



Doncaster Council

Report

Date: 9th February, 2021

To the Portfolio Holder for Housing and Equalities

GREEN HOMES GRANT – LOCAL AUTHORITY DELIVERY SCHEME – PHASE 1B

Relevant Cabinet Member(s)	Wards Affected	Key Decision
Cllr Glyn Jones	All Wards	Yes

EXECUTIVE SUMMARY

1. Following the Chancellors announcement of a £2 billion Green Homes Grant (GHG) in July 2020, all Local Authorities were given the opportunity to enter a competitive bidding process for a share of £200m to improve energy efficiency standards in the homes of low-income households, to help both reduce fuel poverty and reduce carbon emissions.
2. The £200m (for delivery by 31 March 2021) was not fully subscribed to, and Doncaster Council was one of a limited number of Local Authorities to successfully apply for the grant, with a £684,420 grant award. As a result, Phase 1B was introduced, to seek further applications in order to allocate the remainder of the £200m.
3. Phase 1B will allow an extension for delivery of the grant funding up to the 30th September, for which Doncaster has successfully bid for a further £495,000.
4. As with the approach to Phase 1A, the Council chose to partner with Barnsley Council for the Phase 1B application, but in this case Doncaster will take the lion share of the funding, with just £50,000 being allocated to Barnsley.
5. Following the Council's declaration of a Climate and Biodiversity Emergency, Doncaster's Climate Commission has started to identify the necessary interventions we need to take action on. With 'deep retrofit' (high performing insulation) having the single biggest impact on our pathway to net zero, it is proposed to focus on this measure. In particular, to focus on helping our most energy inefficient housing to receive wall, loft and floor

insulation. Such measures will also raise the property standards to the level necessary to receive a low carbon heating solution, such as an air source heat pump, in the future.

6. Phase 1B will add a further 40 homes to the 30 homes approved for Phase 1A. The scheme will be focussed on privately owned homes. This is because the Council's previous significant investments in improving the heating, windows and insulation of its own housing stock means it already has an energy performance standard in excess of what the government will allow funding for.
7. A third bid for LAD Phase 2, of £2m, will be submitted on 26th March. If successful, the scheme has a delivery deadline of December 2021 and will allow the funding to be used on qualifying private and social housing.

REASON FOR URGENCY

8. This decision is being taken in accordance with the Council's Access to Information Procedure Rule 15, (General Exception), as it has not been practical to provide the 28 days' notice normally required for a key decision without impacting on the Council's ability to secure this funding and deliver within the agreed timescales. The chair and members of the Overview and Scrutiny Committee have been informed of the reason for urgency.

EXEMPT REPORT

9. N/A

RECOMMENDATIONS

10. For the Council to accept £495k from the governments Phase 1B of the LAD scheme, working with Barnsley Council.
11. For the Council to deliver home energy saving improvements in the homes of Doncaster and Barnsley residents.
12. To delegate authority to the Director of Economy and Environment, in consultation with the Section 151 Officer and the Portfolio Holder for Housing and Equalities to agree the terms and conditions of the MOU for LAD Phase 1B.
13. For Phase 1B of the LAD scheme to be added to the Council's Capital programme - Economy and Environment (Housing). Doncaster's allocation being £445k.

WHAT DOES THIS MEAN FOR THE CITIZENS OF DONCASTER?

14. Residents, tenants and landlords who own and rent their homes can benefit from grants via the GHG and LAD schemes.
15. Our most vulnerable residents will be supported to take appropriate decisions on improving their home and reducing their energy costs.

Residents will be supported pre, during and post works to ensure they fully benefit from the works and take advantage of fuel savings and increased comfort; giving an improved outlook on household finance and health.

16. Reduced heating and energy bills allow more disposable income for residents, which can be spent locally as opposed to being paid to energy companies.
17. Residents will feel more included and able to contribute towards local and national targets to reduce carbon emissions. They can feel proud that they 'are doing their bit'.
18. A warm and more comfortable home will be welcome in such times where more time is spent at home. Such improvements will help limit the impact of conditions households may experience during time of crisis and pandemic.

