

Please ask for Democratic Services

Phone (01283) 595722/ 595848

Typetalk 18001

DX 23912 Swadlincote

Democratic.services@southderbyshire.gov.uk

Our Ref

Your Ref

Date: 20 December 2022

Dear Councillor,

Housing and Community Services Committee

A Meeting of the **Housing and Community Services Committee** will be held at **Council Chamber (Special)**, Civic Offices, Civic Way, Swadlincote on **Thursday, 05 January 2023** at **16:00**. You are requested to attend.

Yours faithfully,



Chief Executive

To:- **Labour Group**

Councillor Rhind (Chair), Councillor Mulgrew (Vice-Chair) and
Councillors Dunn, Heath, Richards and Shepherd.

Conservative Group

Councillors Corbin, Ford, Lemmon, Patten, Redfern and Smith

Independent Group

Councillors Roberts

AGENDA

Open to Public and Press

- | | | |
|----------|---|------------------|
| 1 | Apologies and to note any Substitutes appointed for the Meeting. | |
| 2 | To note any declarations of interest arising from any items on the Agenda | |
| 3 | To receive any questions by members of the public pursuant to Council Procedure Rule No.10. | |
| 4 | To receive any questions by Members of the Council pursuant to Council procedure Rule No. 11. | |
| 5 | SERVICE BASE BUDGETS 2023-24 | 3 - 23 |
| 6 | HOUSING REVENUE ACCOUNT BUDGET, FINANCIAL PLAN AND PROPOSED RENT 2023-24 | 24 - 42 |
| 7 | DECARBONISATION OF THE COUNCIL'S HOUSING STOCK | 43 - 156 |
| 8 | COMMITTEE WORK PROGRAMME | 157 - 161 |

Exclusion of the Public and Press:

- | | |
|-----------|--|
| 9 | The Chairman may therefore move:-
That in accordance with Section 100 (A)(4) of the Local Government Act 1972 (as amended) the press and public be excluded from the remainder of the Meeting as it is likely, in view of the nature of the business to be transacted or the nature of the proceedings, that there would be disclosed exempt information as defined in the paragraph of Part I of the Schedule 12A of the Act indicated in the header to each report on the Agenda. |
| 10 | To receive any Exempt questions by Members of the Council pursuant to Council procedure Rule No. 11. |
| 11 | REVISED STRUCTURE – STRATEGIC HOUSING TEAM |

REPORT TO:	HOUSING AND COMMUNITY SERVICES COMMITTEE (SPECIAL BUDGET)	AGENDA ITEM:5
DATE OF MEETING:	5 JANUARY 2023	CATEGORY: RECOMMENDED
REPORT FROM:	STRATEGIC DIRECTOR (CORPORATE RESOURCES)	OPEN
MEMBERS' CONTACT POINT:	CHARLOTTE JACKSON Charlotte.jackson@southderbyshire.gov.uk	DOC: s/Finance/Committee/2022-23/Jan/Budget
SUBJECT:	SERVICE BASE BUDGETS 2023/24	
WARD(S) AFFECTED:	ALL	TERMS OF REFERENCE: HCS

1.0 Recommendations

- 1.1 That the proposed income and expenditure revenue budget for this Committee's services for 2023/24 as detailed in **Appendix 1** is considered and recommended to the Finance and Management Committee for approval.
- 1.2 That the proposed fees and charges as detailed in **Appendix 2** for 2023/24 are considered and approved.
- 1.3 That consideration is given to the level of any increases in Grants to Voluntary Bodies in 2023/24.

2.0 Purpose of the Report

- 2.1 As part of the annual financial planning cycle, the report details the Committee's proposed base budget for 2023/24 with comparisons to the current year budget. This includes an overview of the Committee's main spending areas.
- 2.2 It is proposed that the estimated income and expenditure is included in the consolidated budget of the Council for 2023/24 within the Council's overall medium-term financial position. This will be considered by the Finance and Management Committee on 9th February 2023.
- 2.3 The report also sets out proposals for the level of fees and charges under the responsibility of this Committee for 2023/24.

3.0 Detail

- 3.1 The Committee is responsible for some large spending areas, including leisure, recreational facilities, community development and private sector housing.

External Funding

- 3.2 A large part of the Committee's annual spending on community development, crime prevention, together with active communities, health and homelessness prevention is delivered in partnership with other agencies. Expenditure is financed in part from their contributions which can in turn be reliant upon specific central government funding.
- 3.3 The funding is not necessarily available from year to year. The Council maintains specific reserves which hold funding awarded in previous years and is drawn down to meet projects and costs on an annual basis. Some of this funding is not always replaced each year and expenditure is adjusted accordingly.
- 3.4 Although the Council still has access to longer term funding, this is finite unless replaced. Consequently, some budgets in these services could come under pressure in future years and this will be kept under review. This is detailed later in the report.

The Council's Overall Financial Position

- 3.5 The Council's Medium-Term Financial Plan (MTFP) was fully reviewed and updated in November 2022.. The overall position on the General Fund has changed considerably over the last year due to numerous additional service pressures and the General Fund Reserve is now predicted to be well below the minimum balance of £1.5m by 2025/26.
- 3.6 The continuing issue is the projected increasing deficits each year over the life of the Plan. Although the current level of reserves can be utilised in the short-term to meet the projected deficits, this is not a sustainable solution. Delays to the Fair Funding Review leaves the Council with uncertainty regarding future funding past 2023/24.
- 3.7 The Finance and Management Committee will consider the detail of the overall financial position on 9th February 2023, including proposals from this Committee.
- 3.8 It is important that the Committee scrutinises its spending base closely to identify budget savings and carefully examines any areas where there are cost pressures, together with any proposals to increase spending.

Summary of Expenditure

- 3.9 The following table provides an overall summary at service level of the Committee's net revenue expenditure.

	Proposed Budget 2023/24 £	Approved Budget 2022/23 £	Movement £
Community Development & Support	718,689	730,919	-12,229
Recreational Activities	191,207	180,581	10,626
Leisure Centres & Community Facilities	841,067	771,453	69,614
Parks & Open Spaces	652,398	668,432	-16,035
Private Sector Housing	551,926	544,974	6,952
	2,955,287	2,896,359	58,928

3.10 The above table shows that the Committee's net expenditure is estimated to increase overall between 2022/23 and 2023/24 by £58,928. Detail of the changes within each service area is listed in **Appendix 1**. A summary of changes is shown in the following table.

	Movement £'000
Employee Costs	71
Utilities	16
Subscriptions & Professional Fees	11
Events Hire Equipment	10
Oil	9
Computer Maintenance	9
Contract Cleaning	7
Third Party Payments	6
Grounds Maintenance (Non-Contract)	5
Water	5
Laundry Expenses	4
Petrol	2
Furniture Purchases	2
Training	1
Earmarked Reserves	-98
Log Cabin rental income	-11
Contributions other organisations	-10
Rosliston Forestry Centre income	-9
Insurance	-7
Cemetery Fees	-3
	20
Depreciation	39
Budget Increase	59

3.11 Excluding the increase in depreciation which is an accounting adjustment and not a cost to the Council, the budgeted expenditure is expected to increase by £20k. The MTFP included an inflationary increase for a variety of cost lines.

Staff Costs

3.12 Employee costs have increased by approximately £71k including oncosts. This is due to the inclusion in the budget of funded posts. The additional costs of £61k are offset by earmarked reserve funds. The impact to the General Fund from incremental salary rises and regraded posts is £10k.

Utility Costs

3.13 The main increase for utilities (£16k) is in relation to the Leisure and Community Centres. The current fixed tariff is due to finish in September 23, the volatility in the market makes predictions on expenditure difficult, and an increase of 10% has been applied. This is 8% higher than the predicted inflation rate within the MTFP at 2%.

3.14 Oil costs have increased as a result of the market uncertainties and risks to supply as a consequence of world events. The £9k variance represents the costs of using the Oil powered boiler system at Rosliston Forestry Centre.

- 3.15 The tariff for the supply of water is set to increase by 13% , the provision for the uplift in the MTFP was 2%. The increase of £5k is related to the water supplies in Leisure and Community Centres.

Subscriptions and Professional Fees

- 3.16 An increase in subscriptions and professional fees is expected between years. Inflationary uplifts of approximately £3k were covered within the MTFP. The financial year has recorded record highs in inflation resulting in Subscriptions and Memberships to professional bodies increasing by 10.1%, the £11k budget increase in Subscriptions and Maintenance Agreements £9k reflect this percentage uplift.

Events Hire Equipment

- 3.17 The costs of hiring equipment for events has significantly increased during 2022/23 with the outturn resulting in an overspend. To manage the costs of providing events such as Liberation Day and the Festival of Leisure an increase of £10k is proposed

Rosliston Forestry Centre

- 3.18 The associated costs from the hire of log cabins have increased throughout the year. The contract cleaning (£7k) and laundry expenses (£4k) are due to an increased volume of bookings and the increased service costs. The increase in costs is offset by an increase in the income budget.

Grounds Maintenance (Non-contract)

- 3.19 It is proposed to increase the grounds maintenance budgets for both Cemeteries (£3.5k) and Allotments (£1.5k). Ground works to both these areas are necessary for the repairs to paths and clearance of sites. The fees are proposed to increase as detailed in **Appendix 2**. This is in line with neighbouring authorities and will offset the additional expenditure.

Other Variances

- 3.20 Third party payments increase (£5k) is due to the annual contract increase with Action Nation for Etwell Leisure Centre.
- 3.21 Furniture purchases (£2k) is due to the increased demand through Homelessness services during the year . Currently funding is in place to provide the service, should the funding cease the additional costs will be met from an earmarked reserve.

Favourable Variances

- 3.22 Increases in income from Rosliston Forestry Centre, Log cabins (£11k) will offset the additional expenditure incurred in running costs as detailed in 3.18. However, the increase of £9k income is due to the income from car parking machines, that were installed during 2022/23.
- 3.23 Contributions from other organisations (£10k) is the increase in the recharge between the Council and John Port School in relation to the joint management agreement for Etwell Leisure Centre.

3.24 Insurance savings (£7k) are the result of the Council's tendering of its insurance services as reported in the November MTFP.

3.25 Cemetery fees have increased following a benchmarking exercise, the increase in income (£3k) reflects the increase, this is however being utilised for grounds works as noted in 3.19.

Earmarked Reserves

3.26 Some spending is financed by drawing down earmarked reserves. After taking account of these amounts, the estimated balance on the relevant reserves is shown in the following table.

	2022/23 B/fwd £	Budget 2022/23 £	Budget 2023/24 £	2023/24 C/fwd £
Homelessness Prevention	418,800		-140,346	278,454
Schools Sport Partnership Project	388,703	-120,038	-183,429	85,236
Rosliston Capital Reserve	217,444	-121,436	-96,008	0
Cultural Services Public Open Spaces	270,433	-101,890	-101,890	66,653
Parks Improvement Fund	16,071	0	-16,071	0
Swadlincote Woodlands S106 Reserve	39,949	-10,000	0	29,949
Community Safety (Crime Reduction)	400,464	-82,519	-86,438	231,507
Young Peoples Cultural Partnership	7,306	0	0	7,306
Youth Engagement Partnership	622,779	-76,877	-74,437	471,465
Get Active In The Forest Partnership	128,389	-22,768	-22,890	82,731
Maurice Lea Park	23,012	0	-23,012	0
	2,533,350	-535,528	-744,521	1,253,301

3.27 The estimated drawdowns are included in the appropriate cost centres in the Committee's budget.

3.28 None of the specific reserves include any further income from external contributions, although based on past years, it is likely that these reserves will not be drawn down to the extent noted above and additional contributions will be received.

3.29 The Homelessness Prevention Reserve has been contributed to over the last few financial years due to an increase in Government funding. No announcement has been made at this stage regarding funding into 2023/24 for this service therefore a full draw down of the cost above the General Fund contribution is being forecast. The Council was in the same position in 2022/23 but has since received a grant of £206k meaning there will be a likely contribution as opposed to a drawdown in 2022/23.

4.0 Budget Basis

4.1 The Committee's budgets by service area are detailed in **Appendix 1**.

Basis of the Budget

- 4.2 Budgets are generally calculated on a “no increase” basis i.e. they are maintained at the same level as the previous year adjusted only for known changes, price increases and variations due to contractual conditions.
- 4.3 In addition, budgets are also subject to a base line review which is used to justify proposed spending. This process places responsibility on budget holders to justify their spending budgets by specifying their needs in a more constructed manner. This is supported by the Financial Services Unit, who analyse trends across services compared to current budgets.

On-going Service Provision

- 4.4 The budgets are based substantively on a continuation of existing service provision (in respect of staffing levels, frequency, quality of service, etc).
- 4.5 The full year effects of previous year’s restructures and budget savings have been included, with non-recurring items removed.

Changes in Pay

- 4.6 A pay award is not included within the Base Budget at this stage as no official notification has been agreed and submitted to the Council.
- 4.7 The MTFP was updated in November 2022 to include a pay award for 2022/23 and also includes a provision for a potential pay award increase of 3.5% per year for all employees from 2023/24.

Inflation

- 4.8 The Base Budget for 2023/24 has been uplifted by inflation where this applies, for example contract obligations.
- 4.9 Some base costs will be subject to inflation during future years and in some cases, it will be unavoidable, for example employee costs, when national pay increases are approved.
- 4.10 Allowances for inflation based on various assumptions regarding price increases, etc. are calculated across the main spending heads at an average of 8.8%. Average increases in inflation are peaking to over 10% currently although this is deemed to be an anomaly in the market. It is expected that inflation will average around 8.4% during 2022/23.

Increases in Grants to Voluntary Bodies

- 4.11 As part of the annual budget round, the Committee gives consideration to increasing the base contribution in grants to recognise inflationary pressures. Increases in recent years have been as follows:
- 2022/23 – 2.0%
 - 2021/22 – 2.0%
 - 2020/21 – 2.0%
 - 2019/20 – 2.0%
 - 2018/19 – 2.0%
 - 2017/18 – 1.0%

- 4.12 Latest inflation as at October 2022 shows CPI increasing to 11.1% . The Office for National Statistics is assuming that inflation will average 8.4% during 2022/23. The Council includes a 2% increase in the MTFP.
- 4.13 Every 1% increase in the base level across all grants for this Committee equates to approximately £3.5k per annum.
- 4.14 The actual increase will be considered by the Finance and Management Committee as part of the Council's overall budget for 2023/24 and this Committee is requested to make an appropriate recommendation.

Risks

- 4.15 All Committee budgets have been reviewed and known changes to income and expenditure have been reflected in the proposed base budget for 2023/24 as detailed in the report.
- 4.16 Other financial risks associated with the Committee's services are identified in the following table.

Risk	Issue / Potential Effect	Mitigating Action
External funding	As detailed in the report, several services are reliant on external contributions and reserve funding	Earmarked reserves to maintain spending over several years. These reserves are currently estimated to remain at £1.1m by 2024 but the reserve position is continually kept under review with service managers
Growth	The Council's MTFP identifies underlying cost pressures yet to surface as a risk due to pressure from residential development	A provision for growth has been set-aside in the MTFP each year over the life of the Plan. In addition, the Council can put some reliance on S106 maintenance contributions to meet additional costs

Proposed Fees and Charges 2023/24

- 4.17 **Appendix 2** provides a schedule of the proposed charges for next financial year together with a comparison to the existing charge. All charges are exclusive of VAT and where applicable, VAT is added at the appropriate rate in accordance with HMRC regulations.
- 4.18 A detailed review of fees and charges has been undertaken as part of the budget round. Where possible, charges have been increased to reflect inflation and the demand for services. The volatile fiscal market has resulted in a number of fees being uplifted to allow for the costs of providing the services to be met. The key points are detailed in the following sections.
- 4.19 Fees in parks have remained the same for 2023/24, the hire of football pitches and the costs of bowling green hire has increased or decreased to the nearest pound for ease of payment from customers.

Cemeteries

- 4.20 A 3% increase has been applied to the cemetery fees, as a result of a benchmarking exercise undertaken when reviewing the fees for 2023/24.
- 4.21 Increases on children's funerals have been proposed after a review of costs. These are covered as reported in 2021/22 by the Social Fund (Children's Funeral Fund for England) Regulations 2019. These Regulations were introduced to support families facing the unexpected costs of a child's funeral. All proposed fees, as detailed in Appendix 2, will be reclaimed from the Children's Funeral Fund by the Council.

Allotments

- 4.22 It is proposed to increase the costs of allotment rent by £5 per plot, per year, this is to cover the additional costs of the ground maintenance work required to maintain grounds at rentable standard.

Town Hall and Community Centres

- 4.23 The running costs of the Town Hall and Community Centres have risen due to the current economic climate, utilities are at a higher rate and cleaning materials have been affected. An increase in fees is to cover the additional costs. The removal of bank holiday and after 10pm hire is proposed due to the opening hours of the Centres.

Housing Charges

- 4.24 Garage rents are proposed to increase by the percentage cap to be announced by the Government. Garage rents historically are uplifted by CPI + 1% in line with the dwelling rent increase. As the rate of CPI is above 10% the Government are consulting on a temporary rent increase cap for 2023/24, and they are considering options between 3%, 5% and 7%.
- 4.25 The Telecare lifeline fees have not increased for a number of years; the costs involved with supplying the service have been assessed to meet costs for 2023/24. As a result, it is proposed to increase the fees by a flat 5% to cover the additional costs.
- 4.26 No increase is proposed for communal heating.
- 4.27 The tenants' contents insurance is to be removed as the service is no longer provided through the Council, the insurance provider now supplies direct to the tenants, therefore the premiums are no longer collected via the rental system.
- 4.28 An increase of average CPI has been proposed for Strategic Housing fees, to cover costs.

Leisure Activities

- 4.29 The leisure activities have varying levels of increase as a result of a benchmarking exercise. Fees are proposed to be brought in line with neighbouring authorities. Get Active goes mobile is to be removed as the service is no longer provided due to lack of demand.

4.30 The Festival of Leisure has introduced two new fees for hot food vendor pitches, This is to encourage a variety of vendors to supply food at the event. Historically one vendor has been chosen, however there is interest from other providers to supply additional hot beverage choices. A 10% to 13% increase has been proposed on the stall fees for Festival of Leisure. This is after review of cost recovery.

4.31 Travelling fair and events are proposed to increase in line with other authorities. Also, in line with neighbouring authorities a new charge for days of non-operation has been introduced, this is an accommodation charge for occupying the land.

Rosliston Forestry Centre

4.32 Charges applied at Rosliston Forestry Centre for lodge hire and activities etc. are set by the Executive Board of the Partnership in accordance with the Business Plan for the Centre.

5.0 Financial Implications

5.1 As detailed in the report.

6.0 Corporate Implications

Employment Implications

6.1 None

Legal Implications

6.2 None.

Corporate Plan Implications

6.3 The proposed budgets and spending under the responsibility of this Committee provides the financial resources to enable many of the on-going services and Council priorities to be delivered.

Risk Impact

6.4 The Financial Risk Register is detailed in the MTFP and financial risks specific to this Committee are detailed in section 4.

7.0 Community Impact

Consultation

7.1 The Council is statutorily required to consult on its budget proposals, prior to setting the annual Council Tax rate, with the local business and community sector. The Council has an established process in place to meet this requirement. Consultation takes place for approximately [four weeks](#) following approval of the draft budget

proposals by Finance and Management Committee in January each year. Any feedback is reported to the Council as part of the final approval process.

- 7.2 There is no statutory requirement to consult with residents or other stakeholders, although it is considered good practice to do so. Traditionally, the Council has disseminated proposals through Area/Community Forums and via a presentation at the South Derbyshire Partnership Board. Many authorities do consult formally regarding their budget proposals and medium-term financial plans prior to setting budgets, using panels, representative groups, etc. as a way of fully engaging local people.

Equality and Diversity Impact

- 7.3 None.

Social Value Impact

- 7.4 None.

Environmental Sustainability

- 7.5 None.

8.0 Conclusions

- 8.1 That the proposed base budgets are scrutinised and approved to provide financial resources for continuation of service delivery.

9.0 Background Papers

- 9.1 None.

HOUSING & COMMUNITY SERVICES - BUDGET SETTING 2023/24

	Proposed Budget 2023/24	Approved Budget 22/23	Movement	Comments
General Grants, Bequests & Donations	314,260	314,123	138	
Community Centres	202,793	214,446	-11,652	Decreased depreciation £11.5k
Community Safety (Crime Reduction)	140,909	140,909	-0	
Defences Against Flooding	59,337	59,303	34	
Market Undertakings	1,389	2,138	-749	
Village Halls	0	0	0	
COMMUNITY DEVELOPMENT & SUPPORT	718,689	730,919	-12,229	
Arts Development & Support	15,040	15,040	0	
Events Management	125,736	124,297	1,439	Decrease Staff Costs £3.7k, insurance £1k; Increased events costs £6.2k
Midway Community Centre	42,228	34,256	7,972	Decreased tools £1k, Increased depreciation £3.5k, utilities £4.5k, R&M £1.2k
Stenson Fields Community Centre	8,203	6,988	1,215	
RECREATIONAL ACTIVITIES	191,207	180,581	10,626	
Melbourne Assembly Rooms	20,932	32,460	-11,528	Decrease depreciation
Get Active in the Forest	34,452	34,452	-0	
Sports Development & Community Recreation	185,936	185,935	0	
Indoor Sports & Recreation Facilities	578,478	497,336	81,142	Increase fees £9.9k (income), Deprecation £71k, TPP £5.2k, Insurance £4.8k, Utilities £9.9k
Outdoor Sports & Recreation Facilities (SSP)	-0	0	-0	
Play schemes	21,269	21,269	0	
LEISURE CENTRES & COMMUNITY FACILITIES	841,067	771,453	69,614	
Allotments	206	-799	1,005	Increase grounds £1k

Rosliston Forestry Centre	293,467	310,654	-17,187	Decrease R&M £3k, Tools & Equipment £4k, Insurance £3.5k, Depreciation £11.5k Increase fees (income) £19.9k, Utilities £2.9k, Oil £9.2k, Contract Cleaning £6.9k, Laundry £4.3k, Bank Charges £3.2k
Cemeteries	21,355	20,247	1,108	Increase fees £2.5k, grounds £3.5k
Closed Churchyards	7,548	7,608	-60	
Parks and Open Spaces	329,822	330,723	-901	
PARKS & OPEN SPACES	652,398	668,432	-16,035	
Housing Standards	101,088	99,790	1,298	Increase Subscriptions
Housing Strategy	103,305	102,327	977	
Administration of Renovation & Improvement Grants	61,991	61,466	525	
Bed / Breakfast Accommodation	6,500	6,500	0	
Pre-tenancy Services	241,761	239,321	2,440	Increase Staff Costs
Other Housing Support Costs (GF)	37,281	35,569	1,712	Increase Computing £2k
PRIVATE SECTOR HOUSING	551,926	544,974	6,952	
	2,955,287	2,896,359	58,928	

PROPOSED FEES AND CHARGES 2023/24

APPENDIX 2

VAT WILL BE CHARGED WHERE APPLICABLE AT THE APPROPRIATE RATE

Cemeteries	Fee 2022/23 £:P	Proposed Fee 2023/24	Notes
Grant of Right (Document giving the exclusive right of burial in a specified plot, for a period of fifty years) For an infant's grave(0-12 months)	399.50	411.50	Claimed from CFF (Children's Funeral Fund) - in line with claim and covers costs
Grant of Right (Document giving the exclusive right of burial in a specified plot, for a period of fifty years) For an infant's grave for a child's grave (between 12 months - 12 years)	533.00	549.00	Claimed from CFF (Children's Funeral Fund) - in line with claim and covers costs
Grant of Right (Document giving the exclusive right of burial in a specified plot, for a period of fifty years) For a child's grave (between 12 years - 16 years)	799.00	823.00	Claimed from CFF (Children's Funeral Fund) - in line with claim and covers costs
Grant of Right (Document giving the exclusive right of burial in a specified plot, for a period of fifty years) Adult grave 9' x 4' (for a coffin)	799.00	823.00	3% increase- benchmarked against other LA's
Grant of Right (Document giving the exclusive right of burial in a specified plot, for a period of fifty years) Adult grave 10' x 5' (for a casket)	973.00	1002.00	3% increase- benchmarked against other LA's
Grant of Right (Document giving the exclusive right of burial in a specified plot, for a period of fifty years) Ashes plot 2' x 2'	383.00	395.00	3% increase- benchmarked against other LA's
Grant of Right (Document giving the exclusive right of burial in a specified plot, for a period of fifty years) Ashes plot 2' x 2' for interment of a child 12 months to 16 years	383.00	395.00	Claimed from CFF (Children's Funeral Fund)
Extension to Grant of Right (Document giving the exclusive right of burial in a specified plot, for a further period of 25 years) Infant grave (0-12 months)	199.75	206.00	3% increase- benchmarked against other LA's
Extension to Grant of Right (Document giving the exclusive right of burial in a specified plot, for a further period of 25 years) child's grave (between 12 months - 11 years)	266.50	274.50	3% increase- benchmarked against other LA's
Extension to Grant of Right (Document giving the exclusive right of burial in a specified plot, for a further period of 25 years) child's grave (12 years - 17 years)	399.50	411.50	3% increase- benchmarked against other LA's
Extension to Grant of Right (Document giving the exclusive right of burial in a specified plot, for a further period of 25 years) Adult grave 9' x 4' (for a coffin)	399.50	411.50	3% increase- benchmarked against other LA's
Extension to Grant of Right (Document giving the exclusive right of burial in a specified plot, for a period of 25 years) Adult grave 10' x 5' (for a casket)	486.50	501.00	3% increase- benchmarked against other LA's
Extension to Grant of Right (Document giving the exclusive right of burial in a specified plot, for a period of 25 years) Ashes plot 2' x 2'	191.50	197.50	3% increase- benchmarked against other LA's
Burials Infant, 0 - 12 months	274.50	283.00	Claimed from CFF (Children's Funeral Fund) - in line with claim and covers costs

Burials For a child's grave (between 12 months - 12 years)	366.00	377.00	Claimed from CFF (Children's Funeral Fund) - in line with claim and covers costs
Burials For a child's grave (between 12 years - 16 years)	549.00	565.50	Claimed from CFF (Children's Funeral Fund) - in line with claim and covers costs
Burials Adult- single depth grave	595.00	613.00	3% increase- benchmarked against other LA's
Burials - double depth grave	549.00	565.50	3% increase- benchmarked against other LA's
Burials - surcharge for a casket	162.00	167.00	3% increase- benchmarked against other LA's
Burials - common grave	551.00	568.00	3% increase- benchmarked against other LA's
Burials For any burial after the first	496.00	511.00	3% increase- benchmarked against other LA's
Burial of cremated remains in an ashes plot (infant, 0 - 12 months)	161.00	166.00	Claimed from CFF (Children's Funeral Fund) - in line with claim and covers costs
Burial of cremated remains in an ashes plot (child, 12 months plus to 12 years)	161.00	166.00	Claimed from CFF (Children's Funeral Fund) - in line with claim and covers costs
Burial of Cremated remains in ashes plot (child 12 years - 16 years)	161.00	166.00	Claimed from CFF (Children's Funeral Fund) - in line with claim and covers costs
Burial of cremated remains in an ashes plot (adult)	161.00	166.00	3% increase- benchmarked against other LA's
Strewing of ashes (if carried out by SDDC staff)	93.50	97.00	3% increase- benchmarked against other LA's
Strewing of ashes (if not carried out by SDDC staff)	80.00	82.50	3% increase- benchmarked against other LA's
All Grant of Right/Burial fees listed above are treble for non-residents of the District			
Monuments A flat stone NB: not permitted in lawned cemeteries	145.00	150.00	3% increase- benchmarked against other LA's
Monuments A headstone or footstone, not exceeding 2' in height	275.00	283.00	3% increase- benchmarked against other LA's
Monuments A headstone or footstone, exceeding 2' in height	302.00	311.00	3% increase- benchmarked against other LA's
Monuments Kerbstones or border stones, for a space not exceeding 6'6" x 3' (not permitted in lawned cemeteries)	302.00	311.00	3% increase- benchmarked against other LA's
Monuments A vase, not exceeding 18" in height	88.00	91.00	3% increase- benchmarked against other LA's
Monuments For any inscription after the first, on any form of monument	145.00	150.00	3% increase- benchmarked against other LA's
Monuments Supply only of 7" x 5" wall plaque (Etwall Cemetery only), inclusive of inscription up to 70 letters	286.00	295.00	3% increase- benchmarked against other LA's
Replacement of Memorial Stone	145.00	150.00	3% increase- benchmarked against other LA's
Exhumation	1226.50	1263.00	3% increase- benchmarked against other LA's
Search of records, including copy of entry	35.00	36.00	3% increase- benchmarked against other LA's
Slabbing or sealing a grave	147.00	151.00	
Alterations to coffin size once shoring is in place	90.00	93.00	3% increase- benchmarked against other LA's
Transfer of ownership of Grant of Right	40.00	40.00	

Saturday funeral for child between 12 months and 16 years (in addition to the Grant of Right)	297.50	460.00	Claimed from CFF (Children's Funeral Fund) - in line with claim and covers costs
Saturday funeral (in addition to the Grant of Right) for person whose age exceeds 16 years	892.50	919.50	3% increase- benchmarked against other LA's
Sunday/Bank Holiday funeral for a child between 12 months and 16 years (In addition to the grant of right)	446.00	613.00	Claimed from CFF (Children's Funeral Fund) - in line with claim and covers costs
Sunday/Bank Holiday funeral (in addition to the Grant of Right) for person whose age exceeds 16 years	1190.00	1226.00	3% increase- benchmarked against other LA's
Grants for Closed Church Yards	388.50	400.00	3% increase- benchmarked against other LA's
HOUSING FEES AND CHARGES	Fee 2022/23 £:P	Proposed Fee 2023/24	
Homelessness			
Bed and Breakfast - recharge per week			
Each adult	Actual Cost	Actual Cost	
Each child under 16	Actual Cost	Actual Cost	
Homelessness			
Hire of Communal Lounges (per 1/2 day session)			
Sheltered housing schemes	10.00	0.00	REMOVE - Service no longer required
Commercial rate	50.00	50.00	
Use of guest bedroom per night	15.00	15.00	
Lifelines			
Registered disabled persons - Installation	0.00	0.00	5% increase to cover costs
Registered disabled persons - Lifeline Monitoring per week	2.00	2.10	5% increase to cover costs
Registered disabled persons - Lifeline equipment rental per week (includes monitoring)	5.10	5.36	5% increase to cover costs
Other persons - Installation	Defunct	Defunct	5% increase to cover costs
Other persons - Monitoring per week	3.00	3.15	5% increase to cover costs
Other persons - Rental per week (includes monitoring)	5.00	5.25	5% increase to cover costs
Monthly Basic Telecare package monitoring charge	21.67	22.75	5% increase to cover costs
Telecare installation - private resident	50.00	52.50	5% increase to cover costs
Monthly 1st year instalment charge installation and monitoring	33.60	35.28	5% increase to cover costs
Telecare - Monthly 1st year instalment charge, rental and monitoring	25.84	27.13	5% increase to cover costs
Monitoring & Support level 1 - Monitoring only	3.00	3.15	5% increase to cover costs
Monitoring & Support level 2 - Monitoring only	9.00	9.45	5% increase to cover costs
Monitoring & Support level 3 - Monitoring only	12.00	12.60	5% increase to cover costs

Monitoring & Support level 4 - Monitoring only	20.00	21.00	5% increase to cover costs
Monitoring & Support level 1 - Daily visit	20.00	21.00	5% increase to cover costs
Monitoring & Support level 2 - 2 visits per week	12.00	12.60	5% increase to cover costs
Monitoring & Support level 3 - 1 visit per week	9.00	9.45	5% increase to cover costs
Monitoring & Support level 4 - 1 visit per fortnight	6.00	6.30	5% increase to cover costs
Monitoring & Support level 5 - 1 visit per month	5.00	5.25	5% increase to cover costs
Monitoring & Support level 6 - 1 visit per week	4.00	4.20	5% increase to cover costs
Monitoring & Support level 7 - 1 monitoring only	3.00	3.15	5% increase to cover costs
Garages			
Rent per week - Council Tenants - Garage in Proximity to Rented Property	9.67	10.15	% to increase in line with Rent
Rent per week - Council Tenants - Garage in Proximity to Rented Property (Chatsworth Road)	11.29	11.85	% to increase in line with Rent
Rent per week - All other circumstances	9.67 or 11.29 + 20% VAT	10.15 or 11.85 + 20% VAT	% to increase in line with Rent
Garage Plots			
Rent per annum - Council Tenants - Plot in Proximity to Rented Property	1.25	1.31	% to increase in line with Rent
Rent per annum - All other circumstances	1.25 + 20% VAT	1.31 + 20% VAT	% to increase in line with Rent
Miscellaneous Housing			
Heating - Council Tenants (Pear Tree Court communal)	7.00	7.00	
Management Fee - Tenants (B&B)	60.00	65.40	9% increase (CPI)
Insurance — Council Tenants	varies - £0.40 to £7.03	0.00	REMOVE - Service no longer provided
Statutory Notices			
Housing Act 2004 S.49			
Recovery of administrative and other expenses incurred in taking enforcement action	Actual Cost	Actual Cost	
STRATEGIC HOUSING			
Issue of Immigration Certificates	155.496	£169.50	9% increase (CPI)
Application for new licence	376.5	£410.40	9% increase (CPI)
Additional application fee per pitch in excess of 1	£6.00 per pitch	£7.00	Per pitch (9% increase (CPI) and rounding)
Amendment of licence	211	£230.00	9% increase (CPI)
Transfer of licence	153.5	£167.30	9% increase (CPI)
Annual fee	213	£232.20	9% increase (CPI)
Additional annual fee per pitch in excess of 1	£7.00 per pitch	£8.00	Per pitch (9% increase (CPI) and rounding)

Deposit, vary or delete site rules	133	£145.00	9% increase (CPI)
Enforcement costs relating to caravan sites based on actual officer time	£45 per hour	£49.00	9% increase (CPI)
Licensing of Houses in Multiple Occupation	716	£780.50	9% increase (CPI)
Interest charges applied to outstanding enforcement debts, for example works in default	0.0306	0.035	9% increase (CPI)
Housing Standards Enforcement costs based on actual officer time	Manager £54 / hour, EHO £45 / hour, Assistant £34 / hour	Manager £59 / hour, EHO £49 / hour, Assistant £37 / hour	9% increase (CPI)
LEISURE ACTIVITIES FEES AND CHARGES	Fee 2022/23 £:P	Proposed Fee 2023/24	
Get Active, Hire of Sports Equipment and Facilities			
Get active in the forest Tai Chi	4.50	5.00	For 1 hour session
Get active in the forest Senior Cycling - incl bike hire	3.80	4.50	Increased in line with neighbouring authorities
Get active in the forest Senior Cycling - excl bike hire	2.00	2.50	Increased in line with neighbouring authorities
Get active in the forest Nordic Walking - incl poles	3.80	4.50	Increased in line with neighbouring authorities
Get active in the forest Nordic Walking - excl poles	2.00	2.50	Increased in line with neighbouring authorities
Get active in the forest Walks	5.30	2.00 - 6.00	Increased in line with neighbouring authorities
Get active in the forest Schools Sessions	80 - 115	90 - 125	increase to cover costs
Get active in the forest Out & Active - per day	16 - 28.00	20 - 30	increase to cover costs
Get active in the forest Activity Days	16 - 33.00	20 - 30	increase to cover costs
General Get active Sessions- which may from time to time run	11.50	12.50	increase to cover costs
Get active goes mobile	90 - 165		REMOVE - Service no longer provided
Parish Council Charge-sports mobile/2 hr/all inclusive	200	225	increase to cover costs
Parish Council Charge-play mobile/2 hr/all inclusive	200	225	increase to cover costs
Parish Council Charge-wheels mobile/2 hr/all inclusive	290	325	increased for new Laser guns in addition to play mobile
Parish Council-Sport and Play Combo	350	400	reflective of £50 reduction from booking individually
Parish Council-possible new kit/provision	350	350	
Parish Council-Friday Combo	650	700	increase to cover costs
General Hire Charge-normal including staff / hour * **	90-185	90-190	increase to cover costs
Coach education courses	35-300	£35-300	
Sports / Physical activity sessions- e.g. basketball / netball etc	free-6.00	free-6.00	
Activity options for businesses/schools	up to £260/hour	up to £260/hour	
Coaching cost recharge	22.50-40/hour	22.50-40/hour	

Travel-per staff member / hour	12.00	12.00	
Travel per mile	0.50	0.56	increase to cover costs
Glade Performances	Dependant on Performance	Dependant on Performance	
Dance classes/session	Dependant on external funding, members, venue etc	Dependant on external funding, members, venue etc	
Festival of Leisure			
Hot food vendor (per Small unit - 4x4 gazebo) for 2 days	N/A	500	New to encourage variety of vendors
Hot food vendor (per Large unit - Trailer / unit) for 2 days	N/A	750	New to encourage variety of vendors
Voluntary/Charity/Club fund raising stall - per M frontage for 1 day	7.20	8.00	£8 x 4M = 32 per day
Voluntary/Charity/Club fund raising stall - per M frontage for 2 day	11.00	12.50	£12.50 x 4M = £50 for 2 days
Voluntary/Charity/Club information only 4m stall (admin fee)	10.00	10.00	
Trade stall - per M frontage for 1 day	13.00	15.00	£15 x 4M = £60 for 1 day
Trade stall - per M frontage for 2 day	19.50	21.50	£21.50 x 4M = £86 for 2 days
Trade Stall - Information Only 4m stall (admin fee)	32.00	35.00	Small increase as only providing info (bench marked)
Fairground 1-99m.sq. for 2 day	128.00	135.00	Increased in line with neighbouring authorities
Fairground 100-199m.sq. for 2 day	240.50	252.00	Brought in line with the Travelling small fair
Fairground 200-299m.sq. for 2 day	360.50	433.00	Brought in line with the Travelling large fair
Travelling Fairs & Events			
Commons & Parks - Daily Charge - large fair	412.00	433.00	Increased in line with neighbouring authorities
Commons & Parks - Daily Charge - small fair	240.00	252.00	Increased in line with neighbouring authorities
Commons & Parks - Non operating day charge	0.00	100.00	New charge for staying on land
Fairs - Returnable Deposit	1,000.00	1,000.00	
Commons & Parks - Daily Charge - large circus	308.00	375.00	Increased in line with neighbouring authorities
Commons & Parks - Daily Charge - small Circus	242.00	252.00	Increased in line with neighbouring authorities
Commons & Parks - Non operating day charge	0.00	100.00	New charge for staying on land
Circus - Returnable Deposit	1,000.00	1,000.00	Increased in line with neighbouring authorities
Commons & Parks - Daily Charge - commercial events	275.00	375.00	Increased in line with neighbouring authorities
Commercial activities - Returnable deposit	1,000.00	1,000.00	
Commons & Parks - Charitable Organisations etc - Admin Cost	50.00	50.00	
Commons & Parks - Charitable Organisations etc - Returnable Deposit	250.00	250.00	
Permit for Personal Trainer/Boot camp sessions on Parks	60.00	65.00	Increased in line with neighbouring authorities

PT/Boot camp session fee		POA	Daily/session charge based on number of participants
Parks			
Football - Grass Pitches - Seniors per Season	534.73	534.73	
Football - Grass Pitches - Seniors per match (casual bookings)	48.61	48.61	
Football - Grass Pitches - Seniors per match (casual bookings) without changing	36.46	36.46	
Football - Grass Pitches - Seniors per Season - CHESTNUT AVE ONLY	534.73	534.73	
Football - Grass Pitches - Seniors per match (casual bookings) CHESTNUT AVE ONLY	48.61	48.61	
Football - Grass Pitches - Seniors per match (casual bookings) without changing - CHESTNUT AVE ONLY	36.46	36.46	
Football - Grass Pitches - Juniors per Season with changing - ALL SITES EXCEPT CHESTNUT AVE	251.83	251.83	
Football - Grass Pitches - Juniors per Season without changing - ALL SITES EXCEPT CHESTNUT AVE	145.83	145.83	
Football - Grass Pitches - Juniors per match (casual bookings) ALL SITES EXCEPT CHESTNUT AVE	25.18	25.18	
Football - Grass Pitches - Juniors per match (casual bookings) without changing - ALL SITES EXCEPT CHESTNUT AVE	14.58	14.58	
Football - Grass Pitches - Juniors per Season - CHESTNUT AVE ONLY	251.83	251.83	
Football - Grass Pitches - Juniors per Season without changing - CHESTNUT AVE ONLY	145.83	145.83	
Football - Grass Pitches - Juniors per match (casual bookings) - CHESTNUT AVE ONLY	25.18	25.18	
Football - Grass Pitches - Juniors per match (casual bookings) without changing - CHESTNUT AVE ONLY	14.58	14.58	
Netball – senior per match or hour	16.04	16.04	
Netball – junior per match or hour	8.00	8.00	
Bowling Green Season Ticket - Adult	45.00	45.00	
Bowling Green Season Ticket - Concession	27.55	27.55	
Bowling Green Casual - Adult per hour	2.70	3.00	Increase rounded to nearest £
Bowling Green Casual - Concession per hour	1.54	1.50	rounded down to nearest £
Hire of Greens - Adult matches	30.50	30.50	
Hire of Greens - Junior matches	18.40	18.40	
Hire of Greens - without pavilion	20.50	20.50	
Crazy Golf - Adults	2.00	2.00	rounded down to nearest £

Crazy Golf - Juniors	1.05	1.00	rounded down to nearest £
Other Services			
Allotment Rent	35.00	40.00	
Stall at Liberation Day	Nil	Nil	
Traffic Island Sponsorship (per year for 3 year sponsorship deal)	Price on application	Price on application	
Swadlincote Town Hall	Fee 2022/23 £:P	Proposed Fee 2023/24	
Hire of Town hall - Off Peak (Mon-Fri 7am till 4pm) per hour	10.00	12.00	increase to cover costs
Hire of Town hall - Peak (Mon-Fri 4pm till 10pm, Sat any time) per hour	15.00	17.00	increase to cover costs
Hire of Town hall - Peak (Sun) 1st hour	22.50	25.50	REMOVE - Bank Holidays (Closed)
Hire of Town hall - Peak (Sun) per hour after 1st hour	15.00	17.00	REMOVE - Bank Holidays (Closed)
Hire of Town hall - After 10pm any day	25.00	N/A	REMOVE - centres now close at 10pm
Supplementary charge for when additional cleaning required following booking	50.00	60.00 + travel	Fee only charged where additional cleaning duties undertaken
Midway Community Centre	Fee 2022/23 £:P	Proposed Fee 2023/24	
Hire of Sports Hall - Off Peak (Mon-Fri 7am till 4pm) per hour	10.00	12.00	increase to cover costs
Hire of Sports hall - Peak (Mon-Fri 4pm till 10pm, Sat any time) per hour	15.00	17.00	increase to cover costs
Hire of Sports hall - Peak (Sun/Bank Holiday) 1st hour	22.50	25.50	REMOVE - Bank Holidays (Closed)
Hire of Sports hall - Peak (Sun/Bank Holiday) per hour after 1st hour	15.00	17.00	REMOVE - Bank Holidays (Closed)
Hire of Sports hall - After 10pm any day	25.00	N/A	REMOVE - centres now close at 10pm
Hire of Foyer Meeting Room Hall - Off Peak (Mon-Fri 7am till 4pm) per hour	10.00	12.00	increase to cover costs
Hire of Foyer Meeting Room - Peak (Mon-Fri 4pm till 10pm, Sat any time) per hour	12.50	15.00	increase to cover costs
Hire of Foyer Meeting Room - Peak (Sun/Bank Holiday) 1st hour	12.50	22.50	REMOVE - Bank Holidays (Closed)
Hire of Foyer Meeting Room - Peak (Sun/Bank Holiday) per hour after 1st hour	18.75	15.00	REMOVE - Bank Holidays (Closed)
Hire of Foyer Meeting Room - After 10pm any day	25.00	N/A	REMOVE - centres now close at 10pm
Supplementary charge for when additional cleaning required following booking	50.00	60.00 + travel	Fee only charged where additional cleaning duties undertaken
Stenson Fields Community Centre	Fee 2022/23 £:P	Proposed Fee 2023/24	
Hire of Main Hall - Off Peak (Mon-Fri 7am till 4pm) per hour	10.00	12.00	increase to cover costs
Hire of Main hall - Peak (Mon-Fri 4pm till 10pm, Sat any time) per hour	15.00	17.00	increase to cover costs

Hire of Main hall - Peak (Sun/Bank Holiday) 1st hour	22.50	25.50	REMOVE - Bank Holidays (Closed)
Hire of Main hall - Peak (Sun/Bank Holiday) per hour after 1st hour	15.00	17.00	REMOVE - Bank Holidays (Closed)
Hire of Main hall - After 10pm any day	25.00	N/A	REMOVE - centres now close at 10pm
Hire of Meeting Room - Off Peak (Mon-Fri 7am till 4pm) per hour	10.00	12.00	increase to cover costs
Hire of Meeting Room - Peak (Mon-Fri 4pm till 10pm, Sat any time) per hour	12.50	15.00	increase to cover costs
Hire of Meeting Room - Peak (Sun/Bank Holiday) 1st hour	18.75	22.50	REMOVE - Bank Holidays (Closed)
Hire of Meeting Room - Peak (Sun/Bank Holiday) per hour after 1st hour	12.50	15.00	REMOVE - Bank Holidays (Closed)
Hire of Meeting Room - After 10pm any day	25.00	N/A	REMOVE - centres now close at 10pm
Supplementary charge for when additional cleaning required following booking	50.00	60.00 + travel	Fee only charged where additional cleaning duties undertaken

REPORT TO:	HOUSING AND COMMUNITY SERVICES COMMITTEE (SPECIAL-BUDGET)	AGENDA ITEM: 6
DATE OF MEETING:	5 JANUARY 2023	CATEGORY: RECOMMENDED
REPORT FROM:	STRATEGIC DIRECTOR (CORPORATE RESOURCES)	OPEN
MEMBERS' CONTACT POINT:	CHARLOTTE JACKSON charlotte.jackson@southderbyshire.gov.uk	DOC: s/finance/committee/2022-23/Jan/budget
SUBJECT:	HOUSING REVENUE ACCOUNT BUDGET, FINANCIAL PLAN AND PROPOSED RENT 2023-24	REF:
WARD(S) AFFECTED:	ALL	TERMS OF REFERENCE: HC 01

1.0 Recommendations

- 1.1 That options for Council House Rents for 2023/24 are considered and a preferred option is agreed pending the Government's announcement of the Social Housing rent cap for 2023/24.
- 1.2 That the proposed revenue income and expenditure for 2023/24, together with the 10-year Financial Plan for the Housing Revenue Account (HRA) as detailed in **Appendix 1**, are considered and approved.
- 1.3 That the HRA is kept under review and measures identified to mitigate the financial risks detailed in the report and to maintain a sustainable financial position.
- 1.4 That following the Government's announcement on the Rent Cap for 2023/24, the financial position on the HRA is reviewed at the Committee on 2 February 2023.
- 1.5 That final HRA position and rent option is referred to Finance and Management Committee on 9 February 2023.

2.0 Purpose of the Report

- 2.1 As part of the annual financial cycle, the report details the HRA's base budget for 2023/24, with a comparison to the current year, 2022/23. In addition, the report details the updated 10-year financial projection for the HRA following a review during the annual budget round.

- 2.2 The report also sets out details of the proposed rent level for 2023/24 in accordance with Government directions. At this stage, the Government have not finalised their rent direction for 2023/24 and have been considering options for a maximum increase of 3%, 5% and 7%.
- 2.3 Therefore, the current HRA Budget and financial projection models the impact of each of the three options, and the Committee are requested to agree their preferred option pending the final announcement.

3.0 Detail

The Position Entering the 2023/24 Budget Round

- 3.1 During the current financial year, the financial position of the HRA has been reviewed and updated to reflect changes to the structure plus the budget out-turn position for 2022/23.
- 3.2 The latest position reported in November 2022, highlighted that large deficits were projected, due to be funded from the HRA Reserve with the lowest point being reached in 2026/27 where the estimated reserve falls to £1.54m. This is close at the statutory minimum set for the HRA of £1m. The following year sees HRA reserves recover to £2.54m due to the reduction in debt repayment funds. This does not leave a big contingency for any unforeseen issues.

Formulating the 2023/24 Base Budget

- 3.3 Budgets are generally calculated on a “no increase basis,” i.e. they are maintained at the same level as the previous year adjusted only for known changes, price increases and variations due to contractual conditions, etc.
- 3.4 In addition, budgets are also subject to a base line review which is used to justify proposed spending. This process places responsibility on budget holders to justify their spending budgets by specifying their needs in a more constructed manner. This is supported by the Financial Services unit, who analyse recent trends across services compared to current budgets.

On-going Service Provision

- 3.5 The budgets are based substantively on a continuation of existing service provision (in respect of staffing levels, frequency, quality of service, etc.).
- 3.6 The full year effects of previous year’s restructures and budget savings have been included, with any non-recurring items removed.

Base Budget 2023/24

- 3.7 The HRA’s Base Budget and longer-term financial projection up to 2032/33 is detailed in Appendix 1. A projection of this length is considered good practice

for the HRA to ensure that future debt repayments and capital expenditure are affordable for the longer-term sustainability of the Council's housing stock.

3.8 The following table provides an overall summary of the HRA's Net Operating Income position with a comparison to the approved 2022/23 budget.

HOUSING REVENUE ACCOUNT - BUDGET SETTING 2023/24

	Proposed Budget 2023/24 £'000	Approved Budget 2022/23 £'000	Movement £'000
Rental Income	-13,066	-12,854	-212
Non-Dwelling Income	-106	-124	18
Supporting People Grant	0	-130	130
Other Income	-190	-169	-21
General Management	2,226	2,067	162
Supporting People	993	946	47
Responsive	1,777	1,724	53
Planned Maintenance	1,761	1,810	-49
Bad Debt Provision	131	125	6
Interest Payable & Receivable	1,362	1,453	-94
Earmarked Reserve	-45		-45
Depreciation	4,844	4,213	631
Net Operating Income	-313	-939	626
Reversal of Depreciation	-4,844	-4,213	-631
Capital Expenditure	1,433	1,620	-187
Disabled Adaptations	300	300	0
Asbestos and Health & Safety Surveys	100	100	0
Debt Repayment	2,560	1,593	967
Major Repairs Reserve	550	600	-50
Asset Replacement Earmarked Reserve	45	45	0
Additional Debt Repayment Transfer	2,100	2,500	-400
Capital works non-traditional properties	0	100	-100
Potential Pay Award	60	21	39
Investment Income	0	-313	313
ICT Upgrades	30	30	0
Rent Loss Provision	66	65	1
HRA DEFICIT	2,087	1,509	578

3.9 The above table shows that the HRA's deficit is budgeted to increase from 2022/23 to 2023/24. There are a number of movements on each of the lines, further detail of which is listed in the report.

3.10 The main variances are summarised in the following table.

	Movement £'000
Debt Repayment Contribution	567
Interest Payable & Receivable	219
Supporting People Grant	130
General Fund Recharges	116
Housing Programme Manager Recharge	51
Employee Costs	26
Computer Maintenance	31
Utilities	15
Materials	11
Professional fees	12
Council Tax	8
Tools & Equipment Purchase	7
Repairs and Maintenance	4
Capital	-337
Rental Income	-212
Insurance	-71
Budget Increase	<u>578</u>

Council House Rents

- 3.11 The overall change between 2022/23 and 2023/24 is an estimated increase of £212k. This is due mainly to the application of an anticipated 5% rental cap introduced by the Government. The allowance for void properties has been increased to 3.41% based on current void levels at an average of 100 voids. The allowance in 2022/23 was set at 1.69% based on an average of 50 voids. Should the void levels in 2023/24 decrease over the financial year the rental income will be favourable against budget.
- 3.12 The Medium-Term Financial Plan (MTFP) includes an increase of 3% for rental income in 2023/24. Further detail and options regarding an increase have been included within the following paragraphs of the report.
- 3.13 The following table illustrates the increase in weekly rents for each of the Government options.

Government Cap %	Weekly Rental Increase between		Average rental increase per week	Average weekly property rent
3%	£1.84	£4.00	£2.53	£86.91
5%	£3.06	£6.67	£4.22	£88.60
7%	£4.29	£9.34	£5.91	£90.29

3.14 This excludes temporary accommodation and new build/acquisition as these rents are higher and also not comparable with prior years due to timing on the introduction of the rent.

3.15 Prevailing Government guidance allows rent levels to increase by CPI plus 1% each year. However, the Government are concerned that the current level of CPI is too high and are seeking to implement a rent cap of between 3% and 5%.

3.16 The MTFP assumes that the rent will increase by 3.0% in 2023/24 and remains at that level each year. The volatile fiscal markets make assumption of CPI difficult to predict, however experts predict that inflation will level off in 2024/25 to around 2%. It is considered that a 3.0% increase is deemed to be a prudent assumption.

3.17 With the uncertainty around the actual rent cap for the year, predictions on the potential impact on the MTFP and the HRA's General Reserve balance have been calculated. This demonstrates how the various levels of increases in rental income affect the £1m statutory balance over the life of the Plan. This also highlights the potential (depending on the level of increase) for investment into the housing stock, in line with the Housing White Paper and enable additional environmental options not previously deemed affordable to be a consideration.

	2023.24 £'000	2024.25 £'000	2025.26 £'000	2026.27 £'000	2027.28 £'000	2028.29 £'000	2029.30 £'000	2030.31 £'000	2031.32 £'000	2032.33 £'000	Total £'000
MTFP Rent at 3% Increase	-12,857	-13,316	-13,726	-14,051	-14,382	-14,720	-15,066	-15,420	-15,781	-16,149	-145,468
Rent at 3% increase	-12,857	-13,316	-13,726	-14,051	-14,382	-14,720	-15,066	-15,420	-15,781	-16,149	-145,468
Total Impact	0	0	0	0	0	0	0	0	0	0	0

General Reserve Balance -3,068 -2,335 -2,068 -1,429 -2,371 -3,325 -4,663 -5,945 -7,609 -10,743

	2023.24 £'000	2024.25 £'000	2025.26 £'000	2026.27 £'000	2027.28 £'000	2028.29 £'000	2029.30 £'000	2030.31 £'000	2031.32 £'000	2032.33 £'000	Total £'000
MTFP Rent at 3% Increase	-12,857	-13,316	-13,726	-14,051	-14,382	-14,720	-15,066	-15,420	-15,781	-16,149	-145,468
Rent at 5% increase	-13,118	-13,575	-13,993	-14,323	-14,661	-15,006	-15,359	-15,719	-16,087	-16,463	-148,303

Total Impact	-260	-258	-266	-273	-279	-286	-292	-299	-306	-313
--------------	------	------	------	------	------	------	------	------	------	------

General Reserve Balance	-3,328	-2,593	-2,334	-1,702	-2,650	-3,610	-4,956	-6,244	-7,915	-11,057
-------------------------	--------	--------	--------	--------	--------	--------	--------	--------	--------	---------

	2023.24	2024.25	2025.26	2026.27	2027.28	2028.29	2029.30	2030.31	2031.32	2032.33	Total
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
MTFP Rent at 3% Increase	-12,857	-13,316	-13,726	-14,051	-14,382	-14,720	-15,066	-15,420	-15,781	-16,149	-145,468
Rent at 7% increase	-13,405	-13,807	-14,222	-14,648	-15,088	-15,540	-16,007	-16,487	-16,981	-17,491	-153,676
Total Impact	-548	-491	-495	-598	-706	-820	-940	-1,067	-1,201	-1,341	

General Reserve Balance	-3,616	-2,826	-2,563	-2,027	-3,077	-4,145	-5,604	-7,012	-8,810	-12,085
-------------------------	--------	--------	--------	--------	--------	--------	--------	--------	--------	---------

3.18 The assumptions applied to the calculations are for the level of voids to remain at 3.41% (100 voids) in 2023/24 reducing to 2.39% (70 voids) in 2024/25 and leveling back to 1.71% (50 voids) thereafter. The percentage rental increase varies for 2023/24 only and reverts back to an annual 3% increase.

3.19 As shown, with a 3% increase reserves would remain at the level calculated in current predictions. The HRA's General Reserves balance in 2026/27 is close to the minimum statutory requirement of £1m at £1.42m. This would add no security to reserves or create additional opportunity for investment into housing stock over the life of the plan.

3.20 With a 5% increase the lowest point of HRA General Reserves is £1.70m. The impact on reserves would be positive, resulting in an average of £283k additional rental income over the life of the plan, that could be investment in the housing stock and offer medium term security needed for the HRA General Reserves.

3.21 An increase of 7% would see HRA General Fund Reserves remain comfortably above the minimum statutory requirement. In 2026/27 the lowest level of reserves is £2.02m, however over the life of the plan opportunity to invest in the housing stock is represented by a favorable impact on the reserves of an average of £821k over the life of the plan.

3.22 There is a requirement that the statutory balance on the HRA must be at least £1m in any one year and where there appears to be a risk to that balance, measures have to be taken to ensure that the Council reviews costs and income to ensure the HRA is sustainable. It must be noted that the rental figures calculated are based on current levels of voids and do have the potential to increase.

3.23 Due to the approved agreement under self-financing to repay debt of £30m from 2022 to 2027, the HRA has significant pressure over the next five years to generate enough in reserve to afford the repayments. The debt repayment contribution is included over the life of the MTFP.

- 3.24 The General reserve balance has been impacted by the loss of Careline income from 2023/24 which has resulted in nearly £1.2m deduction to the reserve. Although the loss of income is under review, at this stage the increased rental income included in the MTFP has covered the impact.
- 3.25 In addition to the rental increase, a provision of 3.41% for losses in income due to voids has been included in the MTFP for 2023/24. Void losses have been significant in 2022/23. Work is underway to control the losses, but it is prudent to account for the potential risk with a decreasing percentage over the Plan until 2025/26 when it is expected to stabilise back at previous levels of 50 properties.
- 3.26 Right to Buy (RTB) losses forecasted have remained in line with the budget 2022/23 with 6 sales recorded to date. Losses have reduced to a forecast of 18 from 2023/24.
- 3.27 It is likely that this assumption is too low, but the forecast does not currently take into account any future properties purchased or built by the Council over the Plan beyond 2022/23. A programme of new build homes and acquisitions is, however, currently under discussion with the Council House Development Group with a view to updating Members once all options have been considered. This forecast of income losses is a worst-case scenario but will be kept under review.
- 3.28 Rental income for HRA garages has been proposed in the fees and charges to increase at the same level as Dwellings.

Capital Expenditure and Debt Repayment

- 3.29 Proposed capital expenditure is based on stock condition survey data and the fluctuation in required expenditure year-on-year and is included within the MTFP.
- 3.30 The contribution to the Debt Repayment Reserve is profiled in line with capital expenditure to not only ensure that the HRA General Reserve does not fall below the statutory £1m but to also have available funds to repay debts as they become due. The contribution and repayment of debt is included within the MTFP.

Staffing Costs

- 3.31 A pay award is not included within the Base Budget at this stage as no official notification has been submitted to the Council.
- 3.32 The MTFP was updated in November 2022 to include a pay award for 2022/23 and also includes a provision for a potential pay award increase of 3.5% per year for all employees from 2023/24.
- 3.33 Incremental salary increases are included within the MTFP each year and are expected ahead of the Budget round.

- 3.34 Base salary costs have increased between years due to Direct Labour Organisation (DLO) transferring from Craft JNC pay scales to the National Joint Council (JNC) spinal column points, as approved at Finance and Management Committee in April 2022.

General Fund Recharges

- 3.35 The total impact of the increase in HRA recharges is £116k and after a full review of all charges, the following table details the movement by General Fund service area.

	Movement £'000
Head of Finance	27
Head of Business Change & ICT	15
Head of Legal & Democratic	4
Strategic Director (Corporate Resources)	9
Head of Organisational Development & Performance	18
Head of Customer Services	14
Head of Corporate Property	7
Head of Operational Services	22
	116

- 3.36 The increases for each area represent the rise in the costs for providing direct support from each of the service areas. The biggest increase is due to staff costs resulting from the recent pay award, and the increased rates of inflation added to costs of service.

Repairs and Maintenance

- 3.37 Repairs and Maintenance costs have remained consistent in line with the existing planned maintenance schedule.

Interest Payable and Receivable

- 3.38 The overall movement in interest payable and receivable shows an increase of £219k, this is due to the inclusion of additional investment income (£313k) in 2022/23. The actual budget for interest receivable is an increase of £94k and the interest payable remains static at £1.5m, until the next repayment of £10m in March 2024 for the scheduled debt taken out as part of self-financing.

Insurance

- 3.39 Insurance savings (£71k) are the result of the Council's tendering of its insurance services as reported in November.

Computer Maintenance Agreements

- 3.40 Increases to licence and maintenance fees are expected year on year in line with inflation and is included within the MTFP at 2.5%. The financial year has recorded record highs in inflation resulting in licenses and maintenance agreements increasing by 10.1%, the £31k budget increase reflects this percentage uplift.

Void Dwellings

- 3.41 The impact of void properties not only effects the income losses as noted earlier in the report, but also costs the HRA. When dwellings become void, they are subject to Council Tax charges the increase (£8k) in budget is due to the high levels of voids currently experienced. The costs of utilities have also been increased (£15k) to allow for the increased costs of prepayment meter, standing charges and to allow for refurbishment works to be carried out.

Other Factors

- 3.42 The following detail is for information on the HRA position and are not variances between budgeted years.

Depreciation

- 3.43 The increase is due to the revaluation of all Council dwellings in March 2022 which will be depreciated in accordance with accounting practice.
- 3.44 Depreciation is calculated on the existing use value and age of each property in the HRA. This is designed to ensure that the Council sets-aside sufficient resources to maintain and replace properties in future years.
- 3.45 The Council has an on-going capital programme and properties generally have a substantial useful life if maintained properly. Although the depreciation charge is included as a cost charged in the net operating income of the HRA, it is reversed out when calculating the overall surplus or deficit on the HRA.
- 3.46 However, under accounting regulations, the annual amount of capital expenditure, plus sums set-aside to repay debt, need to be equal to or greater than the depreciation charge for the year. This is effectively testing that the Council is properly maintaining and financing the liabilities associated with its housing stock.
- 3.47 Where the depreciation charge is higher than actual capital expenditure/debt repayment, the HRA would be charged with the difference in that particular year. For 2023/24, expenditure is in excess of depreciation.

The Longer-term Financial Projection

- 3.48 Following the introduction of the self-financing framework for the HRA in 2012, this generated a surplus for the HRA as the Council was no longer required to pay a proportion (approximately 40%) of its rental income to the Government in accordance with a national redistribution framework.

- 3.49 This released resources, which in the early years of the Housing Business Plan, were available for capital investment in the existing stock, together with resources for New Build. Surpluses in later years are to be used to repay the debt that the Council inherited in return for becoming “self-financing” and to continue a programme of capital maintenance in future years.
- 3.50 The HRA budget and projection is based on the principles that the HRA will carry a minimum unallocated contingency of at least £1m as a working balance and that sufficient resources are set-aside in an earmarked reserve to repay debt as instalments become due.

HRA Reserves

- 3.51 The HRA has 5 separate reserves as detailed in the following table.

General Reserve	Held as a contingency with a minimum balance of at least £1m.
New Build Reserve (Capital Receipts Reserve)	Accumulated Capital Receipts pending expenditure on building new properties/acquisition of properties. The financial model assumes that these are drawn down each year to finance new build or acquisition ahead of any further borrowing. The carrying balance from year to year remains low.
Debt Repayment Reserve	Sums set-aside to repay debt; contributions to the Reserve started from 2016/17 in accordance with the debt repayment profile.
Major Repairs Reserve	A Capital Reserve with sums set-aside each year for future programmed major repairs on the housing stock. A large balance is accruing in this reserve to be utilised against future capital and environmental works.
Earmarked Reserve	Sums set-aside for future replacement of vehicles for the Direct Labour Organisation.

The Updated Financial Position

- 3.52 Following the base budget review, the 10-year Financial Plan for the HRA has been reviewed and updated. This is detailed in **Appendix 1**. The overall position has improved compared to the previous forecast due to the increased income projections.
- 3.53 The General Reserve remains above the statutory £1m for the duration of the 10-year projection.
- 3.54 After review of the capital programme, sums are being set-aside in the Major Repairs Reserve to ensure that future capital improvements can be funded. A revised stock condition survey has been completed and an update regarding profiling of the works over the next 30 years was reported during 2019/20.

3.55 There are a number of sites in development for acquisition pending future approvals, however the Capital Receipts Reserve is set to increase each year due to receipts from the sale of houses under the Right to Buy Scheme. The reserve has increased in line with the expected losses of properties through RTB noted earlier in the report.

Debt Repayments and Borrowing

3.56 The Council took on the management of debt valued at £58m in 2012. No additional borrowing has been required. The current level of debt is £48m following the first repayment of £10m in March 2022.

3.57 The following debt repayments are due over the life of the current financial plan:

- 2023/24 - £10m
- 2026/27 - £10m
- 2031/32 - £10m

3.58 The financial projection to 2031/32 shows that these repayments can be met. The next repayments are not then due until 2032.

Key Variables and Assumptions

3.59 The Financial Plan is based on certain assumptions in future years regarding what are considered to be the key variables. These are summarised in the following table.

Cost inflation	2.5% per year. This is lower than the current level of inflation with the volatile fiscal markets assumption of CPI are difficult to predict and economic experts predict that inflation will level off in 2024/25 to around 2%. A provision of 2.5% in the short-term is considered prudent to reflect that prices for materials in the building industry tend to rise quicker than average inflation.
Annual rent increases	CPI + 1% - Capped in 2023/24 due to high inflation (to be announced) 3% per year thereafter.
Council house sales – “Right to Buys”	18 from 2023/24 and going forwards. Targets set by the Government in calculating the self-financing settlement expect sales of 10 per annum.
Interest Rates	Fixed until 2024 after the second tranche of £10m due in 2023/24. There after the interest will reduce and remain fixed until the next payment in 2026/27.

Financial Risks

3.60 The main risks to the HRA are considered to be those as detailed in the following sections.

Future Rent Levels

- 3.61 The biggest risk in the Financial Plan is considered to be future rent levels. Government guidance expects the rent levels to increase by CPI plus 1% each year. The MTFP assumes that the rent will increase by 3.0% in 2023/24 and remains at that level each year.
- 3.62 With the uncertainty around the actual rent cap for the year, predictions on the potential impact on the MTFP and the HRA's General Reserve balance cannot be confirmed but have been calculated to illustrate various impacts in 3.17.
- 3.63 The HRA is dependent on rental income (currently £13m per year) for its resources. Even small variations in rent changes can have significant implications in monetary terms for the Financial Plan over the longer-term.

Right to Buys

- 3.64 A decrease in current properties from sales continues to be built into the Budget and Financial Plan and this reflects the current level of sales. Therefore, the HRA will continue to generate resources for further new build and acquisition in the future, although on-going rental income is lost.
- 3.65 The main risk relates to a sudden surge in sales which has been apparent in recent years; although this generates capital, the loss in on-going rental income could have a much more adverse impact on the HRA which has now been built into the MTFP at a higher level.

Supporting People

- 3.66 It has not yet been confirmed that Derbyshire County Council will no longer support the Careline service past March 2023. A six-month extension is predicted.
- 3.67 The MTFP has removed the contribution of £130k per annum. Service provision is currently under review and a new working model will be reported to the Committee during 2023.
- 3.68 In addition to the loss of income, there are likely to be significant costs incurred for the transfer of the service from analogue to digital. The estimated costs are still unknown but further detail will be included in a report to the Committee during 2023.

Impairment

- 3.69 Impairment is an accounting adjustment that reflects a sudden reduction in the value of an asset. An asset becomes impaired where a one-off event (e.g. fire, vandalism, etc.) causes significant damage or there is a significant change in market conditions, which reduces the value of the asset.
- 3.70 In accordance with accounting regulations, provision has to be made in an organisation's accounts for the loss in an asset's value through impairment.

However, as with depreciation, this is purely an accounting exercise for local authorities. Impairment charges are reversed out of revenue accounts to ensure that it does not affect the “bottom line” and Rent (in the HRA’s case) payable by Council Tenants.

- 3.71 The Government has been reviewing this accounting treatment to bring local authorities into line with other organisations in accordance with International Reporting Standards. This has been challenged by the relevant professional bodies.
- 3.72 Large impairment adjustments are rare. In addition, impairment needs to affect the wider asset base. For example, damage to one property would not affect the overall value of the Council’s stock, which is currently valued at £130m in total.
- 3.73 If there was a wider event affecting many properties however, this would lead to an impairment charge. It is considered that the most likely scenario is a sudden fall in property values as this would affect the overall valuation of the stock. The potential for impairment charges could have serious implications for all housing authorities and this is why it has been challenged.

Changes in Central Government Policy

- 3.74 Although the HRA continues to operate under a self-financing framework, Central Government retain the power to change policy in many areas which can impact upon the Financial Projection.

Universal Credit (UC)

- 3.75 A greater number of Council tenants are now receiving Universal Credit and not Housing Benefit. There is a risk that this change leads to an increase in rent arrears.
- 3.76 Housing Benefit is paid directly to a tenant’s Rent Account where this is due. In a system of Universal Credit, the benefit element is effectively paid direct to the Tenant, and this gives the potential for tenants to default on their rent payments and increases rent arrears..
- 3.77 The rebate directly received from Housing Benefit by the HRA has noticeably reduced during 2022/23 compared to 2021/22. The debt position at this stage is lower than in last financial year. Rent arrears have decreased over the year by £78k from March 2022. This is due to a review of debt recovery and new processes for collecting rent arrears being introduced.

Rent Levels

- 3.78 As part of Welfare Reform, rent charges from Registered Providers have been scrutinised and a standard format of charges has been updated within the Rent Standard 2020.

- 3.79 The Council is currently reviewing the impact of the Rent Standard and will report to Committee with an updated Rent Policy during 2023.

Proposed Rent Levels 2023/24

- 3.80 In accordance with the statutory provisions, the final HRA Budget 2023/24 and proposed rent level will be reported for approval at Finance and Management Committee on 9th February 2023, following the Government's announcement of the cap on rental increases for 2023/24.

Effect on Individual Tenants

- 3.81 The effect on tenants will be reported once confirmation of the actual rent increase has been agreed. The calculation on the potential effects of rental increases per tenant is illustrated in 3.14.

4.0 Financial Implications

- 4.1 As detailed in the report.

5.0 Corporate Implications

Employment Implications

- 5.1 None.

Legal Implications

- 5.2 None.

Corporate Plan Implications

- 5.3 The proposed budgets and spending included in the HRA provides the financial resources to enable on-going services and Council priorities to be delivered.

Risk Impact

- 5.4 The Financial Risk Register is detailed in the Medium-Term Financial Plan and financial risks specific to the HRA are detailed in Section 3.

6.0 Community Impact

Consultation

- 6.1 There is no statutory requirement to consult with tenants or other stakeholders, although it is considered good practice to do so. Traditionally, the Council has disseminated proposals through Area/Community Forums and via a presentation at the South Derbyshire Partnership Board. Many authorities do consult formally regarding their budget proposals and medium-term financial

plans prior to setting budgets, using panels, representative groups, etc. as a way of fully engaging local people.

Equality and Diversity Impact

6.2 None.

Social Value Impact

6.3 None.

Environmental Sustainability

6.4 None.

7.0 Conclusions

7.1 That the proposed base budgets are scrutinised and approved to provide the financial resources for continuation of service delivery.

8.0 Background Papers

8.1 None.

APPENDIX 1

HOUSING REVENUE ACCOUNT FINANCIAL PROJECTION - JANUARY 2023

	2022.23	2023.24	2024.25	2025.26	2026.27	2027.28	2028.29	2029.30	2030.31	2031.32	2032.33
	Approved Budget £'000	Proposed Budget £'000	Forecast £'000	Forecast £'000	Forecast £'000	Forecast £'000	Forecast £'000	Forecast £'000	Forecast £'000	Forecast £'000	Forecast £'000
INCOME											
Rental Income	-12,893	-13,066	-13,449	-13,766	-14,089	-14,420	-14,758	-15,103	-15,456	-15,816	-16,184
Non-Dwelling Income	-124	-106	-115	-118	-122	-125	-129	-133	-136	-140	-144
Supporting People Grant	-130		0	0	0	0	0	0	0	0	0
Other Income	-177	-190	-185	-185	-185	-185	-185	-185	-185	-185	-185
Total Income	-13,324	-13,362	-13,749	-14,069	-14,396	-14,730	-15,072	-15,421	-15,777	-16,141	-16,513
EXPENDITURE											
General Management	2,111	2,184	2,238	2,287	2,338	2,389	2,442	2,496	2,551	2,608	2,666
Supporting People	946	994	1,021	1,050	1,080	1,111	1,144	1,178	1,214	1,251	1,291
Responsive	1,725	1,777	1,821	1,864	1,909	1,955	2,001	2,050	2,099	2,150	2,202
Planned Maintenance	1,810	1,761	1,803	1,847	1,892	1,938	1,985	2,034	2,083	2,134	2,186
Bad Debt Provision	125	131	134	137	140	144	147	151	154	158	161
Interest Payable & Receivable	1,456	1,362	1,093	1,093	1,093	792	792	792	792	792	462
Depreciation	4,213	4,844	4,417	4,393	4,369	4,345	4,321	4,297	4,274	4,250	4,226
Net Operating Income	-938	-312	-1,222	-1,398	-1,575	-2,056	-2,240	-2,423	-2,610	-2,798	-3,319
Known variations:											
Reversal of Depreciation	-4,213	-4,844	-4,417	-4,393	-4,369	-4,345	-4,321	-4,297	-4,274	-4,250	-4,226

Capital Expenditure	1,620	1,433	1,877	1,916	1,847	2,182	2,261	2,489	2,403	1,805	2,301
Disabled Adaptations	300	300	300	300	300	300	300	300	300	300	300
Asbestos and Health & Safety Surveys	100	100	100	100	100	100	100	100	100	100	100
Debt Repayment - Balance of Depreciation	1,593	2,561	1,640	1,577	1,972	1,213	1,110	908	971	1,545	1,025
Major Repairs Reserve	600	550	600	600	250	650	650	600	600	600	600
Asset Replacement Earmarked Reserve	45	45	45	45	45	45	45	45	45	50	50

HOUSING REVENUE ACCOUNT FINANCIAL PROJECTION - JANUARY 2023

	2022.23	2023.24	2024.25	2025.26	2026.27	2027.28	2028.29	2029.30	2030.31	2031.32	2032.33
	Approved Budget	Proposed Budget	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Additional Debt Repayment Transfer	2,500	2,100	1,500	1,300	1,850	750	750	750	1,000	800	0
Investment Income	-313	0	0	0	0	0	0	0	0	0	0
Capital works non-traditional properties	100	0	0	0	0	0	0	0	0	0	0
Options Appraisal Smallthorne Place	23	0	0	0	0	0	0	0	0	0	0
Potential Pay Award	0	55	56	57	59	60	62	62	58	59	60
ICT Upgrades	30	30	30	30	30	30	200	0	0	0	0
Rent Loss Provision	65	66	68	69	71	73	74	76	78	80	82
Incremental Salary Increases	0	0	0	0	0	0	0	0	0	0	0
HRA Surplus (-) / Deficit	1,511	2,087	576	203	579	-999	-1,009	-1,390	-1,329	-1,709	-3,027

HRA General Reserve

HRA Reserve B/fwd	-6,494	-4,983	-2,899	-2,324	-2,121	-1,541	-2,540	-3,549	-4,939	-6,268	-7,977
(Surplus) / Deficit for year	1,511	2,087	576	203	579	-999	-1,009	-1,390	-1,329	-1,709	-3,027

HRA Reserve C/fwd	-4,983	-2,896	-2,324	-2,121	-1,541	-2,540	-3,549	-4,939	-6,268	-7,977	-11,005
-------------------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	---------

RESERVES

Debt Repayment Reserve

Balance B/fwd	-1,600	-5,693	-354	-3,494	-6,371	-193	-2,156	-4,016	-5,674	-7,645	10
Depreciation balance	-1,593	-2,561	-1,640	-1,577	-1,972	-1,213	-1,110	-908	-971	-1,545	-1,025
Transfers to reserve	-2,500	-2,100	-1,500	-1,300	-1,850	-750	-750	-750	-1,000	-800	0
Repayment of loan	0	10,000	0	0	10,000	0	0	0	0	10,000	0

Reserve C/fwd	-5,693	-354	-3,494	-6,371	-193	-2,156	-4,016	-5,674	-7,645	10	-1,015
---------------	--------	------	--------	--------	------	--------	--------	--------	--------	----	--------

Earmarked Reserve

Balance B/fwd	-401	-298	-298	-73	-118	-163	-208	-253	-298	-63	-113
Vehicle Replacement Transfer to Reserve	-45	-45	-45	-45	-45	-45	-45	-45	-45	-50	-50
Software Upgrade	148	45	0	0	0	0	0	0	0	0	0
Asset Replacement	0	0	270	0	0	0	0	0	280	0	0

Reserve C/fwd	-298	-298	-73	-118	-163	-208	-253	-298	-63	-113	-163
---------------	------	------	-----	------	------	------	------	------	-----	------	------

HOUSING REVENUE ACCOUNT FINANCIAL PROJECTION - JANUARY 2023

	2022.23	2023.24	2024.25	2025.26	2026.27	2027.28	2028.29	2029.30	2030.31	2031.32	2032.33
	Approved Budget	Proposed Budget	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Major Repairs Reserve											
Balance B/fwd	-4,457	-5,157	-5,707	-6,307	-6,907	-7,157	-7,807	-8,457	-9,057	-9,657	-10,257
Transfers to reserve	-600	-550	-600	-600	-250	-650	-650	-600	-600	-600	-600
Earmarked non-traditional properties	-100	0	0	0	0	0	0	0	0	0	0
Reserve C/fwd	-5,157	-5,707	-6,307	-6,907	-7,157	-7,807	-8,457	-9,057	-9,657	-10,257	-10,857
New Build Reserve											
Capital Receipts B/fwd	-2,935	-3,376	-3,991	-4,602	-5,214	-5,826	-6,437	-7,049	-7,660	-8,272	-8,884
Acquisitions in year	280	0	0	0	0	0	0	0	0	0	0
RTB Receipts in year	-721	-615	-612	-612	-612	-612	-612	-612	-612	-612	-612
Borrowing in year	0	0	0	0	0	0	0	0	0	0	0
Balance c/fwd	-3,376	-3,991	-4,602	-5,214	-5,826	-6,437	-7,049	-7,660	-8,272	-8,884	-9,495

REPORT TO:	HOUSING AND COMMUNITY SERVICES COMMITTEE	AGENDA ITEM: 7
DATE OF MEETING:	5 JANUARY 2023	CATEGORY: RECOMMENDED
REPORT FROM:	STRATEGIC DIRECTOR (SERVICE DELIVERY)	OPEN
MEMBERS' CONTACT POINT:	PAUL WHITTINGHAM Paul.Whittingham@southderbyshire.gov.uk	DOC:
SUBJECT:	DECARBONISATION OF THE COUNCIL'S HOUSING STOCK	
WARD(S) AFFECTED:	ALL	TERMS OF REFERENCE: HCS02

1.0 Recommendations

- 1.1 That the Committee approves the Council bidding for funding of £1.8 million from "Wave 2.1" of the Government's Social Housing Decarbonisation Grant fund informed by the findings of Nottingham City report on energy efficiency and subsequent bid for Wave 1 funding.
- 1.2 That in the event the bid is successful the Council agrees to making the required landlord contribution of 50% of the total cost of improvements that would be delivered by this scheme (approximately £876,000 over 3 years
- 1.3 That in the event of a successful bid the Council approves the acceptance and receipt of any bid funding
- 1.4 That the financial implications of submitting the bid are referred to the Finance and Management Committee for approval.

2.0 Purpose of the Report

The purpose of this report is to seek the approval of the Committee for the bid under Wave 2 of the Social Housing Decarbonisation Fund. This bid follows the successful bid for Wave 1 Funding which was agreed by the Committee on 30th September 2021. The Wave 1 bid was based on data collected as part of the project undertaken by Nottingham City Council in 2020/21. This project was commissioned to support the delivery of the Council's Climate Emergency commitment, assess the specific baseline position of the Council's housing stock, and identify the most appropriate action and investment that is required.

3.0 Executive Summary

- 3.1 The council is currently working to deliver wave 1 of the Social Housing Decarbonisation Fund programme sponsored by the Department for Business Energy and Industrial Strategy (BEIS) These works will improve the thermal comfort, ventilation, and energy efficiency of approximately 111 homes and will complete by 31 March 2023.

- 3.2** In September 2022, the Government published the funding regime and guidance for “Wave 2.1” of its Social Housing Decarbonisation Fund (SHDF) initiative. The data provided by Nottingham City Council along with improved knowledge of the housing stock gained during the preparation and delivery of Wave 1 has been used to inform this bid.
- 3.3** The bid is for £1.8m which will provide improvements to 103 – 110 properties.
- 3.4** Due to the bid timetable the Council had to submit an outline proposal to BEIS with the permission of the Strategic Director Corporate Resources before the deadline of 18th November 2022 on the understanding with BEIS that the bid would be formalised once the approval of Committee was given.
- 3.5** The Application and Guidance to the bid are attached as appendix A and B.

4.0 Detail

- 4.1** BEIS guidance gained from the pilot project and during SHDF wave 1 has confirmed that whilst alternative sources of heating can provide a means of improving energy efficiency, the most effective mechanism is to address any deficiency in the fabric of the building first.

Conserving heat by the replacement of poorly insulated roofs, doors and windows with high efficiency measures will reduce the amount of energy required to maintain a comfortable living environment and the resulting energy saving will directly benefit tenants financially.

Recent developments have heightened the concerns around damp and mould and the risk to health such conditions pose. The measures typically installed under the SHDF scheme can act to reduce or eliminate thermal bridging that is often a contributing cause of cold spots susceptible to condensation and mould growth as well as identifying and offering solutions to inadequate ventilation. This approach is in line with the recently published letter to landlords from the Housing Regulator which asks for confirmation as to the approach by landlords to preventing hazards to health caused by damp and mould.

Regarding low carbon heating options, the market for new and alternative source of heating has been adversely impacted by the global financial conditions. Although capacity is building, demand and supply remains unbalanced, and the anticipated economies of scale have yet to be fully realised. Furthermore, the long-term ongoing support and maintenance of these new technologies is subject to a lack of suitably trained and experienced service technicians.

- 4.2** Consequently the “fabric first” approach adopted in the Wave 1 bid is proposed to be followed in the Wave 2 bid. A link to the guidance for bids for this fund is attached as appendix A.

A preliminary self-assessment exercise was completed which identifies the key requirements which must be addressed within the bid:

- Stock data, analysis and selection of appropriate stock.
- Project Team and expertise in delivering the bid and programme
- Procurement and supply chain
- Qualified and Accredited Team Members
- Monitoring and evaluation methods post installation
- Occupant engagement.

- 4.9 Preliminary work has been undertaken by the Housing Service with the Government's Social Housing Retrofit Accelerator Team partner, Turner Townsend with the technical assistance of the retrofit design consultant, Constructive Thinking. The Councils outline bid was submitted 18th November 2022, subject to Committee Approval, with successful bids to be awarded in January 2023. Unlike SHDF Wave 1 this project has a longer duration delivery schedule of 2.5 years ending 31st September 2025 with the requirement that all works are complete by this date. Furthermore, the government funding element must be consumed by 31/03/2025 though council funding can span 3 financial years.
- 4.10 The provision of improved insulation to roofs and floors has already been recognised but of equal significance for the Council will be the replacement of double glazing in council homes with either higher-grade double or triple glazed glazing as this is a structural element subject to periodic replacement and included in the planned maintenance programme.
- 4.11 The estimated average cost of the improvements necessary to achieve EPC Level C is c.£15,000 per property and reflects the enhanced need for fabric first in advance of widescale changes in sources of heating. It should be noted that this is an average figure and that the cost of each property will vary depending upon the measure mix specified by the retrofit designer.
- 4.12 Nottingham City Council survey data has been used to build the Wave 2 bid which in addition to including properties demoted from Wave 1 and continuing to improve the sheltered housing stock also includes property that has not fully benefitted from earlier initiatives to install of low carbon heating systems. Tenants of these homes may suffer excessive energy costs and therefore be at risk of falling into fuel poverty.

5.0 Financial Implications

- 5.1 If successful, the bid for SHDF support will obtain 50% funding for the overall programme from BEIS. The sum £876,000 has to be consumed in years 2023/4 and 2024/5 although the phasing is at the discretion of the successful authority.
- 5.2 The bid totalling £1.8 million requires a co-funding contribution by the Council of £876,000 this to be provided over the three financial years 2023/4, 2024/5 and 2025/6. BEIS have not mandated how this spending is to be phased over the delivery period.
- 5.3 The co-funding contribution will need to be met from the Housing Revenue Account Planned External Maintenance and Capital Budgets subject to the approval of the Finance and Management Committee.

Budget Source	Expenditure in Financial Year			Project Total 2023/26
	2023/4	2024/5	2025/6	
HRA	£43.8k	£43.8k	£43.8k	£131.4k
Planned Maintenance programme	£248.2k	£248.2k	£248.2k	£744.6k
Total Per financial year (£)	£292k	£292k	£292k	£876k
Phasing	33.3%	33.3%	33.3%	100%

- 5.4 The reallocation of funds from existing capital and planned maintenance budget to the SHDF programme will enable SDDC to capture £876k of central government

funding however it will have the effect of reducing sum available to deliver the number of roof and kitchen/ bathroom replacements envisaged within the existing planned maintenance budget allocation

The following table shows to the impact on the delivery of planned works implied by the reallocation of planned maintenance budget to fund SHDF Wave 2.1.

Planned Maintenance Element	Reduction in replacements - Financial Year			Total Impact
	2023/4	2024/5	2025/6	
Roof Replacement	- 22	- 22	- 22	- 66
Kitchen/ Bathroom	- 28	- 28	- 28	- 84

The planned maintenance programme is built on pre-defined replacement periods supported by a survey of condition. The impact of temporarily deferring elements of the planned work programme is not anticipated to result in a materially increased risk of compromising structural integrity of the assets concerned, however the maintenance team will minimise risk by ensuring that the residual budget will be focussed on those properties assessed as having the highest priority for replacement.

- 5.5 BEIS does not mandate the proportion of its co-funding contribution that is consumed in each delivery year however they do suggest a 40/60% phasing. Given that the SDDC budget is distributed evenly across all three financial years the number and type of property included in the wave 2 delivery plan is shown in the table below.

Property Type	Number of homes to be delivered in SHDF Wave 2			TOTALS
	2023/4	2024/5	2025/6	
General Needs - Flat	-	6	-	6
General Needs - House	-	41	6	47
Sheltered Scheme Dwellings	39	3	8	50
TOTALS	39	50	14	103

- 5.6 Continuing the 'fabric first' objective set by BEIS and being delivered under Wave 1 property demoted from wave 1 but for which retrofit assessments have already been carried out would be easiest to deliver in 2023/4. Measures will be similar to those of wave 1 and comprise additional insulation, replacement windows and doors, and improved ventilation.
- 5.7 Cost inflation experienced over the course of the preparation and delivery of wave 1 continues to be of concern. This has been recognised by Government and therefore a higher allowance per property has been made to address this risk.

6.0 Corporate Implications

Employment Implications

- 6.1 An allowance is made within the SHDF funding for the administration of the scheme. This allowance supports the employment of two officers who have additional responsibility for the administration and management of the LAD3 and HUG1 Green Home Grant/ Sustainable Warmth schemes. The council is confident that a bid for a further allocation of £1.9 million via Midland Net Zero Hub consortium under the HUG2 scheme will be successful. This programme will run over the same 2.5 year time period ending September 2025 and the costs are apportioned accordingly.

Legal Implications

- 6.2 The current “Whole House” contract with NOVUS already has scope for the delivery of major improvement works to Council properties. However, the initial term of this contract expires in July 2024 part way through the duration of the SHDF programme. This contract does include an extension clause and any consideration regarding the potential to extend this would be the subject of a further report.

Corporate Plan Implications

- 6.3 The contents of this report make a direct contribution to the aims of the Council's Corporate Plan to:
- Tackle climate change - Strive to make South Derbyshire District Council carbon neutral by 2030.
 - Work with residents, businesses and partners to reduce their carbon footprint
 - Promote health and wellbeing across the District.
 - Improve the condition of housing stock and public buildings.

Risk Impact

- 6.4 The contents of this report make a direct contribution to mitigating the risk identified within the Corporate Risk register: Climate Emergency – The failure of the Council to achieve carbon neutrality for its operations by 2030 and carbon neutrality for the district by 2050.

7.0 Community Impact

Consultation

- 7.1 Council tenants have already been engaged in the project through their participation and cooperation with Nottingham City and Council staff in arranging surveys in their homes. A requirement of the bid is that there is a robust plan for customer engagement in the delivery of improvement works. It is anticipated that this duty will be shared between the Council and the contractor delivering the works and follow and build on the model adopted for the Wave 1 project which has proved effective and attracted praise from BEIS.
- 7.2 The location of the property to be treated under the plan for SHDF wave 2 is shown in the table below.

Row Labels	2023/4	2024/5	2025/6	Grand Total
General Purpose Flats		6		6
Woodville		6		6
Houses		41	6	47
Hartshorne		16		16
Hatton		3		3
Netherseal		22	6	28
Sheltered Scheme Dwellings	39	3	8	50
Hartshorne	17			17
Hatton		3		3
Hilton	22			22
Netherseal			8	8
Grand Total	39	50	14	103

NB: This is indicative and subject to change following survey and detailed assessment.

Equality and Diversity Impact

- 7.3 The contents of this report will assist in ensuring that homes for tenants including those with Protected Characteristics will be more energy efficient, improving their health and wellbeing.

Social Value Impact

- 7.4 The potential outcomes of the successful delivery of insulation and improvement plans could have a positive effect on the health and well-being of tenants through the provision of homes that are affordable to manage and due to improved ventilation strategies, less prone to problems that can arise from the effects of condensation and mould.

Environmental Sustainability

- 7.5 The provision of homes that reduce the amount of energy required to heat them and consequently the carbon footprint of these homes will result in an environmentally sustainable housing stock for the future.

8.0 Conclusions

- 8.1 Increased global energy supply risk and rapidly rising energy costs directly impacts the financial security of our tenants. The experience gained during the delivery of SHDF wave 1 and deeper knowledge of the asset portfolio means that the council is better able to identify and deliver action that will result in more energy and carbon efficient homes and improve the conditions of those assessed to be in most need.
- 8.2 The Council has limited financial means to improve the energy efficiency of its stock and existing budgets are increasingly challenged by unprecedented cost inflation pressures. Without this additional government funding and the attendant scrutiny demanded by BEIS, the commitment to deliver meaningful energy efficiency improvements by the authority at scale and funded entirely within existing budgets is financially unrealistic.
- 8.3 The 'fabric first' methodology adopted by the SHDF scheme ensures that elements of construction subject to normal periodic replacement would be part funded by the grant.
- 8.4 A significant benefit of the retrofit process to the Council is the comprehensive assessment of the condition individual properties that was not collected by previous stock condition surveys. This information is essential in accurately informing the wider asset management strategy and confirming maintenance plans for individual properties. Detail collected during the survey has also provided important insights which has been of use in actioning tenancy management and enforcement.
- 8.5 In a climate of constrained financial resource and increasing costs which impose practical tensions between maintenance and investment budgets if access to additional funding is offered then the responsible course is for the Council to support the application for and funding of those bids either individually or in partnership with other providers whenever the opportunity presents itself.

9.0 Background Papers

- 9.1 Housing Environmental Impact Project. Report to the Housing and community Services Committee on 21st November 2019 and to the Finance and Management Committee on 28th November 2019
- 9.2 Housing and Community Services Committee Meeting 30/09/2021.
- 9.3 BEIS Social Housing Decarbonisation Fund Wave 2.1 Webpage

Notes:

- * Category – Please see the Committee Terms Of Reference in Responsibility for Functions - Committees. This shows which committee is responsible for each function and whether it has delegated authority to make a decision, or needs to refer it elsewhere with a recommendation.
- ** Open/Exempt - All reports should be considered in the open section of the meeting, unless it is likely that exempt information would be disclosed. Please see the Access to Information Procedure Rules for more guidance.
- *** Committee Terms Of Reference in Responsibility for Functions - Committees.



Department for
Business, Energy
& Industrial Strategy

Social Housing Decarbonisation Fund Wave 2.1

Competition Guidance Notes



© Crown copyright 2022

This publication is licensed under the terms of the Open Government Licence v3.0 except where otherwise stated. To view this licence, visit nationalarchives.gov.uk/doc/open-government-licence/version/3 or write to the Information Policy Team, The National Archives, Kew, London TW9 4DU, or email: psi@nationalarchives.gsi.gov.uk.

Where we have identified any third-party copyright information you will need to obtain permission from the copyright holders concerned.

Any enquiries regarding this publication should be sent to us at:
enquiries@beis.gov.uk

Contents

Guidance Overview	6
Key dates	12
Executive Summary	13
Outline of the Competition	13
Key differences vs SHDF Wave 1	14
Enquiries	15
1. Introduction	16
2. Eligibility Criteria and Application Requirements	17
2.1 Eligible Applicants	17
2.2 Project Delivery Timescales	17
2.3 UK Subsidy Control Rules	17
2.4 Eligible Properties	19
2.5 Infill Properties	19
2.6 Minimum Bid Size	22
2.7 Eligible Installers	22
2.8 Safety and Quality	23
2.9 Performance Outcomes	23
2.10 Eligible Measures	24
2.11 Funding and Eligible Costs	27
2.12 Interaction with other Energy Efficiency Schemes	35
3. Tenants	36
3.1 Consideration of Tenants	36
4. Support for Applicants	36
4.1 Technical Assistance Facility	36
5. Digitalisation of Retrofit	38
6. Other Information	40
6.1 VAT	40
6.2 Financial Viability of Applicants	40
6.3 Conditions of Payment	41
7. Information Management	44
7.1 Applicant Contacts	44

7.2	Monitoring and Evaluation	44
7.3	Managing Potential Fraud	45
7.4	Publication Process	46
8.	Project Management and controls	47
8.1	Lessons learned from SHDF Demonstrator and SHDF Wave 1	48
8.2	Guidance to Consortia	49
9.	The Application Form	52
9.1	Key Dates	52
9.2	Application Process	53
9.3	Applications from consortia	54
9.4	Evaluation of Proposals & Assessment Criteria	54
Appendix A: SHDF Wave 2.1 Project Plan Guidance		56

Guidance Overview

This section provides an overview of the key headlines of Social Housing Decarbonisation Fund (SHDF) Wave 2.1 policy. It is not a replacement for the full text further down the document – which Applicants should read before applying.

Section	Overview
BEIS and 3 rd Parties	<ul style="list-style-type: none"> BEIS will appoint 3rd party organisations, including a Delivery Agent and a Delivery Partner, to act on its behalf in management of the scheme. Grant Recipients will be required to work collaboratively with all organisations working on BEIS' behalf. Within the competition guidance and FAQs, references to BEIS stand not just for BEIS but also any 3rd party organisations that act on BEIS' behalf.
Eligible Applicants	<ul style="list-style-type: none"> Local Authorities, Combined Authorities, registered providers of social housing (including housing associations and arms-length management organisations (ALMOs) that are registered providers) and registered charities that own social housing will be able to apply to Wave 2.1 of the SHDF, either directly or as part of a consortium led by an organisation that is eligible to lead a bid. ALMOs that are not registered providers can apply as part of a consortium led by an organisation that is eligible to lead a bid.
Project Delivery Timescales	<ul style="list-style-type: none"> The delivery window for SHDF Wave 2.1 will run to 30th September 2025. All grant funding for SHDF Wave 2.1 projects must be transferred to the grant recipient and spent by 31st March 2025, meaning projects can use only co-funding in the final 6 months of delivery.
UK Subsidy Control Rules	<ul style="list-style-type: none"> This competition provides funding in line with the UK's obligations and commitments to Subsidy Control, both internationally and under the domestic Subsidy Control Act 2022.
Eligible Properties	<ul style="list-style-type: none"> All existing social housing as defined by the Housing and Regeneration Act 2008 (S68-70), below EPC C¹, owned by eligible Applicants, regardless of archetype. A small number of homes not meeting this definition may be funded on an infill basis - see 'homes at EPC C or above' and 'non-social homes'. Homes both on and off the gas grid are eligible for funding.

¹ References to EPC in relation to SHDF policy throughout this guidance refer to the Energy Efficiency Rating of the home

Section	Overview
Homes at EPC C or Above	<ul style="list-style-type: none"> Where a small number of properties in a block or terrace are at EPC Band C or above (for instance – a tower block/low rise with a small number of properties at EPC Band C or above due to individual home upgrades, with the vast majority of homes in the block being below EPC Band C), they can be included where they enable effective works to social housing below EPC Band C. A minimum of 90% of social homes across the overall application must be below EPC Band C.
Non-social Homes	<ul style="list-style-type: none"> Where a small number of properties in a block or terrace are non-social homes (for instance – a tower block/low rise with a small number of non-social homes, with the vast majority of homes in the block being social homes), they can be included where they enable effective works to social housing. A minimum of 70% of homes across the overall application must be social homes.
Minimum Bid Size	<ul style="list-style-type: none"> All Wave 2.1 proposals will be required to include a minimum of 100 eligible social housing properties at EPC band D-G per bid. Applicants wishing to apply to Wave 2.1 with fewer than 100 eligible social housing properties at EPC band D-G must submit a bid as part of a consortium, with this consortium bid meeting the minimum threshold.
Eligible Installers	<ul style="list-style-type: none"> Applicants should provide details of their contractors and procurement status. All installers are required to be TrustMark Registered or equivalent, and compliant with corresponding requirements.
Safety and Quality	<ul style="list-style-type: none"> Applicants must adhere to all relevant building and construction product regulations and requirements, in particular those that are considered safety critical and in line with industry best practice. Applicants are required to detail their adherence to all appropriate safety and construction standards in line with PAS2030:2019 and PAS2035:2019.
Performance Outcomes	<ul style="list-style-type: none"> Properties must reach Energy Performance Certificate (EPC) Band C, or EPC Band D where this is not possible for EPC F/G properties, upon completion of works. Consideration should be given to improving properties to a space heating demand level of 90 kwh/m²/year where reasonable and cost effective.
Eligible Measures	<ul style="list-style-type: none"> A fabric first approach (of insulation and heat loss prevention measures) to works is required.

Section	Overview
	<ul style="list-style-type: none"> Eligible measures are any energy efficiency and heating measures compatible with the Standard Assessment Procedure (SAP) that will help improve the energy performance of homes, excluding heating systems which are solely fuelled by fossil fuels. See section 2.10.1 for considerations on hybrid heating systems.
Co-funding	<ul style="list-style-type: none"> BEIS will require at least 50% of total eligible costs to be provided by the Applicant.
Cost Caps	<ul style="list-style-type: none"> Cost caps will be scaled by starting EPC Band of the home, and wall type of the home. See section 2.11.2 for cost cap levels. For homes situated off the gas grid, an additional cost cap for low carbon heating will be available, on top of the energy efficiency cost cap.
Admin & Ancillary Costs	<ul style="list-style-type: none"> Due to the scale and size of the projects, Applicants are expected to have administration and ancillary (A&A) costs associated with the delivery of the project. A&A costs are expected to be as low as possible, with a requirement that grant funding for A&A comprises less than 15% of total grant funding (with total grant funding including both grant funding for capital costs for retrofit works and grant funding for A&A). We expect that total costs for A&A (grant funding for A&A + co-funding for A&A) will comprise less than 15% of the total project costs (total grant funding + total co-funding, including both capital costs for retrofit works and A&A costs).
Value for Money	<ul style="list-style-type: none"> BEIS will assess the measures to be installed, alongside a detailed cost breakdown, and a justification of this cost breakdown including evidence of costs provided. Applicants are expected to propose measures appropriate for their chosen stock which align with the SHDF Wave 2.1 objectives. Proposed measures in alignment with the SHDF Wave 2.1 objectives will score higher than those which do not align with the SHDF Wave 2.1 objectives.
Interaction with other Energy Efficiency Schemes	<ul style="list-style-type: none"> Applicants may use funding from other government schemes, such as the Energy Company Obligation (ECO), Sustainable Warmth competition (SW), or the Home Upgrade Grant (HUG), to support works on the same home but funding from multiple government schemes cannot be used to fund the same individual measure twice. It is the Applicant's responsibility to ensure that any blending of funding is compliant with each individual scheme and the respective requirements and objectives for each fund is met.

Section	Overview
Consideration of Tenants	<ul style="list-style-type: none"> Applicants should demonstrate how tenant needs will be considered throughout the project and comment on any tenant engagement undertaken. Applicants are expected to outline how works should benefit tenants, with suitable support and information provided both during retrofit and occupancy so that tenants are able to maximise benefits from installations. Applicants should consider their responsibilities under the Public Sector Equality Duty (PSED) and conduct an equality assessment or analysis if they deem necessary. PSED and consideration of protected characteristics applies to both public sector organisations – and any organisation where it is carrying out a public function.
Technical Assistance Facility (TAF)	<ul style="list-style-type: none"> BEIS has established a Technical Assistance Facility to provide technical support for all applicants interested in accessing funding from the SHDF Wave 2.1 competition. Technical assistance for the Wave 2.1 competition will be delivered under the name of the Social Housing Retrofit Accelerator (SHRA) through our commercial technical support partner Turner and Townsend Consultancy.
Digitalisation of Retrofit	<ul style="list-style-type: none"> BEIS have set aside an optional innovation support of up to 2% of capital spend per bid, or a maximum of £600k per bid (including grant and co-funding), to assist in the digitalisation of retrofit It is expected that Applicants applying for digitalisation support will have an existing digitalisation strategy.
VAT	<ul style="list-style-type: none"> The grant funding to the Lead Applicant falls outside of scope of VAT. This is because the provision of the grant is not a consideration of supply for VAT purposes. This means recoverable VAT should not be included in the grant requested in the application. To ensure consistent treatment in the application assessment process, all costs will be assessed excluding VAT in the Value for Money section of the application assessment.
Financial Viability of Applicants	<ul style="list-style-type: none"> All applicants must satisfy the due diligence, financial and organisational checks that will be carried out by BEIS, prior to receiving public funds.
Conditions of Payment	<ul style="list-style-type: none"> Payments will be only made by BEIS after the Grant Funding Agreement (GFA), Grant Offer Letter (GOL), Data Sharing Agreement (DSA) and associated documents have been signed between the Lead Applicant and BEIS.

Section	Overview
	<ul style="list-style-type: none"> • Payments will be made on a regular basis (at least quarterly and at most monthly), following receipt of an invoice from the Lead Applicant evidencing eligible expenditure incurred. • Grant funding awarded to each Lead Applicant must be spent by 31 March 2025, and Lead Applicants will lose their opportunity to claim grant funding after this date. • Lead Applicants are required to plan to spend around 40% of their grant funding in FY23/24 and around 60% of their grant funding in FY24/25. • Lead Applicants are expected to spend equal parts grant funding and co-funding throughout the delivery of the project. • Projects can kick off early - eligible costs incurred between the launch of the Wave 2.1 competition and the signing of the GFA may be counted towards a project's co-funding requirement, should the project be successful. • Where there is reasonable and explicit need and on a case-by-case basis, a one-off upfront payment of up to 10% of the project grant funding or £1m, whichever is smaller, may be made.
Monitoring and Evaluation	<ul style="list-style-type: none"> • Applicants must provide baselines and forecasts on a number of key performance indicators (KPIs). These are used to appraise project proposals and to monitor project progress upon grant award. • Grant recipients must have a system in place across their delivery teams to ensure they can fulfil the monitoring and reporting requirements as outlined in the GFA with BEIS. • Grant recipients must ensure that project reporting – including milestone claims, change requests or issue escalations – is accurate, timely and contains all requisite information/data.
Managing Potential Fraud	<ul style="list-style-type: none"> • BEIS has a zero tolerance to fraud, as such we reserve the right to withdraw or claw back funding if the scheme requirements/eligibility criteria are not met. • To ensure the safe administration of funding, applicants are expected to have appropriate measures in place to mitigate against the increased risks of both fraud and payment error. • BEIS will be conducting due diligence and fraud checks and managing the delivery of measures through the delivery partner.
Post-launch Webinars and FAQs	<ul style="list-style-type: none"> • Following on from the pre-launch webinars, BEIS will host 'Bid Development Masterclasses' during the competition window, arranged and run through the Social Housing Retrofit Accelerator. • BEIS have published an FAQ document which is available at the SHDF Wave 2.1 webpage.

Section	Overview
Application Process	<ul style="list-style-type: none"> • The application form is available to download from the SHDF Wave 2.1 webpage • The submission of applications will open at least 5 working days before the close of the competition. Details of the submission process will be made available in October 2022 on the SHDF Wave 2.1 webpage. • For any queries on submitting applications, please contact SHDFWave2.Applications@BEIS.gov.uk • All completed application forms and required attachments must be submitted by 23.59 on the application submission deadline, on 18th November 2022. Proposals received after the deadline will not be considered.
Applications from Consortia	<ul style="list-style-type: none"> • Consortia Applicants should submit a single application form to BEIS, coordinated by the consortium lead. • BEIS expects that in most cases the consortium lead will be responsible for drafting the response submitted. The responses in the application form should be focused on the consortium lead, with high level information about the other consortium members. • Where it is not appropriate for the consortium lead alone to draft the response submitted (e.g., they are not stock-holding or have a comparatively small project to other members), the consortium lead should work jointly with the largest consortium member (in terms of number of homes being treated) to draft the response submitted. The responses should give a more detailed view of the largest consortium member project, while still giving high level information about the other consortium members.
Evaluation of Proposals & Assessment Criteria	<ul style="list-style-type: none"> • Eligible proposals will be ranked based upon their total score. In general, applications with higher scores will qualify for funding ahead of those with lower scores, with funding provided to as many applications judged as suitable within the budget available. After assessment, there will be a moderation process and a portfolio review, including review of the suitability of applications that score well overall but poorly on one or more individual question(s). • In support of the levelling up agenda, BEIS also reserves the right to review the distribution of funding across England comparative to the number of social homes per region and allocate funding in line with this.

Key dates

The following table outlines indicative dates for SHDF Wave 2.1 milestones.

Milestone	Indicative date
Guidance and FAQs published / clarification period begins	18 th July 2022
Application form, further FAQs, Grant Funding Agreement, Grant Offer Letter and Data Sharing Agreement published	2 nd August 2022
Clarification period ends	12 th August 2022
Final documents (guidance, FAQs, application form) published post clarification period	29 th September 2022
Competition launch	29 th September 2022
Application submission details published	October 2022
Application submission opens	At least 5 working days before competition close
Competition close	18 th November 2022
Bid assessment ends	December 2022
Successful projects notified	Late February/Early March 2023
Grant funding agreements signed with successful Lead Applicants / projects start	From March 2023

Executive Summary

The 2019 Conservative Manifesto committed to a £3.8bn Social Housing Decarbonisation Fund (SHDF) over a 10-year period to improve the energy performance of social rented homes, on the pathway to Net Zero 2050. The SHDF aims to deliver warm, energy-efficient homes, reduce carbon emissions and fuel bills, tackle fuel poverty, and support green jobs.

The SHDF supports the 10 point plan for a green industrial revolution and makes further progress towards delivering the government's commitment to invest in the energy performance of homes.

£800m has been committed for the SHDF as part of the 2021 Spending Review settlement. The Wave 2.1 competition will look to allocate as much of this funding as possible to support the installation of energy performance measures in social homes in England.

This follows SHDF Demonstrator, which awarded around £62m of funding as an initial investment to test innovative approaches to retrofitting at scale, and Wave 1 of the SHDF, which has awarded around a further £179m of funding, delivering from 2022 to 2023.

Outline of the Competition

The Department for Business, Energy and Industrial Strategy (BEIS) is inviting social housing landlords to apply for funding to be used to improve the energy performance of social housing. Local Authorities, Combined Authorities and Registered Providers of social housing may now apply directly for SHDF Wave 2.1 funding. Please refer to Section 2.1 for further information about eligible applicants.

We encourage Applicants to consider their housing stock and to assess whether they can apply to the scheme, with the aim of raising the energy performance of low EPC rated properties. We aim to improve the energy performance of homes to Energy Performance Certificate¹ (EPC) Band C, to take homes out of fuel poverty and deliver progress towards the UK's commitment to Net Zero by 2050. The entire SHDF programme seeks to raise the energy performance of as many as possible of the 1.4m social homes below EPC Band C up to that level, as part of the journey for the social housing stock towards Net Zero 2050. This guidance is for Wave 2.1 of the SHDF programme.

The application form is now available to download from the [SHDF Wave 2.1 webpage](#). The submission of applications will open at least 5 working days before the close of the competition. Details of the submission process will be made available in October 2022 on the [SHDF Wave 2.1 webpage](#). For any queries on submitting applications, please contact SHDFWave2.Applications@BEIS.gov.uk. All completed application forms and required attachments must be submitted by 23.59 on the submission deadline, which will be on 18th November 2022. Proposals received after this date will not be considered. Details of the application process are set out later in this document in section 9 of this document. Where Applicants are successful in the application process, BEIS will aim to make grant offers in late February/ early March 2023. BEIS will contact Lead Applicants individually to inform them of the outcome of their application aligned to the publication of successful applications on gov.uk.

Successful Lead Applicants will then be required to sign and return a Grant Offer Letter (GOL), Grant Funding Agreement (GFA) and a Data Sharing Agreement (DSA) so BEIS can issue grant payments to the Lead Applicant under Section 98 of the Natural Environment and Rural Communities Act 2006 (NERC). To enable prompt project kick off, Lead Applicants are requested to return completed and signed documents within 15 working days. BEIS' ability to administer grant payments is dependent upon the timely receipt of a signed Grant Funding Agreement & accompanying documents. Where the documents are not signed and returned within 30 days, the grant offer may be rescinded.

The delivery window for SHDF Wave 2.1 will run to 30th September 2025. All grant funding for SHDF Wave 2.1 projects must be transferred to the grant recipient and spent by 31st March 2025, meaning projects can use only co-funding in the final 6 months of delivery. Lead Applicants are asked to submit applications they are confident can meet these deadlines.

BEIS reserves the right to cancel the launch of SHDF Wave 2.1 at any stage prior to grant funding being awarded.

BEIS will appoint 3rd party organisations, including a Delivery Agent and a Delivery Partner, to act on its behalf in management of the scheme. Grant Recipients will be required to work collaboratively with all organisations working on BEIS' behalf. Within the competition guidance and FAQs, references to BEIS stand not just for BEIS but also any 3rd party organisations that act on BEIS' behalf.

Key differences vs SHDF Wave 1

- **Minimum bid size:** All Wave 2.1 proposals will be required to include a minimum of 100 eligible social housing properties at EPC band D-G per bid.
- **Registered providers of social housing and registered charities that own social housing, can now apply directly:** Local Authorities, Combined Authorities, Registered Providers of social housing and Registered Charities that own social housing can apply directly, or as part of a consortium, for funding under Wave 2.1 of the SHDF to support the installation of energy performance measures in social homes in England. Arms-length management organisations (ALMOs) that are not registered providers, can apply as part of a consortium led by an organisation that is eligible to lead a bid
- **ALMOs that are not registered charities can apply as part of a consortium:** Arms-length management organisations (ALMOs) that are not registered providers, can apply as part of a consortium led by an organisation that is eligible to lead a bid.
- **Longer delivery window:** The delivery window for SHDF Wave 2.1 will run to 30th September 2025. All grant funding for SHDF Wave 2.1 projects must be transferred to the grant recipient and spent by 31st March 2025, meaning projects can use only co-funding in the final 6 months of delivery. Where projects are able, and willing to do so at their own risk, delivery using co-funding can commence prior to the award of funding. Eligible costs

incurred from the point of competition launch (29th September 2022) can be considered as part of the projects co-funding contribution. 'Competition launch' means the date on which the final set of competition and grant documents will be published.

- **Cost caps have been scaled by wall type in addition to EPC band:** to ensure that the correct level of grant funding is available for the respective wall type, with cavity walled homes typically cheaper to retrofit than solid wall homes.
- **Co funding requirement of 50%:** BEIS will require at least 50% of total eligible costs to be provided by the Applicant when applying for the SHDF Wave 2.1 competition.
- **Further facilitation of low carbon heating:** Applicants may propose low carbon heating installations in any home, on or off gas grid, provided that the following key principles are complied with:
 1. Bills must not increase as a net result of all retrofit works to the home, relative to what they would have otherwise been.
 2. Post retrofit, homes must comply with SHDF performance outcomes.
 3. A fabric first approach must be taken. If the fabric of a home is sufficient pre-retrofit, then an application with low carbon heat alone can be considered for that home, with significant justification required.

Landlords wishing to install low carbon heating in homes on the gas grid may use the maximum grant funding available for that individual home, as set out in section 2.11.2. For homes situated off the gas grid, an additional cost cap for low carbon heating will be available. This will be on top of the energy efficiency cost cap, to provide Applicants with funding support to install both energy efficiency and low carbon heating measures if they wish to.

- **Changes to data sharing consent:** BEIS has identified the lawful basis for all SHDF Wave 2.1 Administrative Data shared between award recipients and BEIS as public task (GDPR Article 6(1)(e)). Further data collection by BEIS and/or its third parties will be processed on a consent basis (GDPR Article 6(1)(a)).

Enquiries

This document sets out the SHDF Wave 2.1 competition guidance and should be read prior to submitting an application for funding. The application form can be found on the [SHDF Wave 2.1 webpage](#).

BEIS have also published a Frequently Asked Questions (FAQ) document, which can be found on the [SHDF Wave 2.1 webpage](#). Applicants should review the FAQ document in the first instance if they have any questions.

There will be a clarification period ending on 12th August 2022 for Applicants to ask further questions. All queries should be addressed to SHDFWave2.Applications@BEIS.gov.uk after which all documents will be updated and re-uploaded to gov.uk page.

1. Introduction

The SHDF will upgrade a significant amount of the social housing stock in England to meet an Energy Performance Certificate (EPC) Band C standard, delivering warm, energy-efficient homes, reducing carbon emissions and fuel bills, tackling fuel poverty, and supporting green jobs.

The 2020 Summer Economic Update announced the SHDF Demonstrator project, launched in 2020, which has awarded around £60m of funding to social landlords across England and Scotland to test innovative approaches to retrofitting at scale, seeing up to 2,000 social homes improved to at least EPC band C and supporting around 1,200 local jobs. The Government launched Wave 1 of the SHDF in August 2021. It has awarded around £179m of funding for delivery from 2022 to 2023 and will see energy performance improvements to up to 20,000 social housing properties, reducing bills and carbon emissions. Lessons learned from both the SHDF Demonstrator and SHDF Wave 1 have been incorporated in the design of SHDF Wave 2.1.

As part of the 2021 Spending Review process, £800 million of additional funding was secured by the SHDF. The Wave 2.1 competition will look to allocate as much of this funding as possible to upgrade the social housing stock in England currently below EPC C up to that standard.

The key aims and objectives for the SHDF Wave 2.1 competition are set out below:

- **Fuel Poverty:** Reduce the number of households in Fuel Poverty by improving the energy efficiency rating of social homes below EPC Band C and reducing energy bills. On this basis, tenant energy bills must not increase as a result of the retrofit works, relative to what they would otherwise have been.
- **Carbon:** Deliver cost effective carbon savings to contribute to carbon budgets, and progress towards the UK's target for Net Zero by 2050 by reducing CO2 emissions from social housing.
- **Tenants:** Improve the comfort, health, and well-being of social housing tenants by delivering warmer and more energy-efficient homes.
- **Green Economy:** Support economic resilience and a green recovery in response to the economic impacts of Covid-19, supporting thousands of jobs.
- **Develop the Retrofit Sector:** Create the conditions for growth in the retrofit supply chain capacity and capabilities, boosting productivity and innovation in the construction sector. Additionally, upskilling social landlords in retrofit to support future improvements to energy efficiency in the social housing sector.

2. Eligibility Criteria and Application Requirements

2.1 Eligible Applicants

Local Authorities, Combined Authorities, Registered Providers of social housing and Registered Charities that own social housing can apply directly, or as part of a consortium, for funding under Wave 2.1 of the SHDF to support the installation of energy performance measures in social homes in England. Arms-length management organisations (ALMOs) that are not registered providers, can apply as part of a consortium led by an organisation that is eligible to lead a bid.

Throughout this document, “Applicants” refers to all eligible applicants as defined in this section, including consortium members. “Lead Applicant” refers to the consortium lead or single bidder if not part of a consortium.

2.2 Project Delivery Timescales

The delivery window for SHDF Wave 2.1 will run to 30th September 2025. All grant funding for SHDF Wave 2.1 projects must be transferred to the grant recipient and spent by 31st March 2025, meaning projects can use only co-funding in the final 6 months of delivery. Applicants are asked to submit applications they are confident can meet these deadlines.

Applicants must develop evidenced project plans showing their ability to complete projects by the dates above and consider any risks to this plan.

2.3 UK Subsidy Control Rules

This competition provides funding in line with the UK's obligations and commitments to Subsidy Control, both internationally and under the domestic Subsidy Control Act 2022. Further information about the UK Subsidy Control requirements can be found within the EU-UK Trade and Cooperation agreement (TCA) and the subsequent guidance from the department of Business, Energy and Industrial Strategy (BEIS).

Single Applicants

Where grants are made to a Local Authority or Combined Authority for use on their own social housing stock, this will not be considered a subsidy.

Where grants are made to Private Registered Providers of Social Housing, for example Housing Associations, this will be considered a subsidy in accordance with the task of

provision of affordable, energy efficient social housing under Services of Public Economic Interest.

If you are a Private Registered Provider of Social Housing that receives state support of less than 750,000 Special Drawing Rights across three financial years for the above-mentioned task, you should declare this on your application. You will be exempt from subsidy control.

If you are a Private Registered Provider of Social Housing that receives state support of more than 750,000 Special Drawing Rights across three financial years for the above-mentioned task, you should declare this on your application. Your application will be assessed in accordance with the Principles in the TCA as they apply to a body tasked with provision of affordable, energy efficient social housing.

If you are a Registered Charity that owns social housing your application will be assessed in accordance with the subsidy Principles in the TCA.

Applicants are also reminded of the Small Amounts of Funding Exemption. To receive funding under this exemption, Applicants should declare that the support they are receiving does not exceed the 325,000 Special Drawing Rights threshold across three financial years. Subsidies below this amount are exempt from the subsidy provisions of the TCA. This could include applications where leaseholder or freeholder (right to buy) properties, including those that are privately rented, are included in the Proposal.

Consortium Applications

Where grants are made to a consortium with members who are all Local Authorities or Combined Authorities for use on their own social housing stock, this will not be considered a subsidy.

If your consortium is made up of Local Authorities, Combined Authorities and includes a Private Registered Provider of Social Housing or registered charity, we will assume you receive more than 750,000 Special Drawing Rights over three financial years for the above-mentioned task. Your application will be assessed in accordance with the Principles in the TCA as they apply to a body tasked with provision of affordable, energy efficient social housing. If your consortium cumulatively does not receive more than 750,000 Special Drawing Rights, then this should be declared on your application.

If your consortium contains a body that is a non-Registered Provider of Social Housing or a Registered Charity, your application will be assessed in accordance with the subsidy Principles in the TCA. Applicants are again advised to declare the level of state support supplied to each consortium member, if any, on application. The Small Amounts of Funding Exemption also can apply to consortia.

Consortium Applicants should also declare the amount of funding to be allocated to each consortium member, and the purposes for which it will be used.

Further Information for all Applicants

Care must be taken by all Applicants to avoid using subsidy to improve non-social homes where possible. If you intend to apply grant money to properties that are not social housing this should be declared on any application along with the rationale for doing so. Note however that if you are relying on the Small Amounts of Funding Exemption in your application then this restriction will not apply, because the grant will not count as a 'subsidy'. Otherwise, for example if you are considering works to an infill property (see below at 2.5), you will have to justify your decision using the Principles.

There are special provisions that apply in respect of awarding grant funding to an ailing or insolvent enterprise. We will conduct financial viability and eligibility tests to confirm this is not the case following the application stage.

You must make sure at all times that the funding awarded to you is compliant with all current Subsidy Control obligations applicable in the United Kingdom. This aims to regulate any advantage granted by a public sector body which threatens to or actually distorts competition in the United Kingdom or any other country or countries. If you are unsure about your obligations under the UK Subsidy Control arrangement, please take independent legal advice.

Note that the relevant thresholds are in Special Drawing Rights, not Pounds Sterling. Applicants will need to bear in mind the relevant exchange rate.

If there are any changes to the above requirements that mean we need to change the terms of this competition, we will tell you as soon as possible. Where necessary, Grant Recipients will be expected to comply with the UK's obligations and commitments to subsidy control and maintain appropriate records as evidence of this.

This applies to consortiums as well as their members individually.

2.4 Eligible Properties

All existing social housing, as defined by the Housing and Regeneration Act 2008 (sections 68-70), below EPC C owned by Applicants, as defined in Section 2.1, are eligible for SHDF Wave 2.1 funding, regardless of archetype (including high rise blocks). Homes both on and off the gas grid are eligible for funding. There is no income related eligibility requirement for social housing tenants, although Applicants may wish to consider the income profile of tenants to determine how best to make progress towards reducing fuel poverty, a key objective of the SHDF. Applicants may also wish to consider whether properties containing tenants who are particularly vulnerable to the cold are best to target for retrofit.

2.5 Infill Properties

The intended purpose of SHDF funding is to improve the energy performance of social homes below EPC C up to that level. Following engagement with the sector, BEIS recognises that in some cases some homes that do not fit into that category are required to be retrofitted on an

infill basis, to allow for effective retrofits of below EPC C social homes. However, to ensure SHDF Wave 2.1 supports retrofit of as many below EPC C social homes as possible, it is a requirement that any such 'infill' retrofits are kept to the absolute minimum required - with strong justification for these retrofits required for a bid to be successful. For consortia applications, it is expected that all members will abide by the principle of focusing on the delivery of below EPC C social homes. Measures installed should only be 'infill' measures - and infill homes do not have to meet the same performance outcomes as below EPC C social homes do. This section of the guidance outlines the two instances where infill funding is available.

2.5.1 Homes at EPC C or above

The focus of SHDF Wave 2.1 applications will be on social homes with an EPC rating of Band D, E, F or G. Where a small number of properties in a block or terrace are at EPC Band C or above (for instance – a tower block/low rise with a small number of properties at EPC Band C or above due to individual home upgrades, with the vast majority of homes in the block being below EPC Band C), they can be included where they enable effective works to social housing below EPC Band C. Applicants should justify this approach in the application, including providing the % of properties at EPC Band C or above. There would need to be a significant reason for inclusion of these properties – any application without appropriate justification will not be successful. Any inclusion of properties at EPC Band C or above would need to be on an 'infill' basis. The policy:

- Is limited to situations in which social homes below EPC Band C would be adversely affected without it, for example cases where these social homes would not be able to meet EPC C with appropriate consideration of 90kwh/m²/year, bearing in mind reasonableness and cost effectiveness (see 'Performance Outcomes' section 2.9), or where works must be undertaken on a whole block for planning or logistical reasons.
- Requires a minimum of 90% of social homes across the overall application are below EPC Band C.
- Is available for insulation and associated ventilation. Applicants may include additional measures on an exceptional basis if a justification is given as to why a whole block approach is essential for the attainment of SHDF Wave 2.1 performance outcomes (see section 2.9) for the below EPC Band C homes. Any Applicant wishing to install a measure that is not an infill measure onto these homes must do so out of their own money, separately to their co-funding contribution.

BEIS expects the majority of applications will include homes exclusively below EPC Band C. BEIS expects that applications that do contain homes at or above EPC Band C will keep the number of such homes as low as possible (the 10% is a limit, not a target, and it is expected that most applications containing homes at or above EPC Band C will have far fewer than 10% of social homes at or above EPC Band C). Applications requesting a considerable amount of funding for homes already at EPC Band C or above are unlikely to score well on the Value for Money and strategic fit sections of the application form.

The grant funding cost caps for retrofit works for EPC Band C homes are the same as that for EPC Band D homes (see section 2.11.2).

Non-social homes

Private domestic homes, such as those owned by leaseholders, may be eligible for funding under Wave 2.1 infill policy on non-social homes. Shared ownership homes fall under the scope of Wave 2.1 infill policy on non-social homes. SHDF Wave 2.1 infill policy on non-social homes is designed to support works to social homes in situations where there is also the presence of other tenure types. The policy:

- Is limited to situations in which social homes would be adversely affected without it, for example cases where social homes would not be able to meet EPC C with appropriate consideration of 90kwh/m²/year, bearing in mind reasonableness and cost effectiveness (see 'Performance Outcomes' section 2.9), or where works must be undertaken on a whole block for planning or logistical reasons.
- Requires a minimum of 70% of social homes across the overall application to meet the eligibility requirements of the scheme.
- Is available for insulation and associated ventilation. Applicants may include additional measures on an exceptional basis if a justification is given as to why a whole block approach is essential for the attainment of SHDF Wave 2.1 performance outcomes (see section 2.9). Any Applicant wishing to install a measure that is not an infill measure onto these homes must do so out of their own money, separately to their co-funding contribution.

For homes that require works to be funded under infill policy on non-social homes, a mixture of SHDF Wave 2.1 funding and recovered costs from the leaseholder, freeholder or shared ownership owner can be used. It should be noted that if a contribution from the leaseholder, freeholder, or shared ownership is withheld or refused, the Applicant may be required to underwrite this.

For works carried out on non-social homes in Wave 2.1, the following applies:

- The SHDF Wave 2.1 competition will fund 100% of costs of the infill measure² for low-income owner occupier homes. These homes are considered as:
 - Homes with an annual income of no more than £31,000 gross, before housing costs and where benefits are counted towards this figure;
 - We expect many Applicants to use receipt of means tested benefits as a proxy for low-income and would expect Applicants using non-means tested benefits to set out additional income verification. Other methods to verify eligibility may include using data such as existing processes on Council Tax reductions for those on lower incomes, residents on the social housing waiting list, or more innovative approaches such as advanced statistics and machine learning (e.g. Experian or CACI Paycheck), where Applicants can demonstrate these will target

low-income households. Self-declarations will not be acceptable methods of verification.

- For owner occupier homes that are not captured in the above, and Private Rental Sector homes, a contribution towards the infill measure may be requested. This contribution is capped at £3,300 and therefore is either a 1/3 of the cost of the infill measure or £3,300, whichever value is lower.
- Where the capped contribution of £3,300 does not cover the full cost of the infill measure, the SHDF wave 2.1 competition will cover the outstanding cost².

BEIS have developed a funding calculator for non-social homes to help Applicants calculate the level of contribution required by Leaseholders and the amount payable by the SHDF wave 2.1 for non-social home infill measures. This will be published as part of the supporting tables for the application form.

Inclusion of non-social housing must comply with UK subsidy control rules as laid out in section 2.3 of this guidance.

2.6 Minimum Bid Size

There is no minimum bid size in terms of the amount of funding requested. Bids must include a minimum of 100 social homes at EPC bands D-G and costs must fall within the cost parameters set out in the guidance. Bids that contain fewer than 100 eligible social housing properties at EPC band D-G will not be considered for funding.

Non-social homes (see section 2.5.2) and EPC C+ properties (see section 2.5.1) must be in addition to the minimum of 100 social homes at EPC bands D-G. Applicants wishing to apply to Wave 2.1 with fewer than 100 eligible social housing properties at EPC band D-G must submit a bid as part of a consortium where the consortium meets the minimum bid threshold overall.

To support those who are unable to meet the minimum property threshold, support will be offered in forming of consortia, with resources available through SHRA (further information can be found in section 4.1 of this document).

2.7 Eligible Installers

Applicants should provide details of their contractors, procurement status and TrustMark registration or equivalent; and where applicable their Microgeneration Certification Scheme (MCS) certification status.

All installers are required to be TrustMark Registered³ or equivalent, and compliant with corresponding requirements.

All projects must be compliant with “PAS 2035:2019 Retrofitting dwellings for improved energy efficiency. Specification and guidance” (PAS 2035:2019).

Installers are required to have the appropriate certifications for the eligible measures that they are installing on behalf of the Applicants as set out in the application. PAS 2035 requires that all energy efficiency measures within the scope of the PAS 2030:2019 standards must be delivered by installers who are certified to this standard and all low-carbon heating measures must be installed by a MCS certified⁴ installer.

Low carbon heat installers must be registered with TrustMark or the relevant MCS standards for the technology they are installing. MCS certification requires an installation company to be assessed by an affiliated certification body, have consumer code membership, and to have demonstrated suitable competency against relevant technology standards, as well as carry out installations in accordance with MCS installation standards.

Where a communal heat network/district heating scheme is to be installed, this should be done in accordance with the Heat Trust Consumer Protection Scheme⁵.

Applicants are encouraged to support and boost local green growth by considering local and SME installers as part of a contribution to levelling up society whilst investing in the skills and supply chains necessary to meet net zero. Applicants should consider the role of SMEs in the supply chain and ensure that barriers to participation are minimised in their procurements.

Applicants are also encouraged to consider and implement all relevant Public Procurement Notices in their procurement activity. A summary of relevant public procurement policy can be found at the following [link](#).

2.8 Safety and Quality

Applicants must adhere to all relevant building and construction product regulations and requirements, in particular those that are considered safety critical and in line with industry best practice. Applicants must ensure any installations are in line with all concurrent legal requirements for manufacturers to ensure that products are safe at the time of installation.

Applicants are required to detail their adherence to all appropriate safety and construction standards in line with PAS2030:2019 and PAS2035:2019, including ensuring sufficient checks are in place to ensure installers are compliant with the same standards.

A retrofit coordinator will advise on suitable measures to be installed in properties, ensuring there are no negative impacts, no unneeded installations and that good value for money is maintained.

2.9 Performance Outcomes

Applicants must improve their social homes (through a fabric first approach suitable for the building type) to at least a minimum energy efficiency rating threshold of EPC Band C; except for those EPC Band F/G homes that cannot reach this level, which would need to reach EPC

⁴ Or able to demonstrate registration with a scheme which has been deemed equivalent by the Secretary of State.

⁵ Or able to demonstrate registration with a scheme which has been deemed equivalent by the Secretary of State.

Band D and provide strong justification as to why they could not reach EPC Band C (evidence could include SAP data and recommendations, PAS 2035 retrofit dwelling assessment or improvement option evaluation).

In addition to the above EPC improvements, consideration should be given to improving properties to a space heating demand level of 90 kwh/m²/year (as per SAP 2012 worksheet box 99, or equivalent), where reasonable and cost effective. Applicants should not try to implement a retrofit that achieves 90kwh/m²/year without considering whether this would be reasonable and cost effective.

Modelling towards the space heating demand level will help lead to evidence based retrofits. Properties not reaching this level of space heating demand should justify why in their application. Such reasons could include:

1. Meeting the 90kwh/m²/year level does not lead to a cost-effective retrofit for some or all homes applied with – i.e. the installation of additional measures to reach 90kwh/m²/year would not be good value for money for the property/properties applied with. Case studies to support the understanding of value for money in this space have now been published on the [Wave 2.1 webpage](#).
2. Some or all homes cannot reasonably attain the space heating demand level given their archetype.

Examples of acceptable evidence of the consideration of the 90kwh/m²/year as part of retrofit design can include the outputs from stock modelling and energy efficiency planning using a SAP or PHPP based modelling tool or calculator. This does not replace the requirements for dwelling assessments under PAS2035.

2.10 Eligible Measures

Eligible measures are any energy efficiency and heating measures compatible with the Standard Assessment Procedure (SAP) that will help improve the energy performance of homes, excluding heating systems which are solely fuelled by fossil fuels. Applicants are expected to focus on measures that will help lower household energy bills. This includes, but is not limited to, energy efficiency measures (such as wall, loft, and underfloor insulation) and low carbon heating technologies. One of the core objectives of the SHDF is to support progress for the UK to reach its Net Zero target by 2050. Therefore fossil fuel measures, such as the installation of a new fossil fuel-based heating system, or the replacement or repair of an existing fossil fuel-based heating system with another fossil fuel-based heating system, are not in scope and applications including these fossil fuel measures will be ineligible for funding through the SHDF Wave 2.1 competition. For eligible heating measures that are in scope see section 2.10.1 below on low carbon heating.

A fabric first approach (of insulation and heat loss prevention measures) to works is required. A fabric first approach is a core principle of the “PAS 2035 Retrofitting dwellings for improved energy efficiency. Specification and guidance”⁶ standards, to which all delivery partners and

subcontractors must adhere, to maximise comfort and bill savings for tenants and to maximise the home's suitability for low carbon heating either now or in the future. We expect that adherence to the PAS 2035 standards and a fabric first approach may require other measures such as improved ventilation systems.

Applicants are expected to adopt a least regrets approach to retrofit, meaning that works should minimise the potential of measures installed through SHDF having to be replaced in the future on the journey to Net Zero for the social housing stock.

Applicants should quantify the mix of measures they are intending to install and provide justification as to why they are considered the most appropriate measures for targeted properties; and why they represent good value for money. Measures installed should adhere to PAS 2035, Trustmark and MCS standards (or equivalent). Where Applicants plan to install measures which are typically less cost effective in making progress towards the SHDF Wave 2.1 objectives and strategic approach, the proposal should justify why they are a suitable, cost effective measure for the properties applied with. For example, installation of solar PV may be more appropriate where it is part of (rather than instead of) an appropriate fabric first approach, or installation of glazing may be more appropriate where replacing single glazing, or where alongside EWI if necessary to ensure PAS compliance, rather than where replacing existing effective double glazing to slightly improve the energy performance of the home. Applications installing measures that are not making cost effective progress towards the SHDF's strategic objectives are likely to receive a low score in the 'Value for Money' section of the assessment, particularly where these measures are accountable for a significant proportion of the spend.

2.10.1 Low Carbon Heating

Applicants may propose low carbon heating (LCH) installations in any home, provided that the following key principles are complied with:

1. Bills must not increase as a net result of all retrofit works to the home, relative to what they would have otherwise been.
2. Post retrofit, homes must comply with SHDF performance outcomes.
3. A fabric first approach must be taken. If the fabric of a home is sufficient pre-retrofit, then an application with low carbon heat alone can be considered for that home, with significant justification required.

Homes on the gas grid:

Landlords wishing to install LCH in homes on the gas grid may use the maximum grant funding available for that individual home, as set out in section 2.11.2, if performance outcomes are reached using less than the maximum grant funding. Any additional funding to complete the retrofit will need to come from additional co-funding, above the 50% minimum. An example of how the cost caps work for homes on the gas grid is set out in the FAQs.

Homes off the gas grid:

For the purposes of SHDF Wave 2.1, an off gas grid home is defined as one that does not use mains gas for heating purposes.

Last year, BEIS consulted on new regulations that will phase out the installation of fossil fuel heating systems in homes and non-domestic buildings off the gas grid in England from 2026 with a heat pump led approach to replacement systems. We are currently analysing the responses to that consultation and will issue our response in due course.

In order to support the ambition to phase out the installation of fossil fuel heating systems in homes off the gas grid, as well as to fund the replacement of an inefficient electric heating system with a considerably more efficient one (with resulting considerable bill savings), an additional cost cap for low carbon heating in homes off the gas grid will be available, on top of the energy efficiency cost cap. This will provide Applicants with funding support to install both energy efficiency and low carbon heating measures if they wish to. See section 2.11.2 for details on cost caps.

Eligible low carbon heating measures:

Where low carbon heating is supported, Applicants should consider systems that are consistent with net zero and considerations such as affordability, air quality, and sustainability. In the application form, Applicants will be asked to outline the rationale for their proposed form(s) of low carbon heating, and their contributions towards SHDF Wave 2.1 objectives.

Applicants are expected to focus on low temperature heat pumps as the lead technology. In homes wishing to install low carbon heating where low temperature hydronic heat pumps are unsuitable for the dwelling, we expect, in order of priority, connection to low-carbon heat networks (if appropriate for the stock applied with), high temperature hydronic heat pumps, air to air heat pumps, solid biomass, or high retention electric storage heaters (in electrically heated flats and small dwellings only) to be considered when determining the next best option for deliverability, value for money, affordability, sustainability, and air quality.

If alternative LCH technologies to low temperature hydronic heat pumps are to be installed, a justification must clearly be evidenced in the application. Examples of acceptable justifications include lack of outdoor space to accommodate a heat pump, lack of indoor space to accommodate a separate hot water tank, or tenant refusals to install a heat pump in the specific dwelling being applied with, noting that refusals of measures from different tenants in the past will not be deemed an acceptable justification.

Whilst solid biomass is an eligible measure, these are only expected to be installed in exceptional circumstances where heat pumps are unsuitable for the dwelling, and only in rural areas where there are no air quality restrictions. If an Applicant were to propose the use of biomass boilers within their funding application, a justification should be provided as to why biomass is the most appropriate technology and how the Applicant intends to ensure the ongoing use of sustainable fuels, such as by adhering to the sustainability and air quality requirements from the Domestic Renewable Heat Incentive^[1] (now closed to new applicants), and appropriate maintenance of these systems.

^[1] See Section 9 ,Chapter 2 and Section 3 Chapter 3 of the following document:
https://www.ofgem.gov.uk/sites/default/files/01/Domestic%20RHI_Essential%20guide_Final%20with%20cover.pdf Page 75 of 161

Low carbon heat networks are eligible for SHDF funding. As with all projects, those containing such measures will need to show that they are an appropriate value for money solution for the stock applied with and that it is deliverable during the SHDF Wave 2.1 delivery window.

Recognising the closure of the Non-Domestic Renewable Heat Incentive (NDRHI), BEIS is committed to supporting the Shared Ground Loop market in social housing through SHDF Wave 2.1. Therefore, BEIS reserves the right to prioritise the allocation of funding for Shared Ground Loops in applications that are compliant with all requirements outlined in this guidance document.

Hybrid heating

Funding may be used to install hybrid forms of heating for homes currently heated by mains gas; a fully integrated hybrid heating system that includes a heat pump and boiler within a single unit; or a heat pump alongside the current gas boiler that has an Energy Related Products rating of A (or above), where the retrofit coordinator is satisfied it is in good working order to be fitted alongside a heat pump. Hybrid heating systems for homes off gas grid are not permitted.

Where an existing boiler is replaced with a new boiler as part of a hybrid system, funding cannot be used for this. For all hybrid heating systems, the heat pump must be sized to deliver at least 50% of the heat load. Other forms of transitional heating that are fuelled by mains gas are not permitted. Prior to installing a hybrid heating system, retrofit coordinators are encouraged to upgrade existing systems to stand alone heat pumps, where possible.

2.11 Funding and Eligible Costs

2.11.1 Co funding

On the journey to decarbonising the lowest performing Social Housing, there is a co-funding requirement to maximise the number of properties that can be treated with the funds available. As such, BEIS will require at least 50% of total eligible costs to be provided by the Applicant when applying for the SHDF Wave 2.1 competition. Non-eligible costs should not be included in co-funding – either to meet the 50% minimum, or to go beyond that level. The guidance text for Table 15 of the supplementary tables to the application form outlines what costs are included in the co-funding percentage calculation. Co-funding must comply with the conditions of the GFA and can only be spent on eligible costs in connection with delivery of the grant proposal. Please refer to Section 6.3: Conditions of Payment for further information.

2.11.2 Cost Caps

To maximise value for money across Wave 2.1 of the SHDF, cost caps will be implemented. These are set out in tables 1 and 2 below and are the maximum grant funding permitted for capital costs for retrofit works by starting characteristic of homes. Cost caps are exclusive of administration and ancillary costs (see section 2.11.3).

These cost caps will be scaled to ensure that homes with the lowest EPC Banded ratings receive the most money. Cost caps have also been scaled by wall type as a sub-criteria – to protect against overspend on cavity wall homes, which are typically cheaper to retrofit than solid wall homes.

Walls are classified as cavity, brick, stone (granite, sandstone, or whinstone), timber, system build or curtain wall, in alignment with the SAP categorisations. Brick, stone (granite, sandstone or whinstone), timber, system build, or curtain can be considered as solid walled for the purposes of the cost caps if appropriate to do so. Value for money is required from all applications - the level of funding applied for should be dependent on the cost of improving the stock to the SHDF performance outcomes and should not be dependent on the maximum level of grant funding for retrofit works available.

For homes situated off the gas grid, an additional cost cap for low carbon heating will be available, on top of the energy efficiency cost cap to provide Applicants with funding support to install both energy efficiency and low carbon heating measures if they wish to. All cost caps are inclusive of non-recoverable VAT.

Applicants should contribute at least 50% of total eligible costs, as set out in Table 1 below.

Table 1: SHDF Wave 2.1 cost caps (inclusive of non-recoverable VAT)

Average spend (excluding A&A)	Wall type	Maximum grant funding ('cost cap') for retrofit works	Minimum co funding if maximum grant funding utilised	Total spend if utilising maximum grant funding and minimum associated co funding⁷
EPC D	Solid wall	£10k	£10k	£20k
	Cavity wall	£5k	£5k	£10k
EPC E	Solid wall	£12k	£12k	£24k
	Cavity wall	£7.5k	£7.5k	£15k
EPC F/G	Solid wall	£16k	£16k	£32k
	Cavity wall	£10k	£10k	£20k

On a by exception basis, some homes that are not 'solid walled' may be eligible for the higher cost caps, where the specifics of the archetype requires a treatment more aligned with the solid wall cost cap (e.g. cavity wall homes with cavities so thin that they cannot be filled, and thus requiring solid wall insulation). BEIS anticipates a very small number of homes will fall into this category, and strong justification is required in such cases. The cost of measures exceeding the cavity wall cost cap outlined above (e.g. spending £12k to retrofit a cavity wall EPC D home) is not a sufficient justification for utilising the higher solid wall cap.

Additional low carbon heating cost caps for homes situated off the gas grid

Off grid, an additional cost cap for low carbon heating will be available, on top of the energy efficiency cost cap to provide Applicants with funding support to install both energy efficiency, and low carbon heating measures if they wish to. Additional cost caps for low carbon heating are set out in Table 2. For the purposes of SHDF Wave 2.1, an off gas grid home is defined as one that does not use mains gas for heating purposes.

BEIS expects Applicants to put forward value for money applications, without unnecessarily maximising cost caps. For example, where an inefficient heating system is the overwhelming cause of a poor EPC and a landlord wishes to utilise the low carbon heating cost cap to address this, it would not be expected that the full energy efficiency cost cap would also be utilised unless necessary.

Table 2: SHDF Wave 2.1 additional low carbon heat cost caps for homes off the gas grid (inclusive of non-recoverable VAT)

Average spend excluding A&A	Wall type	Maximum grant funding ('cost cap') for retrofit works – energy efficiency	Minimum co funding if maximum grant funding utilised – energy efficiency	Total spend if utilising maximum grant funding and minimum associated co funding – energy efficiency	Additional grant funding ('cost cap') for retrofit works – low carbon heating	Additional low carbon heating minimum co funding	Additional low carbon heating spend if maximum grant funding utilised	Total (if maximum grant funding utilised alongside minimum associated co funding) – for both energy efficiency and low carbon heating
EPC D	Solid wall	£10k	£10k	£20k	£7,000	£7,000	£14,000	£34,000
	Cavity wall	£5k	£5k	£10k	£7,000	£7,000	£14,000	£24,000
EPC E	Solid wall	£12k	£12k	£24k	£7,000	£7,000	£14,000	£38,000
	Cavity wall	£7.5k	£7.5k	£15k	£7,000	£7,000	£14,000	£29,000
EPC F/G	Solid wall	£16k	£16k	£32k	£7,000	£7,000	£14,000	£46,000
	Cavity wall	£10k	£10k	£20k	£7,000	£7,000	£14,000	£34,000

Averaging of Cost Caps

It is possible to average the amount of grant funding requested by starting property characteristic (EPC Band/wall type combination), to allow for some homes in the application to spend slightly more to reach the SHDF performance outcomes of EPC C, with appropriate consideration of 90kwh/m2/year, bearing in mind reasonableness and cost effectiveness, and some homes slightly less, as long as the average is less than or equal to the cost cap for that starting characteristic.

For example, an application may apply with 900 EPC D Cavity wall homes that each cost £5,000 (including £2,500 grant funding, and £2,500 co-funding) to reach EPC C with appropriate with appropriate consideration of 90kwh/m2/year, bearing in mind reasonableness and cost effectiveness, and 100 EPC D Cavity wall homes that each require £12,000 (including £6,000 grant funding – above the £5,000 cost cap – and £6,000 co-funding) to reach the SHDF performance outcomes. This would average out at $[(900 \times £5,000) + (100 \times £12,000)]/1,000 = £5,700$ per home, or £2,850 grant funding per home if providing 50% co-funding – within the cost cap limit for that starting property type, even though some homes required greater spend than the cost cap if it were to be done on an individual home basis.

Grant funding is designed to provide up to 50% of the funding required to reach EPC C, with appropriate consideration of 90kwh/m2/year, bearing in mind reasonableness and cost effectiveness— it is not the case that Applicants wishing to go beyond the performance outcomes can use more grant funding than the cost cap to do so, even if other homes in the bid ‘balance out’ the average at or below the cost cap level. Applicants wishing to go beyond these performance outcomes should read ‘Going Beyond the Required Performance Requirements’ (section 2.11.2), and will need to provide more than 50% co-funding.

Maximising Cost Caps

It is anticipated that most homes will not require the level of spend allowed by the maximum cost caps (combined with the corresponding co-funding amount) to reach the performance requirements. Therefore, it is not expected that all Applicants will apply for the maximum grant funding for retrofit works available to them for every home. The level of funding applied for should be dependent on the cost of improving the stock to the SHDF performance outcomes and should not be dependent on the maximum level of grant funding for retrofit works available. Applicants will be required to provide a detailed cost breakdown of the project, along with a justification of these costs and how they contribute towards progress towards SHDF Wave 2.1 objectives in a way that provides value for money, as detailed in Section 2.11.4 below.

Going Beyond the SHDF Performance Outcomes

It is anticipated that some Applicants may wish to use grant funding for retrofit works as part of funding for retrofit of homes that they wish to improve beyond the performance outcomes for

SHDF Wave 2.1 (EPC Band C, with appropriate consideration of 90kwh/m2/year, bearing in mind reasonableness and cost effectiveness). For example:

- If an Applicant has an internal target for stock improvement of EPC B+, or if it requires limited extra measures to improve the energy performance of a home to an EPC Band B in comparison to improving to EPC Band C, and the Applicant wishes to do this;
- If an Applicant wishes to undertake deep, complex retrofit improving homes beyond EPC Band C/90kwh/m2/year at considerable cost.

The application should outline the number of properties which go beyond the required performance requirements.

It is expected that the grant funding for retrofit works applied for (along with associated co-funding) will be that required to achieve the performance outcomes for SHDF Wave 2.1 (EPC Band C, with appropriate consideration of 90kwh/m2/year, bearing in mind reasonableness and cost effectiveness). For Applicants wishing to go beyond these levels, it is expected that they will only use grant funding to fund a maximum of 50% of the eligible costs to reach EPC Band C, with appropriate consideration of 90kwh/m2/year, bearing in mind reasonableness and cost effectiveness. All other funding will need to come from co-funding. Cost, and justification of costs, will be considered in the Value for Money section of the application form.

Example: If retrofitting 1,000 cavity wall EPC D home that cost £6k (£3k grant funding+£3k co-funding) per home to reach EPC C with appropriate 90kwh/m2/year consideration, an Applicant may wish to spend an extra £5k per home to improve all homes to EPC B. The grant funding requested for these homes should be $(£3,000 \times 1,000) = £3\text{m}$, and co-funding provided should be $(£3,000 + £5,000) \times 1,000 = £8\text{m}$.

Decarbonisation on the gas grid

Some Applicants may want to fully decarbonise homes on the gas grid – including the installation of both energy efficiency and low carbon heating measures. Applicants wishing to do this may use the maximum grant funding available for the individual homes getting that treatment, as set out in section 2.11.2, if performance outcomes are reached using less than the maximum grant funding. Any additional funding to complete the retrofit will need to come from additional co-funding, above the 50% minimum. To avoid a reduction in the number of homes reaching EPC C through SHDF Wave 2.1 as a result of some Applicants using considerable grant funding on decarbonisation on the gas grid, decarbonisation on grid is not deemed to be a reason for utilising levels of grant funding beyond the cost caps for these homes, even as part of an approach to ‘averaging out’ cost caps at or below the levels specified in Table 1.

Example: If retrofitting 1,000 cavity wall EPC D homes on the gas grid that cost £6k (£3k grant funding+£3k co-funding) each to reach EPC C with appropriate 90kwh/m2/year consideration, an

Applicant wishing to fully decarbonise homes can use the additional £2k grant funding within the £5k cost cap towards the cost of low carbon heating for each home. This would need to be matched by an additional £2k co-funding for each home. This would take the grant spend up to $(1,000 \times £5,000) = £5\text{m}$, with corresponding co-funding of £5m. Any extra spend to complete the retrofit, including ensuring it was in compliance with the key principles in section 2.9, would be required to come from additional co-funding.

If taking the above example, and adding in an additional 2,000 cavity wall EPC D homes on the gas grid that the Applicant does not wish to fully decarbonise and cost £6k (£3k grant funding+£3k co-funding) each to reach EPC C with appropriate 90kwh/m²/year consideration, the Applicant cannot use the extra $[2,000 \times (£5,000 - £3,000)] = £4\text{m}$ towards the costs of decarbonisation of the 1,000 homes that they wish to decarbonise.

2.11.3 Administration and Ancillary Costs

Due to the scale and size of the projects, Applicants are expected to have administration and ancillary (A&A) costs associated with the delivery of the project. A&A costs are expected to be as low as possible, with a requirement that grant funding for A&A comprises less than 15% of total grant funding (with total grant funding including both grant funding for capital costs for retrofit works and grant funding for A&A). We expect that total costs for A&A (grant funding for A&A + co-funding for A&A) will comprise less than 15% of the total project costs (total grant funding + total co-funding, including both capital costs for retrofit works and A&A costs). A breakdown of administration and ancillary costs should be given in the value for money section of the application form (detailed in Section 2.11.4 below).

Applicants should consider which costs will be non-capital costs and make sure these are accounted for in the administration and ancillary budget. Examples of what spend could be included in the administration and ancillary budget and example of capital costs are given below. It is acknowledged that for certain activities, there is flexibility in whether these are considered as administration and ancillary, or capital. BEIS is not prescriptive about where costs sit and understands the need for flexibility and so Applicants should work with their Accounting Officers to ensure that their budgeting and allocations are fit for purpose.

Administration and Ancillary costs may include:

- Project management, reporting and governance costs,
- New pre-installation assessment and EPCs to verify eligibility of households to demonstrate starting EPC rating,
- Building works to prepare for installation – for example, removal of failed cavity wall insulation,

- PAS 2035 retrofit assessor and coordinator costs (although this could also be considered as a capital cost),
- High Rise Insurance Backed Guarantees,
- Search costs associated with resident recruitment, low-income verification for eligible owner occupier and private rental sector tenants and sign-up including communication activities, and
- After-care services to ensure households know how to use any new technology.

Capital costs may include:

- Installer and designer labour costs
- Costs for scaffolding
- PAS2035 on-site costs such as airtightness tests, ventilation updates, SAP measurements
- Materials and transportation
- TrustMark or equivalent lodgement fees, and
- PAS 2035 retrofit assessor and coordinator costs (although this could also be considered an admin cost).

2.11.4 Value for Money

Ensuring value for money is a critical objective of this project that reflects BEIS' obligation to ensure it is spending taxpayer's money as effectively and efficiently as possible. The assessment criteria and process for the competition have therefore been designed to assess the value for money of each project on an individual basis, ensuring overall value for money for the programme can be assured.

Value for money will assess the measures to be installed, a detailed cost breakdown, and a justification of this cost breakdown including evidence of costs provided.

Measures to be installed:

Applicants are expected to propose cost effective measures appropriate for their chosen stock which align with the SHDF Wave 2.1 objectives and strategic approach. Applications installing measures that are not making cost effective progress towards the SHDF's strategic objectives are likely to receive a low score in the 'Value for Money' section of the assessment, particularly where these measures are accountable for a significant proportion of the spend.

Detailed Cost Breakdown and Justification:

Applicants are expected to detail the costs of the project including non-recoverable VAT and excluding VAT including a breakdown of capital costs for retrofit works and administration and ancillary costs. Applicants must provide a breakdown of requested SHDF grant funding for capital costs to retrofit by EPC Band, wall type, and whether the home is on or off the gas grid. Applicants must justify their proposed capital costs for retrofit works and associated administration. Some factors that may affect costs are: spread of dwellings, cost of materials, cost of installers, supply chain infrastructures, archetypes treated/inclusion of hard-to-treat properties and level of funding required to meet SHDF performance outcomes.

Applicants are expected to provide an accurate cost breakdown that is based on engagement with suppliers. BEIS will carry out a cost benchmarking exercise (i.e. comparing equivalent costs against costs seen in other bids) - with the aim of ensuring that bids represent good value for money but also are evidenced based. Bids with poor cost justification, particularly those with relatively very high or very low costs, will receive a low value for money score.

Applicants are requested to state their overall co-funding contribution, which must be a minimum of 50% of eligible project costs. Applicants must also confirm the source of funds for co-funding and are expected to provide evidence of secured co-funding such as board sign off, minutes from meetings or letters of commitment. The co funding value shown in evidence should match the value input to the application form.

Applicants are not expected to maximise the available grant funding for retrofit works for every home (as outlined in Section 2.11.2) and should request grant funding based on the costs required to upgrade homes to SHDF performance outcomes.

2.12 Interaction with other Energy Efficiency Schemes

Both successful and unsuccessful Applicants who have previously applied to the SHDF Demonstrator may apply for funding under this Wave 2.1 competition, subject to their new proposal complying with the eligibility criteria for this competition set out in Section 2 of this document.

Applicants may use funding from other government schemes, such as the Energy Company Obligation (ECO), Sustainable Warmth competition (SW), or the Home Upgrade Grant (HUG), to support works on the same home but funding from multiple government schemes cannot be used to fund the same individual measure twice. It is the Applicant's responsibility to ensure that any blending of funding is compliant with each individual scheme and the respective requirements and objectives for each fund is met.

3. Tenants

3.1 Consideration of Tenants

The SHDF Wave 2.1 competition will aim to improve the comfort, health, and well-being of Social Housing tenants by delivering warmer and more energy-efficient homes. Applicants should demonstrate how tenant needs will be considered throughout the project and comment on any tenant engagement undertaken.

Learnings from the SHDF Demonstrator have highlighted the importance of tenant engagement and securing tenant 'buy-in'. Poor engagement is likely to be a challenge to successful delivery of projects, leading to refusal of access or tenants withdrawing from the project at a later stage. BEIS expects tenant engagement to go beyond leafleting and cold calling, which BEIS does not consider to be sufficient methods of tenant engagement when implemented in isolation.

Applicants are expected to outline how suitable support and information will be provided both during retrofit and occupancy so that tenants are able to maximise benefits from installations. Reasonable adjustments should be made to minimise negative impacts and inconvenience to tenants (especially those of a protected characteristic covered by the Equality Act 2010) where appropriate, and ensure work is delivered in a COVID-19 secure manner. Applicants may also wish to consider whether properties containing tenants who are particularly vulnerable to the cold are best to target for retrofit.

Applicants should consider their responsibilities under the Public Sector Equality Duty (PSED) and conduct an equality assessment or analysis if they deem necessary.

PSED applies to public sector organisations and any organisation where it is carrying out a public function.

In the event funds have to be repaid to BEIS, this should not affect the tenants. Where possible, funding should also not be raised through the sale of social housing.

4. Support for Applicants

4.1 Technical Assistance Facility

BEIS has established a Technical Assistance Facility to provide technical support for all Applicants interested in accessing funding from the SHDF Wave 2.1 competition. This technical

assistance will be available to all Applicants across England who intend to apply to the Wave 2.1 competition.

Technical assistance for the Wave 2.1 competition will be delivered under the name of the Social Housing Retrofit Accelerator (SHRA) through our commercial technical support partner Turner and Townsend Consultancy. Technical support from SHRA for Wave 2.1 will be available to Applicants in any stage of their project development, either through group support or one to one consultancy support - further detail is available on the SHRA website which is accessible via www.socialhousingretrofit.org.uk and contactable via info@socialhousingretrofit.org.uk.

This technical support comprises:

- A comprehensive knowledge hub providing support and information to guide an Applicant through a retrofit project life cycle. The information draws together industry best practice and guidance.
- Workshops, seminars and drop-in sessions on specific focus areas.
- Examples of some of the types of support offered:
 - Data collection and stock analysis, business case development, developing delivery models, scoping and specification of the project, internal governance, application writing and tenant engagement.

Applicants intending on applying for Wave 2.1 competition funding do not need to have applied for/and received support from SHRA to apply for Wave 2.1 funding. Receiving support from SHRA does not guarantee that the application to the SHDF Wave 2.1 funding will be successful. The Applicant remains responsible for ensuring the application meets SHDF Wave 2.1 eligibility requirements.

5. Digitalisation of Retrofit

Innovation funding

In order to help scale the retrofit sector, BEIS wish to encourage efficiency through support of the digitalisation of retrofit in the social housing sector. As such, BEIS have set aside an optional innovation support of up to 2% of capital spend per bid, or a maximum of £600k per bid (including grant and co-funding) (whichever is smallest), to assist in the digitalisation of retrofit. This funding is in addition to the cost caps outlined in section 2.11.2.

The award of this innovation funding is dependent upon assessment of an innovation funding question in the form, which will be scored independently from other questions. Applying for innovation support is optional, and consequently, no Applicant to SHDF Wave 2.1 will be penalised for their answers to the digitalisation question, nor for leaving their response blank. It is expected that Applicants applying for digitalisation support will have an existing digitalisation strategy.

Digitalisation funding Applicants will be required to share data and may be required to provide additional reporting with BEIS. This may include stock data or monitoring data that is collected as a result of digitalisation funding.

Eligible measures

A bid is eligible for the innovation funding if they demonstrate effective understanding and utilisation of an aspect of the digitalisation of retrofit within question 5.1. The definition of the digitalisation of retrofit considered for SHDF Wave 2.1 funding encompasses:

1. The usage of smart technology, sensors and monitoring platforms to collect relevant real-world data (from the properties being retrofitted) for the assessment of properties to enable retrofit, or after retrofit for monitoring and evaluation purposes.
2. The usage of building information modelling technology to design retrofit solutions using real world data from the properties being retrofitted.
3. The usage of energy efficiency measurement and electricity demand management tools to optimise energy usage, including reducing peak demand.
4. Other innovative digital technologies may be considered where they are clearly distinct from typical retrofit practice (where typical practice includes conventional stock modelling) and drive benefits in cost or time efficiency, scalability, or quality of information. Applicants using this definition should define why the technology is innovative, what the benefits are, and how they will adopt them.

Routine stock modelling, using modelled expected data for archetypes has a valuable role within retrofit. However, the data processing of modelled data is excluded from this definition of the digitalisation of retrofit.

Any project which incorporates (1), (2), (3) or (4) is eligible for the additional funding. Even if a project employs multiple aspects of digitalisation, grant funding remains capped at the stated level.

The expectation is that this digitalisation funding is used by applicants for delivery of digitalisation spend as outlined above.

Due to the innovative nature of digitalisation funding, BEIS reserves the right to consider variety and mix of approaches in proposals in the decision making process on successful proposals for digitalisation funding. It is expected that only a relatively small number of proposals will be successful in receiving digitalisation funding.

6. Other Information

6.1 VAT

The grant funding to the Lead Applicant falls outside of scope of VAT. This is because the provision of the grant is not a consideration of supply for VAT purposes.

If the Lead Applicant enters a third-party contractual relationship with a supplier (per the terms of BEIS issuing the grant), and incurs non-recoverable VAT on the supply provided, the Lead Applicant should ensure this does not exceed the total grant BEIS provided. This means recoverable VAT should not be included in the grant requested in the application.

In the case of a consortium, there may be different VAT implications depending upon the organisation(s) involved in the consortia applying for SHDF Wave 2.1. To ensure consistent treatment in the application assessment process, all costs will be assessed excluding VAT in the Value for Money section of the application assessment.

When working out the VAT costs for retrofit works, Applicants should consider what is being supplied. Is there a single supply of a mixture of services which will attract a single VAT liability or are there a number of separate supplies each attracting their own individual VAT liability?

If you are uncertain you may wish to confirm with your supplier the amount of VAT they will charge you before submitting a bid. BEIS expects VAT implications of works to have been considered prior to bid submission, to ensure costings are accurate.

BEIS recommends that Applicants procure their own VAT advice where there is uncertainty to ensure that the current application of VAT rules applies to the works that are being completed.

6.2 Financial Viability of Applicants

Applicants must satisfy the due diligence, financial and organisational checks that will be carried out by BEIS, prior to receiving public funds. This will assess trustworthiness, suitability, and track record of Applicants. Where required, robust due diligence will be carried out to assess financial health, available project funding, and potential fraud and error.

6.3 Conditions of Payment

This payment process will begin once the Grant Funding Agreement (GFA) has been signed by both parties.

Payment Process

1. On the 10th working day of each month, Lead Applicants will be required to:
 - a. Submit their delivery report, including an up-to-date financial forecast report for the project. This forecast should be based on previously received payments and their knowledge of spend to date. The forecast should show overall spend and the proportion being requested as grant funding, recognising that grant spend should be in line with the provision in the GFA - see below.
 - b. Submit a grant drawdown request for that month equal to the amount forecasted in the preceding month's delivery report.
2. Lead Applicants will be paid by the end of each month, following receipt of the grant drawdown request.
3. If the grant drawdown request is not submitted by the 10th working day, BEIS cannot guarantee payment by the end of the month.
4. Until kick-off meetings have taken place, payments will be made on the basis of the forecast set out by Lead Applicants in their application form (table 10).
5. The final payment will be made once all grant spend has been reconciled and accounted for.

Monthly payment process (before kick-off meeting):



Monthly payment process (post kick-off meeting):



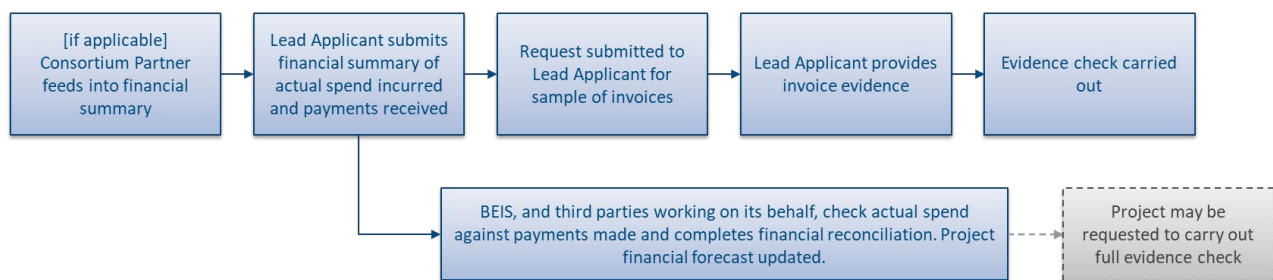
Reconciliation

1. Three times a year, Lead Applicants will be required to submit a summary statement of the actual eligible expenditure that has been incurred to date.
2. This summary statement should contain a high-level overview of payments that the Lead Applicant has made in relation to delivery of Wave 2, including to consortium partners and as part of any work on their own stock.
3. Based on the reconciliation, the forecast for the remainder of the project will need to be updated in line with the process outlined above.
4. A template for the summary statement will be provided and will require high level overview of payments as per point 2.

Evidence Check

1. At the end of every reconciliation exercise, BEIS, and third parties working on its behalf, will conduct an evidence check.
2. A sample of invoices will be requested from each Lead Applicant, who will have 5 working days to provide the invoice evidence to be checked. BEIS, and any third parties working on its behalf, will work proactively with the Lead Applicant during this time.
3. To assist this process, alongside any checks required by the Lead Applicant's own governance, we require all information pertaining to costs incurred during the project are recorded and evidenced.
4. BEIS reserves the right to request a full evidence check at any point during delivery and will work proactively with the Lead Applicant to carry this out in appropriate timescales.

Six times in grant spend period:



Grant Funding Agreement

Payments will be only made by BEIS after the Grant Funding Agreement (GFA), Grant Offer Letter (GOL), and associated agreements have been signed between the Lead Applicant (Grant Recipient) and BEIS. Further details on payments and financial requirements will be provided by

BEIS as part of the GFA. These will include the requirement for detailed statements of expenditure and requests for funds in a specified format. Applicants must satisfy the due diligence, financial and organisational checks required prior to receiving public funds.

A draft GOL and GFA have been provided as part of the competition process for Lead Applicants to review. Some key provisions that are included in the GFA are outlined below:

1. Grant funding awarded to each Lead Applicant must be spent by 31st March 2025, and Lead Applicants will lose their opportunity to claim grant funding after this date.
2. Lead Applicants are required to plan to spend around 40% of their grant funding in FY23/24 and around 60% of their grant funding in FY24/25. The exact percentage split for each project will be subject to agreement between BEIS and the Lead Applicant, and reflected in the GFA agreed outputs, before execution.
3. Lead applicants that underspend against their agreed baselined grant funding in each financial year may not receive this underspent grant funding in the following financial year, and requests to move funding between financial years will be dealt with on a case-by-case basis.
4. Eligible costs incurred between the launch of the Wave 2.1 competition and the signing of the GFA may be counted towards a project's co-funding requirement, should the project be successful. This spend will be at risk of the Lead Applicant and evidence of eligible co-funding spend will be required by BEIS once the GFA has been signed.
5. Where there is reasonable and explicit need, a one-off upfront payment of up to 10% of the project grant funding or £1m, whichever is smaller, may be made. BEIS will consider requests for a one-off upfront payment on a case-by-case basis and in line with Managing Public Money guidance. If approved, this payment will be made within 7 working days of signing the GFA.

Additional information

1. These processes will be reviewed after 8 and 18 months as a minimum and may be reviewed more frequently if required.
2. Eligible expenditure must have been incurred by the Lead Applicant or approved Consortium Partners (i.e. paid or invoiced, not solely contracted).
3. Lead Applicants must confirm expected in-year financial spend by the end of February in each FY to enable BEIS to manage spend across financial years.

BEIS reserves the right to pause or reduce payments subject to poor delivery performance. This will be based on an assessment by the Delivery Partner based on the monthly reporting data and other performance indicators and will be signed off by BEIS. The Lead Applicant is expected to work with the Delivery Partner and relevant consortium partners to resolve issues.

7. Information Management

7.1 Applicant Contacts

Provision of your contact details to be held in BEIS's Customer Relationship Management platform

Applicants will be required to provide a name and contact details for at least one named person to BEIS (including their nominated single point of contact). We would suggest one or more contact(s) who is/are the project lead, communications lead, finance lead, legal lead or CEO. We will use this information to communicate scheme updates, training notices, information on future schemes and opportunities and invitations to relevant events. Details of how this information will be held and used will be set out in the SHDF Wave 2.1 Data Sharing Agreement.

7.2 Monitoring and Evaluation

Key Performance Indicators (KPIs)

Applicants must provide baselines and forecasts on a number of key performance indicators (KPIs). These are used to appraise project proposals and to monitor project progress upon grant award.

Scheme administration

Grant recipients must have a system in place across their delivery teams to ensure they can fulfil the monitoring and reporting requirements as outlined in the GFA with BEIS. The DSA is an essential document grant recipients must sign and return to support the GFA. It specifies data sharing necessary to deliver and evaluate SHDF Wave 2.1.

Project leads must supply data to BEIS on a routine basis, following the reporting cycle outlined in the final GFA and DSA. In addition, they are expected to support requests which may be issued outside of this schedule to manage delivery as needed.

Grant recipients must work with BEIS-appointed monitoring officers to ensure that project reporting – including milestone claims, change requests or issue escalations – are clearly communicated. BEIS will also assist with ensuring good quality of data, by providing successful projects with webinar inductions on monitoring frameworks following grant award.

Independent evaluation and official statistics

To effectively manage public spend, BEIS commissions research, official statistics and independent evaluation of SHDF.

In accordance with its responsibilities as independent Controller, BEIS has identified the lawful basis for BEIS and its third parties to process SHDF Wave 2.1 Administrative Data for evaluation, research and statistical purposes as public task (UK GDPR Article 6(1)(e)), where processing is necessary for the Secretary of State's responsibility to report and evaluate the effectiveness of its policies.

The use of anonymised or pseudonymised data will be considered as the primary form of data sharing with parties outside of BEIS. Only where the public task legal purpose cannot be achieved using anonymised or pseudonymised data will personal data be shared.

Designated teams within BEIS may use SHDF Wave 2.1 Administrative Data to generate research and official statistics concerning SHDF, national housing stock, and other BEIS schemes. Results will be reported in an anonymised, aggregated format.

BEIS will commission an independent evaluation of SHDF Wave 2.1. Evaluation partners will process SHDF Wave 2.1 Administrative Data shared by BEIS to invite participants and beneficiaries to take part in research, on a public task legal basis. By taking part in research, data subjects give their consent to BEIS' evaluation partner to process their responses as SHDF Wave 2.1 Research Data (UK GDPR Article 6(1)(a)).

Grant award recipients must support research activities by:

- Facilitating on-site and in-person interviews and fieldwork with selected project leads, their delivery partners and project beneficiaries.
- Issuing BEIS SHDF Wave 2.1 Privacy Notice, and their own Privacy Notice, to their project participants and beneficiaries (i.e. tenants, PAS2035 roles and installers), informing them that they may receive a survey invitation from BEIS for feedback on their experience.
- Where applicable, sharing additional project-level data with BEIS and its research partners to supplement secondary desk research.

Further information on data required to deliver research, statistics and evaluation are outlined in the Data Sharing Agreement.

7.3 Managing Potential Fraud

BEIS requires Applicants to adopt a proactive, structured, and targeted approach to managing the risk of fraud. To ensure the safe administration of funding, Applicants are expected to have appropriate measures in place to mitigate against the increased risks of both fraud and payment

error. The Internal Audit Service of the Lead Applicant is expected to be engaged throughout delivery of the project.

Applicants are reminded of their responsibility to ensure that steps are taken to mitigate risks, which may include but not limited to the following:

- A provider using the funding for purposes outside of the grant conditions.
- Work not carried out, funds diverted, ineligibility not declared.
- False application or payment of grants to any person, agency or organisation.
- Spurious claims based on fiction e.g., claims made for empty properties and funding pocketed or upgrades sold on.
- Conflicts of interest/collusion through illegitimate procurement or price inflation.

A range of measures to prevent and detect fraud will be utilised by the scheme. BEIS will utilise data matching between energy efficiency schemes to monitor that the same measure installed in the same home is not claimed for under different schemes. BEIS will be managing fraud and conducting targeted spot checks via its delivery partner. Further information on data required to mitigate fraud, funding duplication and non-compliance is outlined in the Data Sharing Agreement.

BEIS has a zero tolerance to fraud, as such we reserve the right to withdraw or claw back funding if the scheme requirements/eligibility criteria are not met. BEIS reserves the right to audit/inspect any aspect of the work funded under the scheme and participants must allow us to inspect the work, at any given time during the project, to confirm that it has been undertaken in compliance with scheme rules.

BEIS will undertake due diligence checks whilst assessing applicants, whereby the applicant may be asked to provide more information and is expected to comply with the additional checks. During the length of the project, BEIS will reserve the right to audit the installations at any time.

7.4 Publication Process

BEIS may wish to publicise the results of the scheme, which may involve engagement with the media, including press, social media, and other channels. At the end of the application and assessment process and upon signing of the Grant Offer Letter and Grant Funding Agreement, BEIS may issue a press release or publish a notice on its website. These public documents may, for example, outline the overall results of competitions and describe some of the projects to be funded. BEIS may wish to publish the following information:

- Identity of the participant and its partners;

- Project summary information including aims and expected outcomes of the project as well as the technologies they propose to install;
- Locations of where the properties are that the project will undertake works on (designated by county or city); and,
- Total award value.

Some organisations may want the detail of their projects to remain confidential and Applicants will be given a chance to opt out of any involvement in media relations activity and further case study coverage of projects, should they see this as being absolutely necessary. However, the public description of the project that the Lead Applicant provides in their application will be made available in the public domain if their application is successful, and the Applicants may not opt out of the basic project description being published.

Please note that there will be an embargo placed upon the details of successful projects until BEIS has made the formal grant award announcement. Following this, we would encourage projects to publicise their plans, achievements and lessons learned throughout the project lifecycle. Projects must include a reference to the SHDF funding in their publications, and where the BEIS logo is used, projects are required to notify the SHDF stakeholder engagement and comms team to obtain permission beforehand. All grant recipients must make clear in all publicity arrangements, marketing materials and during tenant engagement that funding for these works has been provided (in part) by UK Government/BEIS. These materials must make reference to any BEIS provided branding, should this be proposed.

Following completion of the funded projects, BEIS will publish on its website a summary of the funded activities and the outcomes achieved. This may include a final summary report detailing key achievements from each project. BEIS may also publish outputs from the independent evaluation research that it will be conducting. These outputs will be high-level summaries of research findings generated through surveys and interviews, covering Wave 2.1. Any research findings published will be anonymised in line with the terms of UK-GDPR.

BEIS however recognises the need to maintain confidentiality of commercially sensitive information. BEIS will consult Applicants regarding the nature of information to be published, to protect commercially sensitive information.

8. Project Management and controls

Lead Applicants must develop evidenced project plans showing their ability to complete projects by the agreed date and consider any risks to this plan. It is the Lead Applicant's responsibility to understand and implement the necessary Project Management techniques for the successful

delivery of the project. Detail of the level of information BEIS expects to see at application stage can be found in the application form guidance.

BEIS will use core milestones to track the delivery of all SHDF Wave 2.1 projects. These milestones will be common to all projects and will be used to track and compare projects. They are not meant to replace the more thorough, detailed and specific set of milestones that each project should have as part of its internal project planning. These milestones can be found in Annex 6 of the Grant Funding Agreement.

BEIS may take into consideration the performance and risk rating of Applicants participating in the SHDF Demonstrator or SHDF Wave 1 projects. BEIS reserves the right not to award grant funding to Applicants whose SHDF Demonstrator or SHDF Wave 1 projects are currently performing poorly against the respective scheme objectives and outputs, and where BEIS deems these projects to be at a high delivery risk for Wave 2.1.

8.1 Lessons learned from SHDF Demonstrator and SHDF Wave 1

BEIS have identified lessons learned from the SHDF Demonstrator and Wave 1 projects, which are set out below. These points have been reflected within the Wave 2.1 application form, which applicants will be assessed on at bid stage.

- A comprehensive tenant engagement plan should be designed to ensure that tenants are bought into the retrofit approach and consent to access to their home. Cold calling and postal correspondence are not sufficient, and BEIS expects tenant engagement plans to go beyond these methods.
- Applicants should engage with their Local Authority's planning department as soon as possible. BEIS expects this to form a key element of the delivery plan proposed. Applicants are advised to begin engagement prior to submitting an application to SHDF Wave 2.1.
- Applicants are expected to have engaged with suppliers prior to submitting a bid to ensure that they have a good understanding of market prices and timelines. BEIS expects Applicants to demonstrate a strong cost confidence within their bid, therefore Applicants are advised to engage with their organisation's procurement team as soon as possible.
- Applicants are expected to factor in contingency into their project plans, both in terms of eligible homes (in the case where homes planned for in the original bid are refused works by tenants, found to be ineligible etc.) and funds (in the case where project costs go up despite well-informed planning and market engagement at application stage. This is important in all situations – but particularly when applying with a project without opportunity for reduction in number of homes if costs increase e.g. a single block of homes, requiring a whole block approach to retrofit, making up an entire application).

- Applicants are expected to have a good understanding of PAS requirements prior to submitting a bid.
- Applicants should consider how they will resource their project team. BEIS expects Applicants to have a project team in place, with the appropriate level of skills and expertise, ahead of entering into the agreement with BEIS through the GOL and GFA.
- Applicants applying with high rise blocks should ensure they have factored the cost of High Rise Insurance Backed Guaranties into their application, which are a requirement of Trustmark.
- Applicants are expected to demonstrate that their application is aligned to their organisation's long-term net zero strategy. Applicants that do not have an organisational long-term net zero strategy are advised to begin preparing one as soon as possible.
- Applicants should plan for the movement of services e.g. power cables, meter boxes, energy suppliers and UK Power Networks where necessary, for example when installing external wall insulation.

8.2 Guidance to Consortia

Consortia applications, as well as single bidder applications, are accepted for SHDF Wave 2.1. BEIS has prepared guidance to support consortia leads in applying for funding and forming their answers in the application form. BEIS has also prepared guidance to support consortium leads to complete the application form, which is detailed in section 9.3 of this document. Consortia applications will not score higher than single bidder applications based on the fact the application comes from a consortium. For guidance and support in setting up or leading a successful consortium, consortium leads are encouraged to consult the SHRA.

BEIS recognises that there are a range of drivers and benefits in forming a consortium when applying for SHDF funding and delivering a social housing retrofit project, and therefore organisations that are forming consortia are encouraged to develop an approach that best fits their objectives, in full knowledge that any approach will not be marked down by BEIS if it is strategically coherent and well thought through.

There are some consortium behaviours that should be adopted and evidenced to ensure delivery of the grant funding and relationship with BEIS progresses smoothly. These behaviours are as follows:

- **Grant agreements:** BEIS will sign a Grant Funding Agreement (GFA) with only the Lead Applicant. Therefore, agreements *between* consortium members and between the consortium lead and other consortium members will need to be managed by the Lead Applicant. The consortium lead will need to ensure that all members understand the terms of the GFA with BEIS and are content to proceed to delivery. The consortium lead will also need to ensure a robust process is set up to manage these agreements once BEIS share

the final GFA for signature, to minimise delays in project kick off. BEIS will make the template GFA available to the sector ahead of competition launch, to provide enough time for these agreements to be managed effectively. 'Competition launch' means the date on which the final set of competition and grant documents are published (29th September).

- **Due Diligence on members:** BEIS will have limited opportunity to assess individual consortium members for deliverability before awarding grant funding to the consortium. The consortium lead will be responsible for ensuring deliverability of each member's project, including appetite and commitment from the organisation to deliver as per the GFA terms, availability of co-funding to complete delivery, and any other due diligence checks necessary.
- **Contingency Plans in case of withdrawals:** Consortia may benefit from being able to manage scope reductions or withdrawals between the consortium members. For example, if one member can no longer treat the number of homes they set out to do, another member may increase the number of homes they are treating and absorb the grant funding, providing co-funding requirements are upheld. BEIS will hold the consortium lead accountable for delivery against the total number of homes in the original consortium application. Consortia are expected to have a plan to continue to deliver the same number of homes as in the GFA should a member(s) choose to withdraw. This should be managed as necessary by the consortium, including bringing new organisations into consortia where appropriate. Should a consortium not be able to deliver on its targets as per their application, this will be managed by a change request and/or grant variation, likely resulting in a reduction in overall grant funding available.
- **Data and Reporting:** A Data Sharing Agreement (DSA) will be signed between BEIS and the consortium lead as part of the GFA, and in signing this the consortium lead will be acting on behalf of all its members. Consortium leads will be responsible for signing data agreements amongst consortium members where necessary, in line with the obligations of the overall DSA. The Data Management System BEIS will use has not yet been finalised, however it is possible that BEIS will rely solely on the consortium lead to input all data and ensure all data and reporting requirements for consortium members are met. