

## OFFICER DECISION RECORD 1 FORM

This form should be used to record Officer Decisions in Excess of £100k (but below the key decision threshold), or where required by Financial, Contract or other Procedure Rules or following formal delegation from Cabinet or a Cabinet Member or a Council Committee.

**Decision Reference No:** 2024/39/PH/Housingretrofit

**BOX 1****DIRECTORATE:** Place**DATE:** 20/05/2024**Contact Name:** Beverley Rosso**Tel. No.:****Subject Matter:** Housing Retrofit – Gainshare Funding Award**BOX 2****DECISION TAKEN**

1. To accept the funding award and enter into a funding agreement for £2.7m from the South Yorkshire Mayoral Combined Authority Gainshare programme as per the approved delegation in the 6<sup>th</sup> December 2023 Cabinet report.

**BOX 3****REASON FOR THE DECISION**

2. The Gainshare funding award of £2.7m represents the sixth successful funding bid for housing retrofit since 2020-21. Since the production of the cabinet report in 2023 there have been some changes to the funding split as detailed below. The changes have been made to align the project with the Social Housing Decarbonisation Fund (SHDF)– Wave 2 delivery programme. The £2.7m Gainshare is now proposed to fund the following:
  - £5,000 per property (275 properties) contribution towards the Council’s Thermal Improvement Programme
  - £15,000 per property (25 homes) contribution towards external wall insulation works to neighbouring private owned homes
  - £40,000 per property (21 homes) to match fund the cost of ‘deep retrofit’ works
  - XXXXXXXXX XXXXX XXX XXXXXXXXXXXX XXXXX
3. The Gainshare funding is to be defrayed by 1<sup>st</sup> April 2026.
4. Gainshare will act as match funding to the existing Council’s Housing Capital Programme and the recently awarded government Social Housing Decarbonisation Fund (SHDF) Wave 2.

5. Approval from cabinet to add the gainshare funds to the Council's Housing Capital programme has already been given.
6. The project costs for the gainshare fund are outlined in the table below:

|                     | <b>2024/25</b> | <b>2025/26</b> | <b>Total (£)</b> |
|---------------------|----------------|----------------|------------------|
| <b>Grant</b>        | £1,437,100     | £1,262,900     | £2,700,000       |
| <b>Other Public</b> | £3,000,000     | £365,000       | £3,365,000       |
| <b>Total (£)</b>    | £4,437,100     | £1,627,900     | £6,065,000       |

7. Match funding listed as other public funding in the table above will be broken down as follows and will be a combination of SHDF Wave 2 funding, and capital from our own thermal improvement programme. Resident contribution will be used as top up only on the privately owned properties in line with SHDF guidance.

| <b>Type of Funding</b>       | <b>Match Funder</b>   | <b>Amount (£)</b> |
|------------------------------|-----------------------|-------------------|
| <b>HRA</b>                   | Doncaster Council     | £3,315,000        |
| <b>Resident Contribution</b> | Resident Contribution | £50,000           |
| <b>Total</b>                 |                       | <b>£3,365,000</b> |

8. Project costs will be split as followed for delivery of gainshare

|  | <b>2024/25</b> | <b>2025/26</b> | <b>Total (£)</b> |
|--|----------------|----------------|------------------|
| <b>XXXXX X XXXXXXXXXXXX<br/>XXXXX</b>                          | XXXXXXXX       | XXXXXXXX       | XXXXXXXX         |
| <b>Delivery Cost<br/>(Works/Building and<br/>Construction)</b> | £4,375,000     | £1,630,000     | £6,005,000       |
| <b>Total (£)</b>   | £4,437,100     | £1,627,900     | £6,065,000       |

9. The decisions relating to the Council's secured match funding are as follows:
- Council Capital Strategy and Capital Budget 2022/23 – 2025/26, in February 2022, to deliver a 4 year programme of thermal improvement works to Council owned homes. Please see page 26 of the [decision record](#) – Appendix 1f – EXTERNAL WORKS – THERMAL EFFICIENCY - ECO WORKS.
  - Social Housing Decarbonisation Fund – Wave 2, of £3.9m has been awarded to the Council. Please see the confirmation of approval to receive the funding [here](#).
10. SYMCA have provided the Council with a small number of conditions to meet in advance of a forthcoming funding agreement. Conditions a to d have been met with e and g required ahead of drawdown of funding.
- a) Confirmation that all other funding is secured
  - b) Procurement of main contractor and evidence of cost certainty e.g. return of contractor tenders and confirmation of material costs
  - c) Submission of a detailed project plan and risk register including sufficient contingency provision for all activities and related mitigation costs.
  - d) Submission of acceptable Subsidy Control opinion
  - e) All required statutory consents including all planning conditions must be satisfied.

The following conditions must be included in the funding contract

- f) Clawback on outputs and outcomes at SYMCA discretion.
- g) Scheme promoter to address any cost overruns without unduly compromising project outputs and outcomes.

11. In addition to the 7no. conditions presented by SYMCA for pre and post contract execution, the Council seeks to include a condition/permission on flexible use of funding, specifically *to transfer any scheme underspend from qualifying works to privately owned homes to qualifying works on social homes, in order to reduce the risk of project underspend. The Council also seeks written confirmation of the available extensions beyond March 2025 if any programme delays are to be encountered.*
12. For those Council homes proposed to receive *deep retrofit* works, a selection of different archetype and tenancies will be chosen from across the borough. This will provide a more informed monitoring and evaluation report to show the impact of the works.
13. The deep retrofit works will include a range of energy efficiency measures which could include a combination of insulation to walls, loft and ground floor, new windows and doors, air source heat pump, solar and battery storage. The works are expected to significantly reduce energy and heating costs and reduce carbon emissions. Once fully supplied by a renewable energy tariff, the homes may be deemed to meet the standard of *zero emissions in operation.*
14. While the works proposed are intended to be mitigating actions to reduce carbon emissions, the Council may also seek to incorporate measures to adapt to climate change, such as wider guttering, soakaways next to the front and back door, or window shutters to prevent overheating during extreme weather.
15. The evaluation and monitoring of the deep retrofit works will help to prove a business case for producing a financial return on investment, of which the findings can be shared with government to allow consideration of a blended public and private financial package to help deliver these works at scale, across all housing tenures.
16. Air quality monitors will be provided by the South Yorkshire Sustainability Centre in collaboration with the University of Sheffield for the duration of the monitoring period. Any air quality monitors that are still functional will be returned to the university on project completion.
17. Wates Living Space are the incumbent delivery contractor and are in contract for the duration of the works through available contract extensions.

#### **BOX 4**

##### **ALTERNATIVE OPTIONS CONSIDERED AND REJECTED**

18. Option 1 – Do not accept the funding
  - a. The Council would continue to pay for works at a higher cost than that originally budgeted for, and possibly reduce the delivery of the programme or present a cost pressure.
  - b. The testing of 'deep retrofit' would not be undertaken due to the significant cost it presents per property.
  - c. The monitoring and evaluation of the impact of deep retrofit would be missed. The Council would rely on other case studies and experience of other

housing providers when seeking to understand the viability of the business case to prove a return on investment.

**BOX 5**

**LEGAL IMPLICATIONS**

- 19. The Localism Act 2011 provides the Council with a general power of competence, allowing the Council to do anything that individuals generally may do.
- 20. Legal Services have reviewed the proposed grant funding agreement earlier this year and commented on the same. There are a number of conditions that SYMCA wish to agree with the Council, which form part of the funding agreement. The Council must be satisfied that they can comply with the Outputs and Outcomes set out in the agreement, any failure to comply with such requirements may result in clawback of part or all the funding.
- 21. The Council must procure all works/services related to this funding not only in compliance with the terms and conditions of the funding agreement, but also ensures it complies with its own Contract Procedure Rules and the Public Contracts Regulations 2015.
- 22. Further legal advice, input and support where necessary will be available as the project moves forward.

**Name: Henry Watmough-Cownie**\_\_\_\_\_ **Date: 06/08/24**\_\_\_\_\_

Name of Assistant Director of Legal and Democratic Services (or representative)

**BOX 6**

**FINANCIAL IMPLICATIONS:**

- 23. This decision is to accept the funding award and enter into a funding agreement for £2.7m from the South Yorkshire Mayoral Combined Authority Gainshare programme as per the approved delegation in the 6<sup>th</sup> December 23 Cabinet report. This decision was delegated to the Director of Place and Assistant Director of Finance as a detailed funding agreement had not been received at the time of the report.
- 24. The approval to add the works funded by this grant to the Housing Capital programme was given in the December 23 Cabinet report.
- 25. The funding is a capital grant for £2.7m (£1.437m 24/25 and £1.263m 25/26) and will be used on properties as described in box 3 of this report. Some changes to the project outputs have been agreed with SYMCA since the original report was approved by Cabinet and the number of properties in each category have changed. The related Admin and Ancillary costs will need to be charged to the capital scheme. XXX XXXXXXXXXX  
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26. The match funding required has reduced from the amount stated in the Cabinet report. The revised grant agreement states that match funding of £3.365m is now required. £0.05m should come from residents' contributions and the remaining £3.315m will be met from approved resources for the Thermal Improvement programme in the Housing Capital programme. Some of the funding for the Thermal Improvement Programme match is coming from the SHDF grant referred to in Box three and similarly this gainshare funding will form part of the Thermal Improvement Programme resources match required for the SHDF grant.
27. As with most grants awarded by SYMCA, funding is claimed quarterly in arrears and 5% will be withheld until the agreed outputs (2.5%) and outcomes (2.5%) are met. The agreement makes clear that up to 100% of the grant could be clawed back if the outputs and outcomes and social value outcomes are not met. Outputs are the specific works done to the required number of homes, the outcomes are the creation of 15 jobs for the duration of the contract and the social value outcomes include reduced carbon emissions and help to vulnerable people to live independently. Project Officers should be confident that these outcomes are achievable and measurable to prevent clawback or the withholding of grant funding.
28. Expenditure needs to be defrayed by 31/03/2026. Any qualifying expenditure outside of these dates will be deemed ineligible. There is opportunity to submit a project change request to SYMCA, which can be used for any significant changes to the project including key dates. These requests would be subject to consideration and approval from SYMCA.
29. The clause stating that the grant expenditure must be audited by CDCs external auditors has been removed from the latest version of the grant agreement. The grant agreement stipulates that the assets funded must not be disposed of for five years from the completion date and must be maintained. Further clarity has now been provided within the definitions of the latest grant agreement to make allowances for any sale of property under Right to Buy and for Private Sector Properties, over which the council has no control.
30. The acceptance of the £2.7m Gainshare funding award is subject to Financial Procedure Rules, in particular:-
- E.13 Directors are responsible for ensuring that action plans are in place (including exit strategies and match funding arrangements) for all external funding within the Directorate.
  - E.14 The CFO, in consultation with the respective Director, is responsible for ensuring that all funding notified by external bodies is received and properly recorded in the Council's accounts. Directors are responsible for promptly informing the CFO about such funding and of any subsequent modifications to timing and amounts of anticipated funding.
  - E.15 Where the income is receivable against a grant claim, the respective Director is responsible for producing the grant claim and shall provide sufficient information to enable the claim to be signed by the Chief Executive, CFO or any other relevant person where appropriate.
31. The Council has an uncommitted allocation of Gainshare capital funding of £83m over 26 years. The housing retrofit works are considered to be committed by SYMCA. The

Council could decide not to accept the grant and that would increase the uncommitted balance and enable the funding to be spent on other priorities.

Name: Olivia Brown

Date: 01/08/2024

Name of Chief Financial Officer and Assistant Director of Finance (or representative)

## BOX 7

### OTHER RELEVANT IMPLICATIONS

#### Procurement

32. The works set out in this report will be completed via contract agreement C9716 External and Internal Repairs and Improvement Works. This contract was commissioned in compliance with the Councils Contract Procedure Rules and Public Contract Regulations 2015 by accessing the EN:Procure Installation and Repairs Framework which was procured via contract notice [2019/S 100-241324](#)

33. Procurement therefore supports the recommendations set out in this report.

Name: Glyn Sparrow

Date: 07/06/2024

#### HR

34. There are no HR implications in relation to this report.

Name: Ayesha Ahmed, HR

Date: 13/06/2024

Name of Assistant Director (or representative)

**ANY IMPLICATIONS SENT TO DEPARTMENTS SHOULD GENERALLY BE SUBMITTED AT LEAST 5 WORKING DAYS IN ADVANCE TO ENSURE THESE CAN BE GIVEN THE RELEVANT CONSIDERATION.**

## BOX 8

### EQUALITY IMPLICATIONS: (To be completed by the author).

35. Not everyone will benefit.

- a) Our most vulnerable residents will be supported 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.
- b) 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.
- c) The Council can seek to blend the SHDF with existing 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.



Name of FOI Lead Officer for service area where ODR originates

**BOX 12**

**BACKGROUND PAPERS**

Please confirm if any Background Papers are included with this ODR YES

(If YES please list and submit these with this form)

- D0022 Final grant Agreement 20.03.24
- Cabinet Decision 061223
- Corporate Report – Housing Retrofit Gainshare

**BOX 13**

**AUTHORISATION**

**Name: Dan Swaine Signature: Date: 26/09/2024**  
Executive Director of Place

**Does this decision require authorisation by the Chief Financial Officer or other Officer YES**

**If yes please authorise below:**

**Name: Lee Tillman Signature: Date: 2.10.24**  
Service Director of Chief Executives

**Name: Faye Tyas Signature: Date: 2.10.24**

**Chief Finance Officer**

**Consultation with Relevant Member(s)**

**Name: \_\_\_\_\_ Signature: \_\_\_\_\_ Date: \_\_\_\_\_**

**Designation \_\_\_\_\_**

**(e.g. Mayor, Cabinet Member or Committee Chair/Vice-Chair)**

**Declaration of Interest YES/NO**

**If YES please give details below:**

**Once completed a PDF copy of this form and any relevant background papers should be forwarded to Governance Services at [Ladem@doncaster.gov.uk](mailto:Ladem@doncaster.gov.uk) who will arrange publication.**

**It is the responsibility of the decision taker to clearly identify any information that is confidential or exempt and should be redacted before publication.**