

Item

APPROVAL OF ADDITIONAL ENERGY INVESTMENT FOR 2023/24

To:

Councillor Gerri Bird, Executive Councillor for Housing

Report by:

Julia Hovells, Assistant Head of Finance and Business Manager

Tel: 01223 - 457248

Email: julia.hovells@cambridge.gov.uk

Wards affected:

Abbey, Arbury, Castle, Cherry Hinton, Coleridge, East Chesterton, King's Hedges, Market, Newnham, Petersfield, Queen Edith's, Romsey, Trumpington, West Chesterton

Key Decision

1. Executive Summary

- 1.1 This urgent decision pre-empts a decision that would otherwise have been expected to be formally made in January / February 2023 as part of the 2023/24 budget setting process.
- 1.2 Additional capital investment of £3,640,000 is required in 2023/24 in order to move a tranche of 130 homes up to an EPC 'C' rating.
- 1.3 By taking this decision now under urgency powers the authority will be in a position to bid for external grant funding as part of the Social Housing Decarbonisation Fund that, subject to a successful bid, would top up our own investment allowing further energy improvement works to be delivered in these homes.

2. Recommendations

The Executive Councillor, is recommended to:

- a) Approve the inclusion of an initial budget of £3,640,000 in the Housing Capital Programme in 2023/24 in respect of delivering energy improvement works to 130 homes to bring them up to an EPC 'C' rating.
- b) Approve an increase in the budget by the value of the grant bid, subject to a successful grant bid, and recognise the associated grant income in the Housing Capital Investment Plan (budget).

3. Background

- 3.1 Cambridge City Council is committed to improving the energy efficiency of its housing stock. Budgets have been, and are, incorporated as part of the budget process each year to allow investment in a variety of energy improvement initiatives. In 2022/23 investment was approved to retrofit a pilot group of 50 homes up to as near to net zero carbon as could be achieved, with some of this project now extending into 2023/24.
- 3.2 As part of the work on the 2023/24 budget process a bid had been incorporated for £3,640,000 in 2023/24 specifically to allow a further 130 homes to be improved, bringing them up to an EPC 'C' standard. This would involve carrying out a mix of external wall insulation work and pv installations. The HRA Budget Setting report has not yet been published, so the formal decision is yet to be made.
- 3.3 However, the authority has an opportunity to bid for external grant funding from the Social Housing Decarbonisation Fund, which would allow the HRA resource of £3,640,000 to be supplemented, facilitating the delivery of further energy improvement works to these homes, improving the energy efficiency and reducing resident's utility bills further.
- 3.4 To be in a position to apply for this grant funding by the deadline of 18 November 2022, the authority needs to be able to formally confirm their commitment to the HRA resource that will be invested alongside any successful grant funding. This urgent decision report simply seeks that

formal approval earlier than planned to allow us to attempt to secure grant funding.

4. Implications

(a) Financial Implications

The financial implications associated with this decision would be the inclusion of an additional net budget of £3,640,000 in the Housing Capital Programme in 2023/24. This would be funded as part of the overall programme which includes direct revenue funding of capital, use of the major repairs reserve, housing capital resources and when all other resources are exhausted, prudential borrowing.

(b) Staffing Implications

There are no direct staffing implications associated with this report. The energy programme would be delivered by external contractors, managed by existing staff in the Estates and Facilities Team.

(c) Equality and Poverty Implications

An Equalities Impact Assessment will be undertaken by Estates and Facilities, if this resource is approved, as part of the implementation programme, at which point the properties affected will be identified.

(d) Environmental Implications

The environmental implications associated with this decision are that 130 council homes that are currently below an EPC 'C' rating will be significantly improved, increasing energy efficiency and reducing energy cost for the residents.

(e) Procurement Implications

There are no direct procurement implications associated with this financial decision. If approved, the contractor to undertake the works will be appointed taking account of the Council's procurement processes.

(f) Consultation and Communication

The Tenant and Leaseholder Chair will be consulted as part of this urgent decision process.

(g) Community Safety

There are no direct community safety implications associated with this report.

5. Background papers

Background papers used in the preparation of this report:

There were no specific background papers used in the preparation of this report.

6. Appendices

There are no appendices to this report.

7. Inspection of papers

To inspect the background papers or if you have a query on the report please contact:

Julia Hovells, Assistant Head of Finance and Business Manager

Telephone: 01223 – 457248 or email: julia.hovells@cambridge.gov.uk.