

Decarbonisation of the Council's Housing Stock

Overview and Scrutiny Panel	24 November 2022
Report Author	Sally O'Sullivan, TLS Manager
Portfolio Holder	Cllr Jill Bayford, Cabinet Member for Housing
Status	For Information
Classification:	Unrestricted
Key Decision	No
Ward:	All

Executive Summary:

This report invites members of the Overview and Scrutiny Panel to review the proposed strategy and approach to meeting the government's net zero targets ahead of seeking approval at Cabinet.

There are 2 documents to review:

- 1) Journey to Net Zero (A decarbonisation strategy for the council's housing stock).
The strategy will give direction to the council's tenant and leaseholder service when retrofitting its social housing stock to reduce carbon emissions.
- 2) The proposed approach to bidding for and delivery of works in Wave 2.1 of the Social Housing Decarbonisation Fund (SHDF).

The draft documents are as follows:

- Journey to Net Zero (A decarbonisation strategy for the council's housing stock)
- Bid and Delivery of SHDF Wave 2.1

Recommendation(s):

Members of the Overview and Scrutiny Panel are asked to:

1. Note and scrutinise the following documents:
 - TLS Journey to Net Zero
 - Bid and Delivery of SHDF Wave 2.1

Corporate Implications

Financial and Value for Money

It is estimated that it will cost the Council around £40 million to decarbonise its social housing stock, with around £10m of this currently included within planned programmes of work within the council's Housing Revenue Account Business Plan. The remainder will need to come from external sources.

This report proposes to bid for funding from the SHDF wave 2.1. If successful, it proposes a £27m programme of capital works to 5 of the 6 council tower blocks using a blended funding approach, as follows:

- £13.7 Million to deliver measures that will reduce carbon emissions to 405 homes. If successful with our bid, 50% of this will be funded through SHDF, and 50% from the approved HRA capital programme.
- £6.7m to replace existing external wall insulation (EWI), funded by Homes England
- £6.8 Million for structural and refurbishment works, funded from the approved HRA capital programme.

Legal

The Climate Change Act, as amended in 2019, commits the UK to 'net zero' by 2050. As the owner of social homes and a Registered Provider, the Council has a responsibility to deliver against this target by reducing carbon emissions from its social housing stock.

As a social housing landlord, the council has a regulatory responsibility to ensure their properties meet the decent homes standard. This includes providing warm, comfortable and safe homes for residents to live in.

Corporate

The council's agreed Corporate Statement includes a priority to improve the standards and safety in homes across all tenures.

Risk Management

By not taking action to reduce carbon emissions in council owned homes, there is a risk that we will not meet the governments legally binding targets.

The Government has committed to a £3.8 billion Social Housing Decarbonisation Fund (SHDF) over a 10-year period to improve the energy performance of social rented homes, on the pathway to Net Zero 2050. As the government's net zero target is legally binding, TDC would have to carry out this work regardless of funding, therefore by not taking advantage of this funding is putting the Council under further financial pressure to fully fund the measures required.

There is a reputational risk to not seeking ways to reduce tenants' utility bills.

Equality Act 2010 & Public Sector Equality Duty

Members are reminded of the requirement, under the Public Sector Equality Duty (section 149 of the Equality Act 2010) to have due regard to the aims of the Duty at the time the decision is taken. The aims of the Duty are: (i) eliminate unlawful discrimination, harassment, victimisation and other conduct prohibited by the Act, (ii) advance equality of opportunity people who share a protected characteristic and people who do not share it, and (iii) foster good relations between people who share a protected characteristic and people who do not share it.

Protected characteristics: age, sex, disability, race, sexual orientation, gender reassignment, religion or belief and pregnancy & maternity. Only aim (i) of the Duty applies to Marriage & civil partnership.

This report relates to the following aim of the equality duty:

- *To eliminate unlawful discrimination, harassment, victimisation and other conduct prohibited by the Act.*

The council's tenants and leaseholders include residents that have protected characteristics as set out in the Public Sector Equality Duty.

This work carried out through the delivery of the proposals in these reports will seek to improve the homes for all residents, including those with protected characteristics.

CORPORATE PRIORITIES

This report relates to the following corporate priorities: -

- *Communities*

1. Introduction and Background

- 1.1. The UK government has committed to reducing greenhouse gas emissions by 78% compared to 1990 by 2035, and to becoming net zero carbon by 2050.
- 1.2. Home energy use contributes to around 21% of the UK's total greenhouse gas emissions, and social housing to around 10% of this
- 1.3. The Council owns and manages over 3,000 social homes and therefore must take action to support the government to achieve these targets
- 1.4. The Government has committed to a £3.8 billion Social Housing Decarbonisation Fund (SHDF) over a 10-year period to improve the energy performance of social rented homes, on the pathway to Net Zero 2050.
- 1.5. This report proposes a strategy to reduce greenhouse gas emissions in the Council's social homes, create warm, safe, comfortable homes for our residents and take advantage of the grant funding on offer from central government.

2. Journey to net zero

- 2.1. The council has to act now if we are to meet the government's targets of all homes to be EPC C by 2030 and net zero by 2050.
- 2.2. Journey to Net Zero (annex 1) is a high level strategy for the decarbonisation of the council's housing stock, that provides the direction of travel and principles that will guide the service in achieving the government's targets.

3. Bid and delivery of SHDF wave 2.1

- 3.1. The government has committed £800 million in wave 2 of the SHDF, with the intention to release as much as possible in the first tranche (wave 2.1).
- 3.2. We are committed to submitting a bid into this tranche for around £6.8 m.
- 3.3. With 50% match funding from the Council's approved Housing Revenue Account capital programme, this report proposes retrofit works to decarbonise 5 of the 6 council's tower blocks, with a value in excess of £13m.
- 3.4. The retrofit works form part of a larger, £27m programme of works, which includes the replacement of the existing external wall Insulation, together with structural, fire safety and cyclical works. The external wall insulation has already secured grant funding from the government for pre-tender works and we anticipate receiving further funding to support the cost of replacement EWI. The total value of the combined decarbonisation, fire safety and structural works will be in the region of £27m, with funding from a range of sources.
- 3.5. The document (annex 2) provides a description and rationale as to why we believe this is the approach that we need to take to achieve our goals.

4. Next Steps

- 4.1. This is unknown territory, not just to TDC but nationally. Our plans are constantly changing and adapting as obstacles present themselves, for example the Building Safety Act 2022.
- 4.2. To help us navigate the landscape, we have made contact with local authorities that have been successful in wave 1 and are placing bids in for wave 2. We share our experiences, knowledge, obstacles and failings with each other to smooth the path through this process.
- 4.3. By the time this report gets to cabinet, the bid will have been submitted. Although we feel confident about our bid submission, there is no guarantee we will be successful. We will find out in February 2023 if we have been successful and for what measures.
- 4.4. If we are not successful, we will carry out a lessons learnt exercise and prepare for wave 2.2.
- 4.5. If we are successful, and Cabinet is supportive of our proposal, we intend to be in a position to award and mobilise contracts as soon as we are awarded funding, to give us the best chance to complete the project within the prescribed deadline.

Contact Officer: Sally O’Sullivan, (Tenant and Leaseholder Services Manager)

Reporting to: Bob Porter (Acting Corporate Director of Place)

Annex List

1. Draft Journey to Net Zero (A strategy for the decarbonisation of the council’s housing stock)

[Annex 1 - TLS Journey to Net Zero](#)

2. Proposed Tower Block Retrofit and Refurbishment Programme

[Annex 2 - Bid and delivery of SHDF wave 2.1](#)

Background Papers

None

Corporate Consultation

Finance: Chris Blundell (Director of Finance)

Legal: Sameera Khan (Interim Head of Legal & Monitoring Officer)