carrying out an invasive survey on an empty, a typical property on the estate to determine exactly what works would be required to increase the energy efficiency of these homes. It is anticipated that this would likely involve full external wall insulation and possibly solar PV and / or air source heat pumps and the findings from this survey will help inform any application.
- 1.7 In addition, and of potential wider interest to the Council, the application would look to include both privately owned and privately rented properties on the estate where possible, although it is recognised that this would require further detailed discussions with the Council about how this could work in practice without creating a potential administrative burden, given the Council's existing commitments.

## 2.0 Link to Council Priorities

- 2.1 The proposed Social Housing Decarbonisation Fund bid contributes to the Council's priority of 'Caring for the Environment' by enabling the delivery of carbon reduction initiatives.

## 3.0 Risk Assessment

- 3.1 Risk in approving the recommendations.

Risk	Implication	Gross Prob	Gross Imp	Gross Total	Preventative action	Net Prob	Net Imp	Net Total
The Council is unable to deliver the scheme in the manner proposed.	Economic impacts and community benefits are not realised resulting in negative publicity.	3	4	12	Effective engagement with key stakeholders from the beginning of the scheme combined with close project control.	2	2	4
Failure in the implementation of the scheme.	Financial risks through the repayment of grant funding.	3	4	12	Legal agreement with Broadacres that passes on to them the full risks.	2	2	4

### 3.2 Risk in not approving the recommendations

Risk	Implication	Gross Prob	Gross Imp	Gross Total	Preventative action	Net Prob	Net Imp	Net Total
Reputational risk to the Council in not participating in the scheme.	Council may be criticised if the opportunity to improve home energy efficiency and reduce carbon emissions is missed. The Council is not living up to the priority in the Council Plan on energy efficiency and reducing CO <sup>2</sup> emissions.	4	4	16	Approve the proposal.	2	3	6

Prob = Probability, Imp = Impact, Score range is Low = 1, High = 5

3.3 Overall, the risk of agreeing with the recommendations outweighs the risks of not agreeing with them and is considered acceptable.

### 4.0 Financial Implications

4.1 The full details of the proposed application are not known at this stage but at an initial discussion meeting held on the 25<sup>th</sup> August 2021, Broadacres suggested that they would be looking to submit a proposal incorporating up to 50 properties at a potential cost of around £500,000.

4.2 It should also be noted that up to 15% of any bid can be used to cover administrative costs but it would be anticipated that the bulk of any work associated with this scheme (if successful), particularly any work relating to non-Broadacres properties, would also be undertaken by Broadacres with the Housing Services Manager providing a degree of oversight as required within the Memorandum of Understanding.

### 5.0 Legal Implications

5.1 There is a requirement that the Council would need to sign a Memorandum of Understanding with the Department for Business, Energy and Industrial Strategy. It is understood that the Memorandum of Understanding is not meant to be a legally binding document. However, in order to mitigate any risks to the Council it is proposed that a separate legal agreement on the same terms would first be entered into with Broadacres. This will ensure that the Council's relevant obligations under the Memorandum of Understanding and the risks associated with this are passed on to Broadacres.

5.2 In accordance with the Social Housing Decarbonisation Fund competition guidance notes produced by the Department for Business, Energy and Industrial Strategy, consideration will need to be given to the UK's Subsidy Control rules, as grant funding passed from a lead Authority to a Registered Provider will be considered to be a subsidy. Therefore, further external advice has been sought to ensure that the Council will be compliant with all current Subsidy Control legislation. That advice is expected shortly.

## **6.0 Equality/Diversity Issues**

6.1 Equality and Diversity Issues have been considered however there are no issues associated with this report.

## **7.0 Recommendations**

7.1 That Cabinet approves and recommends to Council that:-

- (1) the submission of a grant funding application to the Social Housing Decarbonisation Fund be agreed; and
- (2) the Deputy Chief Executive is authorised to finalise the application and to enter into the Memorandum of Understanding with the Department for Business, Energy and Industrial Strategy and a separate legal agreement with Broadacres Housing Association.

Mick Jewitt  
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**Background papers:** None

**Author ref:** CD

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