



COUNCIL CABINET

11 October 2023

Report sponsors:

Councillor Baggy Shanker Leader of the Council
and Cabinet Member for Strategy, Governance
and Finance

LATE ITEM

Rachel North – Strategic Director

Report author: Ashleigh Warhurst

Compliance with Contract and Financial Procedure Rules

Purpose

- 1.1 Acceptance of the new funding of £0.584m from DLUHC via Nottingham City Council for alleviation of fuel poverty.

Recommendation(s)

- 2.1 To approve the acceptance of the total sum of £0.584m from the DLUHC via Nottingham City Council as outlined in section 4.1.
- 2.2 To approve entering into a grant confirmation document with Nottingham City Council for the fuel poverty funding of £0.584m
- 2.3 To approve the addition of a new fuel poverty scheme of £0.584m to the 2023/24 capital programme for the delivery of new domestic retro fits within the City boundary.

Reason

- 3.1 To comply with Financial Procedure Rules.

Supporting information

4.1 Acceptance of funding from DLUHC via Nottingham City Council - £0.584m

In preparation for a Combined Authority the Department for Levelling Up, Housing and Communities (DLUHC), has allocated a total of £18m of capital funding to Derbyshire County Council as the Lead Funder on behalf of the four Constituent Councils who will form part of the East Midlands Combined County Authority (EMCCA). Derbyshire County Council has devolved a proportion of the total allocation to Nottingham City Council to deliver low-carbon retro fit activities within EMCCA.

- 4.2 The funding has been made available to Local Authorities to tackle fuel poverty, helping the most vulnerable by increasing the energy efficiency of homes, reducing the cost of bills, contributing to Net Zero targets, and supporting low-income households in the transition to low-carbon heating.
- 4.3 The project and funding is to deliver domestic energy efficiency and low carbon retrofit activities within the EMCCA area. The Midlands Net Zero Hub (MNZH) is funded by the Department for Energy Security and Net Zero as part of the government's clean growth strategy and is hosted by Nottingham City Council. The project will be delivered by the Local Authorities in the region and reported through the MNZH

- 4.4 The scheme will provide the following:
- further improvements on properties undergoing work through different schemes, reducing the need for repeat visits over a longer period. This is more cost and time efficient and reduces interruptions to the households.
 - fill in the gaps where place-based schemes are being rolled out at street and estate level, making sure properties within defined areas are not “left behind”.
 - alleviate match funding pressures faced by other schemes.
 - enable properties to proceed that could not be supported through previous schemes due to rising material costs that exceed scheme cost cap.
 - enable a target, placed based approach.
 - demonstrate their ability to deliver successfully when provided with greater flexibility and control on the funding criteria.
- 4.5 The objectives of the scheme are:
- 85 Whole House Retrofit approach scaled with all compliant required SAP measures installed (Target of 5 homes per LA)
 - 600 PAS2035 compliant measures installed
 - (Target of 36 per LA)
 - Improved health and wellbeing for home occupier’s through a pre and post survey
 - Reduced consumption and lower carbon footprint
 - Reduced number of households below an EPC C
 - Average Standard Assessment Procedure (SAP) improvement
- 4.6 The Council are already in delivery mode, on several government fuel poverty schemes therefore this support will be an extension to work already ongoing and will offer the Council the opportunity to return to households that have not aligned with current grant conditions, enabling a better service for citizens, and giving the Council a greater chance to reduce fuel poverty in their areas.
- 4.7 A delivery plan will be developed demonstrating how the Council reach their target, within their allowance, which will be approved by MNZH prior to commencement of the work. The work is required to be completed by June 2024. The Project will be monitored until all outputs and milestones are achieved. The Council is required to provide to the Funder a monthly report. Projects will be evaluated at the end of the DLUHC spend period or the end of the project.
- 4.8 Non-traditionally constructed properties have very poor heat retention characteristics and will generally fall into the lower EPC bands. The energy efficiency bands help understand the performance of a home at a glance. There are seven of these bands on an EPC which are run on a sliding scale from 'A' (the most energy efficient) to 'G' (the least efficient). There are several hundred non-traditionally constructed properties in the private sector, the majority following Right to Buy sales, a number of these homes have already been treated under several government fuel poverty schemes delivered by the Council. However, this funding allows more of these house types to benefit from energy efficiency measures.
- 4.9 11.6% of households in Derby are living in Fuel Poverty against a national average of 10.6%.

- 4.10 It is recommended to approve the acceptance of the total sum of £0.584m from the DLUHC via Nottingham City Council.
- 4.11 It is recommended approve entering into a grant confirmation document with Nottingham City Council for the fuel poverty funding.
- 4.12 It is recommended to approve the addition of a new fuel poverty scheme of £0.584m to the 2023/24 capital programme for the delivery of new domestic retro fits within the City boundary.

Public/stakeholder engagement

- 5.1 Due to the very short timescale available to deliver the programme, there has not been an opportunity for public or stakeholder engagement.

Other options

- 6.1 The Council could choose not to accept the allocation. This would impact low-income tenants and homeowners who would benefit from lower energy costs.

Financial and value for money issues

- 7.1 As outlined in the report. In addition there is not any match funding required from the Council or revenue implications, as the team is already established to deliver similar fuel poverty schemes.

Legal implications

- 8.1 The Council are required to sign and return a grant confirmation document with Nottingham City Council.

Climate implications

- 9.1 The insulation measures will reduce lifetime tonnes of carbon emissions by an average of 30 tonnes per property treated.

Socio-Economic implications

- 10.1 None

Other significant implications

- 11.1 None

This report has been approved by the following people:

Role	Name	Date of sign-off
Legal	Emily Feenan, Director of Governance, Property and Procurement	04/10/2023
Finance Service Director(s)	Toni Nash – Head of Finance	04/10/2023
Report sponsor Other(s)	Rachel North, Strategic Director	04/10/2023

Background papers:	None
List of appendices:	None