BACKGROUND

19. On 8 July 2020, the Chancellor announced a £2 billion Green Homes Grant scheme to upgrade homes across England, with £500m being made available for deployment by Local Authorities. The fund will be broken down as follows:
 - a. **LAD Scheme – Phase 1A and Phase 1B of LAD –**
 - i. £200m of this will be for delivery directly through local authorities, to be spent between October 1st 2020 and 30th September 2021.
 - ii. This is a competitive bidding process for which Doncaster Council has secured £684k in Phase 1A and £495k in Phase 1B. Of which £250k and £450k was allocated for use in Doncaster in Phases 1A and 1B respectively.
 - b. **Phase 2 of LAD –**
 - i. £300m will be available in 2021-22 and will be co-ordinated through the five government Energy Hubs, for which Doncaster sits in the North East Yorkshire & Humber (NEYH) Energy Hub. For delivery by the 30th December.
 - ii. Funding allocations are made to each Local Authority based on fuel poverty levels, and the allocation for Doncaster is calculated at £2m.
 - iii. The funding allocation is still subject to a successful application, which is due for submission by the 26th March. Results made available by w/c 12th April.
 - c. **GHG voucher scheme – £1.5 billion (started September 2020)**

- i. £1 billion will be available to all households, with a maximum of £5,000 per household and will require the household to contribute 33% of the cost of works.
 - ii. £500m will be available to homeowners receiving income or disability related benefits for which a maximum of £10,000 per property can be claimed, with no contribution required from the homeowner.
 - iii. The voucher scheme has been poorly managed since it opened in September. It has a high level of customer complaints due to its complex application process and has resulted in significant cash flow problems for contractors who are awaiting payment for works.
 - iv. Although this funding would add much value to the delivery of energy efficiency works in Doncaster, and support the LAD scheme, it is recommended the Council refrains from promoting the scheme until the scheme administrators have addressed the present issues.
20. A copy of the Memorandum of Understanding funding offer is [available here](#).
21. The LAD scheme aims to raise the energy efficiency of low income households who have a total income less than £30,000 per annum, and have a low energy performance rating (those rated at EPC Band E, F or G), including off-gas grid homes and residential park homes. The change from LAD 1A to 1B is that up to 50% of the homes we include in the programme can have a starting EPC level D. This is helpful as it brings more eligible properties into scope.
22. The energy efficiency measures being supported through this scheme include all that improve the SAP (Standard Assessment Procedure) and Energy Performance Certificate (EPC) 'energy rating' of a property, but it excludes fossil fuel heating. The funding cannot be used to install or replace gas boilers.
23. The timing of this scheme, as with Phase 1A, still has a tight timeframe for marketing, signing up customers, mobilisation and delivery, and presents a significant challenge but not one that seems unachievable.
24. A preferred contractor has already been selected, following a mini-competition via Fusion21 framework, as this was required for LAD 1A. Everwarm Ltd will deliver the works to private homes on behalf of the Council.
25. The recent floods and COVID-19 pandemic has brought to our attention, and enabled ongoing communications with, some of our most vulnerable residents and this grant gives great opportunity to support them when they are most in need. The Council will need to draw upon resources from a number of Service areas to not only help with engaging residents but also help ensure those households benefit from such a generous and impactful package of home energy efficiency improvements.

26. In summary, residents could benefit from a package of home energy efficiency improvements worth up to £10,000, with no contribution required from many of the residents. Savings of £300 p.a are likely to be made by having wall insulation, floor insulation and loft insulation top up. Carbon dioxide will reduce by 1 tonne per home (based on a semi detached house).
27. Please note residents can only receive a grant for LAD or GHG Vouchers, they cannot benefit from both.

