

CAPITAL INVESTMENT BRIEFING NOTE FOR PASSPORTING FUNDS



Social Housing Decarbonisation Fund Wave 2.1

SCHEME SUMMARY: *(Provide a brief paragraph outlining the current situation. Explain the details of the proposal and how the proposal will address the issue)*

A new government funding package has been secured which will improve the energy efficiency of social homes in Plymouth. Plymouth City Council partnered with housing associations Plymouth Community Homes and LiveWest to bid for funding from Wave 2 of the government's Social Housing Decarbonisation Fund.

The Social Housing Decarbonisation Fund (SHDF) is a £3.8bn 2019 Conservative manifesto commitment over a 10-year period to improve the energy performance of social rented homes, on the pathway to Net Zero 2050. The second wave of the programme is called Wave 2 and will provide up to £800m to England only projects to support eligible providers of social housing, including private and local authority providers, to improve the energy performance of their social housing stock by installing eligible measures.

Plymouth City Council have been successful in securing £7,061,597 of investment which will be matched by a combined contribution of £10,374,461 from the two housing associations. This money will be spent on upgrading 725 social homes in the city - bringing properties below an EPC C up to that standard. This will contribute towards more warm, energy-efficient homes, reducing carbon emissions and fuel bills, tackling fuel poverty, and supporting green jobs.

STRATEGIC CASE: *(How will this proposal meet corporate priorities? Explain how the project delivers or supports delivery of Plymouth Plan / Joint Local Plan Policies (including policy references))*

These upgraded homes will contribute to the reduction of carbon required for Plymouth to meet its Net Zero by 2030 goal.

This work was also outlined in our 2022 Climate Emergency Action Plan in action 3.18 – 'Work with social housing providers to apply for funding from the Social Housing Decarbonisation Fund, to lower the carbon emissions, reduce fuel bills and improve the comfort and health of over 100 households in the city.'

OUTCOMES AND BENEFITS: *(List the outcomes and benefits expected from this project)*

Financial outcomes and benefits:

£27,979.54 of the Admin and Ancillary costs will go to PCC for administration (legal, financial) and coordination of the project. This will contribute toward the Low Carbon Officers' project management time.

Non-financial outcomes and benefits:

725 vulnerable households in Plymouth will undergo extensive energy and building fabric upgrades to improve their homes comfort, efficiency and reduce their fuel bills and vulnerability. This will also contribute to PCC's Net Zero goal by 2030.

KEY RISKS: *(Identify the risks, level of risks and measures in place to mitigate the risks)*

There are minimal risks to PCC as we are not delivering the projects. PCC will coordinate the reporting to BEIS and pass port the grant funds to Plymouth Community Housing and LiveWest. LiveWest and PCH should be responsible for any risks or liabilities that arise from the project work itself. This will be outlined in our agreement with PCH and LiveWest. PCC will coordinate monthly update meetings, and reporting protocols in order to mitigate any risks that may arise to interfere with regular reporting to BEIS.

The risk element in receiving the grant is low:

- It is 100% externally funded and as such there is no impact on existing PCC budgets.

MILESTONES AND DATES: *(delivery timescales)*

The funds are to be awarded as soon as possible and the projects will be complete by 30th September 2025. It is forecast that 40% of the grant will be released in 2023/24, and 60% in 2024/25.

FUNDING: *(Include : PCC accountable body status, passporting funding to the provider, who is responsible for delivery, back to back funding agreement, ongoing PCC revenue implications)*

PCC will coordinate the reporting to BEIS and passport the grant funds to Plymouth Community Homes and LiveWest on a monthly basis. The housing associations will provide monthly reports that document and evidence the eligible spend incurred. If PCC are satisfied that sufficient evidence is provided, will report this information to BEIS, who will then release funds to PCC within 30 days.

Plymouth Community Homes will receive £5,605,700 of grant funding to retrofit 600 homes. They will contribute £8,577,500 of their own funds to deliver these works.

LiveWest will receive £1,455,897 of grant funding to retrofit 125 homes. They will contribute £1,796,961 of their own funds to deliver these works.

Plymouth City Council will receive £27,979.54 for project management and administrative duties. Therefore, both housing associations will be charged £13,989.77 from their grant allocation for these services.

RECOMMENDATION

It is recommended that the Leader of the Council:

- Approve the briefing note;
- Allocate £7,061,597 for the project into the Capital Programme funded by a grant from BEIS Social Housing Decarbonisation Fund Wave 2.1;
- Approve the transfer of the funds in accordance with the attached funding agreement and delegates the approval of the agreement to the Service Director for Service Director for Strategic Planning & Infrastructure;
- Delegate authority to the Service Director for Strategic Planning & Infrastructure to passport the allocated funds to Plymouth Community Homes (PCH) and LiveWest and enter into further agreements in relation to it.