

TONBRIDGE & MALLING BOROUGH COUNCIL
COMMUNITIES and HOUSING ADVISORY BOARD

16 February 2021

Report of the Director of Planning, Housing and Environmental Health

Part 1- Public

Matters for Information

1 SOCIAL HOUSING DECARBONISATION FUND DEMONSTRATOR

Summary

This report updates Members on the Council's successful Social Housing Decarbonisation Fund (SHDF) Demonstrator competition consortia bid with Fenland District Council (FDC) to secure funding to enable the upgrade of circa 160 Clarion owned homes in Tonbridge and Wisbech (Fenland).

1.1 Introduction

1.1.1 In Tonbridge and Malling area, Clarion are aiming to retrofit circa 80 'hard to treat' system built Wimpey No Fines constructed properties in Tonbridge.

1.1.2 The total value of the SHDF Demonstrator award across both council areas is £4.49 million. Clarion Housing Group, the stock owner and local partner to both the Council and FDC will provide the necessary scheme match funding of £4.49 million. The total value of the SHDF Demonstrator scheme is £8.98 million.

1.1.3 Funding will support key Council strategic priorities to:

- improve existing housing condition;
- helping to reduce fuel poverty; and
- reducing carbon emissions in residential housing stock.

1.1.4 The Council's Climate Change Strategy sets out our aspiration for the borough to be carbon neutral by 2030.

1.1.5 A key ambition set out in the West Kent Housing and Homelessness Strategy 2016-2021 is to increase the availability of good quality affordable homes for purchase and rent whilst reducing homelessness and contributing to building the West Kent economy. We want our residents to live in safe, good quality homes that meet their needs'.

1.2 Background

- 1.2.1 On 8 July 2020 Government announced a UK wide SHDF Demonstrator competition to start decarbonisation of social housing over 2020 to 2021 and support green jobs as part of the COVID 19 economic recovery plan.
- 1.2.2 The £50 million SHDF Demonstrator competition, open to local authorities or consortia led by local authorities, will support social landlords to demonstrate innovative approaches to whole house retrofitting social housing homes at scale, with the aim of warmer and more energy efficient homes, a reduction in household's energy bills, and lower carbon emissions.
- 1.2.3 The SHDF Demonstrator is an initial investment to learn lessons and catalyse innovation in deep retrofitting for the Social Housing Decarbonisation Fund, for which the Government manifesto committed £3.8 billion of new funding.
- 1.2.4 Aims and objectives of the Demonstrator competition include:
- Energy Demand Reduction: Achieve significant energy demand reduction in dwellings and a reduction in fuel bills by applying a whole house retrofit approach compliant with PAS 2035 :2019;
 - Cost Reduction: Achieve a significant cost reduction for the approach selected within the lifetime of the project, and provide evidence on the sources of cost reduction;
 - Green Jobs and Supply chains: Support green jobs and utilise local supply chains to contribute to economic stimulus post Covid-19;
 - Safety: Safely treat an appropriate number of dwellings to demonstrate achievement of cost reduction in a replicable manner;
 - Scale and replicability: Provide evidence on replicability and scale up of approach for future projects;
 - Occupant health: Ensure the improvement of health, comfort and wellbeing of occupants and mitigate any unintended consequences; and
 - Performance Evaluation: Provide evidence of performance evaluation post retrofit.

1.3 Social Housing Decarbonisation Fund (SHDF) Demonstrator consortia bid

- 1.3.1 The Council aspires for the borough to be carbon neutral by 2030 through reducing carbon emissions and is keen to take up opportunities of funding to support this aim and benefit residents by improving energy inefficient properties and reduction of energy bills. It is a key strategic priority for the Council to improve existing housing condition ensuring homes are safe and warm and to help alleviate fuel poverty.

- 1.3.2 Initially Officers explored opportunities for a Kent SHDF Demonstrator consortia bid via the Kent & Medway Sustainable Energy Partnership, inviting Clarion Housing Group (our main social housing provider) to participate in these discussions.
- 1.3.3 Given the very tight timescales for a SHDF Demonstrator bid it was necessary to identify a scheme which would be 'ready to go' with established procurement in place. Officers concluded a Council bid working with Clarion Housing Group (Clarion) was the best option.
- 1.3.4 Clarion identified social housing in Tonbridge and Wisbech (Fenland) would be suitable and suggested a bid across these two key Clarion stock areas with the aim of sharing learning across area and property type. A consortia bid was subsequently established between the Council and FDC (acting as the lead council) working with both our local partner Clarion.
- 1.3.5 The Wimpey No Fines constructed properties were chosen as, in energy efficiency terms, they are amongst the poorest performing homes in the Borough.
- 1.3.6 There is a good concentration of this non-traditional built housing stock located in Tonbridge, with a fair amount of green space available to set up site compounds. It is believed that this site offers the best opportunity to maximise on the 'lessons learned' criteria of this project.
- 1.3.7 The SHDF Demonstrator bid proposal aims to upgrade 160 homes in Tonbridge and Wisbech (Fenland), reducing costs for residents in these homes and, bringing local economic benefit during large scale retrofit work in 2021. Furthermore, it is estimated that the project as a whole will generate 68 jobs and apprenticeships by accelerating retrofit plans, including use of local sub-contractors and installers. There is potential for wider replication and rollout in future years across other Clarion owned stock in Tonbridge and Malling area.
- 1.3.8 The project in Tonbridge will take a whole house fabric first approach and gain further efficiencies from renewable technologies (solar PV and battery storage) to help make the properties 'zero carbon ready' and generate additional energy bill savings for residents.
- 1.3.9 It is anticipated funding will advance retrofit circa 80 'hard to treat' system built Wimpey No Fines constructed properties. These properties are thermally inefficient with current energy consumption rates of 100 to 120 kWh/m² and Energy Performance Certificate (EPC) ratings of D and E.
- 1.3.10 The project will develop a replicable technical solution to demonstrate economies of scale in the delivery of decarbonisation/retrofit measures to reduce energy consumption to less than 50kWh/m² and significantly improve EPC rating to B.
- 1.3.11 Proposed works include the installation of external wall insulation, cavity wall insulation (for cavity walls) , 400mm loft insulation, upgraded combi boilers,

mechanical ventilation heat recovery systems (MVHR), energy efficient doors and glazing, draught-proofing and low energy lighting measures. Funding will also enable the installation of solar PV panels to these homes.

1.3.12 The consortia have been awarded £4.49 million. Clarion Housing Group, social housing partner and stock owner will provide the necessary grant match funding of £4.49 million.

1.3.13 The total value of this retrofit project is £ 8.98 million to be split fairly across both local authority areas.

1.4 Going forward

1.4.1 Clarion has already undertaken a survey to inform the bid stage and facilitate undertaking works to the initial pilot property at the earliest opportunity enabling delivery and process issues to be identified and resolved at an early stage.

1.4.2 A Memorandum of Understanding (MOU) has been agreed between Fenland DC (as lead authority) and the Department of Business, Energy and Industrial Strategy (BEIS). A milestone schedule of work has been agreed with an initial design stage and three phases of construction between June and October 2021.

1.4.3 Additional strategic retrofit and technical retrofit expertise and oversight will be provided to Clarion Housing Group by consultants Baily Garner in a strategic retrofit advisory role and Enhabit in a retrofit technical advisory role.

1.4.4 Works in Tonbridge will be undertaken by Clarion's (OJEU compliant) procured partnering contractor United Living, with Saving Energy undertaking the Retrofit Coordinator role function.

1.4.5 Clarion Housing will undertake community engagement at the earliest stage and support will be given to residents before, during and after works. Owner occupiers will be included in the consultation and engagement process on potential retrofit works and will be signposted to the Government's Green Homes Grant to find out about financial help.

1.4.6 Projects complete a monthly progress report submission detailing lessons learned during the project and key performance indicators must be completed by end of December 2021.

1.5 Legal Implications

1.5.1 The SHDF Demonstrator is a Department of Business, Energy and Industrial Strategy (BEIS) competition open to local authorities/consortia led by local authorities and will support social landlords to demonstrate innovative approaches to whole house retrofitting of social housing at scale.

1.5.2 BEIS has already agreed a memorandum of understanding with consortia lead Fenland DC.

- 1.5.3 A Governance framework for delivering this project is currently being developed by a working party comprising Officers from the Council, Fenland DC and Clarion Housing Group (acting as commissioning client) who is delivering works to ensure compliance and delivery.

1.6 Financial and Value for Money Considerations

- 1.6.1 The Tonbridge scheme in this report will attract up to an estimated £4.49 million funding to improve housing condition and deliver 80 retrofit homes.
- 1.6.2 Members should note funding is awarded under s 31 Local Government Act 2003 capital grant funding and is repayable if not spent. Local authorities are required to provide match funding and, Clarion Housing Group as stock owners will meet the cost of £4.49 million match funding required. There is expected to be no cost to the Council. As lead authority Fenland DC will receive all of the funding and administer project funding payments to Clarion Housing Group as the project progresses.
- 1.6.3 In addition to consulting our own legal service, both Fenland DC (lead authority) and Clarion Housing Group has sought legal advice and agreed the requirements on state aid rules are met.

1.7 Risk Assessment

- 1.7.1 The project MOU requires a regular assessment of risks on a monthly basis.
- 1.7.2 A robust risk assessment has been carried out which includes issues relating to the COVID-19 pandemic. Members should be aware the project will adhere to Government guidance and rules on managing COVID infection rates. Delivery may therefore be delayed depending on the current pandemic situation and, if a full lockdown continues to be implemented where any works cannot be delivered then the programme would need to be halted and resumed on exit from the lockdown.

1.8 Policy Considerations

- 1.8.1 The SHDF Demonstrator fund will enable the Council to work towards the aspirations of the Climate Change Strategy and the West Kent Housing and Homelessness Strategy 2016-21.

Background papers:

Nil

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