OPTIONS CONSIDERED

28. Option 1 – Decline the funding offer and only apply for Phase 2
 - a. Excluding the Council from this funding opportunity limits the potential for the Council to take its fair share for Doncaster residents.
 - b. Although the wider GHG scheme of £1.5 billion gives opportunity to access funds for all Doncaster residents, it does not allow for a customer journey to be supported all the way from engagement through to works completed as residents will be made to choose a contractor themselves. This is a process many vulnerable households will struggle to navigate and take decisions on, and gives greater reason for Council involvement and support in the LAD.
 - c. Phase 2 will allow delivery of the same type of works and qualifying homes from May 2021, with an end date of 31st December, with £300m being available for competitive bids.
 - d. Without Phase 1B funding, there would be a period of no activity between Phase 1A fund concluding and Phase 2 commencing, which has an impact on momentum and a risk to losing the supply chain the Council has worked hard to secure.

REASONS FOR RECOMMENDED OPTION

29. The deadline for accepting the funding has allowed less than the 28 days required to give notice for a key decision. A Rule 15 urgent decision was therefore proposed.
30. This second successful bid will enable the Council to direct resources in the most impactful and beneficial way and maximize the outcomes for some of Doncaster's most vulnerable households.
31. This will be the first of many housing retrofit schemes which helps move the borough towards its net zero carbon emissions objectives.
32. A very tight timeline for delivery means a consortium bid will allow minimum bid thresholds to be met while limiting the risk of under delivery.
33. This second successful bid will enable the Council to seek social value from its contract and create job and apprentice opportunities.
34. The Council will seek to take and maximise inward investment and seek its share of the £2 billion national fund and commence one of many projects

that will support a green and just recovery.

IMPACT ON THE COUNCIL'S KEY OUTCOMES

35.

	Outcomes	Implications
	<p>Doncaster Working: Our vision is for more people to be able to pursue their ambitions through work that gives them and Doncaster a brighter and prosperous future;</p> <ul style="list-style-type: none"> • Better access to good fulfilling work • Doncaster businesses are supported to flourish • Inward Investment 	<p>A second successful bid will bring inward investment and potential for job creation.</p>
	<p>Doncaster Living: Our vision is for Doncaster's people to live in a borough that is vibrant and full of opportunity, where people enjoy spending time;</p> <ul style="list-style-type: none"> • The town centres are the beating heart of Doncaster • More people can live in a good quality, affordable home • Healthy and Vibrant Communities through Physical Activity and Sport • Everyone takes responsibility for keeping Doncaster Clean • Building on our cultural, artistic and sporting heritage 	<p>The homes of residents can receive a package of energy efficiency measures which improves comfort, reduces fuel bills; therefore improving health and financial outlook for residents.</p>
	<p>Doncaster Learning: Our vision is for learning that prepares all children, young people and adults for a life that is fulfilling;</p> <ul style="list-style-type: none"> • Every child has life-changing learning experiences within and beyond school • Many more great teachers work in Doncaster Schools that are good or better • Learning in Doncaster prepares young people for the world of work 	

	<p>Doncaster Caring: Our vision is for a borough that cares together for its most vulnerable residents;</p> <ul style="list-style-type: none"> • Children have the best start in life • Vulnerable families and individuals have support from someone they trust • Older people can live well and independently in their own homes 	
	<p>Connected Council:</p> <ul style="list-style-type: none"> • A modern, efficient and flexible workforce • Modern, accessible customer interactions • Operating within our resources and delivering value for money • A co-ordinated, whole person, whole life focus on the needs and aspirations of residents • Building community resilience and self-reliance by connecting community assets and strengths • Working with our partners and residents to provide effective leadership and governance 	

RISKS AND ASSUMPTIONS

36. The timing and criteria for a Phase 1B scheme makes it challenging to deliver by 30th September 2021.
- a. The Council has procured a preferred contractor who has already started to mobilise for Phase 1A.
 - b. The installation of external wall insulation is the most important part of the proposed bid, and key to securing the fuel poverty and carbon reduction outcomes. The works are weather dependent and, although we should be working in the dryer seasons, weather will no doubt interrupt the works at times.
 - c. Planning permission may be required for the external wall insulation. If so, that may make delivery within the extremely short time allowed impossible.
 - d. In addition to our strong community connections and use of intelligence data, we have Neighbourhood Energy Officers whose job is to target and support households through the grant application process and so our resident liaison resource can ensure residents are fully engaged and supported pre, during and post works.

- e. A consortium approach with Barnsley will spread the risk of under-delivery, and although this may mean slightly less delivery in Doncaster it would reduce the risk of any clawback of funds should the project underspend.
37. Not everyone will benefit.
- a. The Council has a strong record of delivering home energy efficiency improvements, but there are some who missed out on previous schemes that could be revisited.
 - b. The Council can seek to blend the LAD and GHG schemes to enable a more inclusive scheme, but there will still be some homes that cannot benefit from a full package of works due to the qualifying criteria limiting a totally inclusive scheme.
 - c. The LAD funding will initiate a programme of works delivering high value works to low income residents who are unable to afford them. This is a small scheme, but it is very worthwhile.
38. Works are not completed and monies are not defrayed by the 30th September 2021.
- a. The question has been asked of BEIS about what happens if despite the Council's best efforts the grant we secure is not fully spent. The response we have received from BEIS is: *In the event that there are unforeseen impacts on the delivery of projects (e.g. poor weather, COVID-19) as set out in the draft MOU published on gov.uk, BEIS and the Local Authority will work together to agree how the Local Authority will spend any unspent Grant funding in line with the expected outcomes of the GHG LAD.*

LEGAL IMPLICATIONS [Officer Initials NJD Date 01/01/21]

39. Section 1 of the Localism Act 2011 gives the Council a general power of competence to do anything that individuals may generally do. Section 111 of the Local Government Act 1972 gives the Council the power to purchase goods and services.
40. The Council has been provided with a draft memorandum of understanding which sets out how the funding must be spent.
41. The Council must comply with all laws and regulatory requirements when delivering the scheme (including, without limitation compliance with all laws and regulatory requirements relating to public procurement and subsidies) when administering the funding. Failure to comply with such terms may lead to claw back.
42. The Council is the lead authority for the purposes of making a consortium bid for funding for itself and Barnsley Council. The Council will need to enter into agreements with the consortium member to document the arrangement.
43. The provider of the works has been appointed by the Council via a

framework. Frameworks are arrangements set up in accordance with the Public Contracts Regulations 2015 which allow the Council to purchase works without the need to run a separate tender.

44. The Council must adhere to strict compliance with the rules of the framework if the appointment of the provider is to be compliant with the Public Contracts Regulations 2015.
45. Following contract signature, the scheme manager should be completely familiar with the contractual terms in order to protect the interest of the Council and enforce any terms as and when necessary.
46. Further legal advice and assistance will be given as the scheme progresses.
47. This decision is being taken in accordance with the Council's access to information procedure rule 15, general exemption, as it has not been practical to provide the 28 days' notice normally required for a key decision without impacting on the Council's ability to secure this funding and deliver within the agreed timescales. The chair and members of the Overview and Scrutiny Committee have been informed of the reason for urgency.

FINANCIAL IMPLICATIONS [Officer Initials CA Date 01/01/21]

48. Doncaster's allocation from Phase 1B of the scheme is £445k. The grant is ring fenced capital funding and the relevant amounts will be added to the Economy and Environment (Housing) section of the capital programme.
49. The funding allows for capitalisation of revenue costs up to 15% of the total value of the grant, to cover costs incurred in the delivery of the capital assets e.g. professional fees, evaluation and marketing costs..
50. The grant must not be used to replace funding for existing projects including staff costs and it is the responsibility of the delivering team to ensure the grant conditions are met; including eligibility for households, measures and contractors, along with the other requirements in the MOU, such as document retention. It is expected that the Energy team will co-ordinate the bid, manage the project including compliance with the MOU, and make the relevant returns. A monthly report is required to be submitted to BEIS, including progress, risk and KPI reporting.
51. The grant will be paid within 10 days of receipt of the MOU and associated documents, including the grant determination and a completed risk register. The secretary of state may suspend payment of the grant if the provisions of the MOU are not met by the Authority.
52. The funding period is up to 30th September 2021 and any extension would need to be approved by the Secretary of State. In the event of underspends, the MOU states that the parties will work together to agree how the Authority will spend any unspent funding in line with the expected outcomes of the grant, if agreement cannot be reached, any unspent funds would need to be repaid.

HUMAN RESOURCES IMPLICATIONS [Officer Initials AA Date 29/01/21]

53. There are no direct HR Imps in relation to this ODR, but if in future staff are affected or additional specialist resources are required then further consultation will need to take place with HR.

TECHNOLOGY IMPLICATIONS [Officer Initials ET Date 29/01/21]

54. There are no Technology implications associated with this proposal.

HEALTH IMPLICATIONS [Officer Initials KH Date 29/01/21]

55. Embedding sustainability into our existing housing stock is an important part of creating a cleaner and greener borough and improving the health and wellbeing of the local population. Retrofitting for energy efficiency can improve people's homes and make them cheaper to keep warm, dry and healthy.
56. Poor housing conditions have a detrimental impact on physical and mental health and cost the NHS at least £600 million per year. In Doncaster, it is estimated that 10.8% of households are in fuel poverty (BEIS, 2018). According to the most recent National Energy Action (NEA) UK Fuel Poverty Monitor (2018) 30% of excess winter deaths can be attributed to cold housing.
57. Being in a cold, damp home can make people seriously ill. The populations most at risk are: people with heart or respiratory conditions, people on a low income, people with mental health conditions, people with disabilities, people in large or old housing or private rented housing, older people and people who have recently left hospital, pregnant women, recent immigrants, children under five, homeless people and people with addictions.
58. There is a clear link between climate change and health; there is also evidence that climate change will impact most on those with the poorest health and those who already experience inequalities (NHS HUDU, 2017). In order to improve health and wellbeing and address inequalities in health we must ensure that as many properties as possible are energy efficient and that those who are most at risk are prioritised and proactively targeted.
59. It is vital that preventative work is undertaken to ensure that our poorest residents, and those with the poorest health, are not left vulnerable to cold-related illness and disadvantage. Retrofit projects form part of the long-term solution to this issue and by increasing energy efficiency and reducing consumption we can enable our residents to be part of efforts to become a cleaner and greener borough. For this reason, the proposed work to improve the homes of those most vulnerable to make them more energy efficient is recommended, not only because of the health impacts, but also for the positive impacts that could be achieved in relation to tackling climate change.

EQUALITY IMPLICATIONS [Officer Initials RJS Date 29/01/21]

60. The targeting and delivery of the LAD and GHG will have something for everyone, albeit some will benefit from more energy efficiency works and greater value than others. This is the nature of the scheme as it has a qualifying criteria and some homes will require more improvements than others depending on how the home has been improved and maintained in the past.

CONSULTATION

61. Mayor – Ros Jones

Cllr Glyn Jones – Deputy Mayor and Portfolio Holder for Housing and Equalities.

BACKGROUND PAPERS

62. Further information on the funding offer can be found at <https://www.gov.uk/government/publications/green-homes-grant-local-authority-delivery-scheme-entering-a-bid>

GLOSSARY OF ACRONYMS AND ABBREVIATIONS

LAD – Local Authority Delivery scheme
GHG – Green Homes Grant
NEYH – North East Yorkshire & Humber energy hub
EPC – Energy Performance Certificate
SAP – Standard Assessment Procedure
BEIS – Department for Business, Energy & Industrial Strategy
NEA – National Energy Action

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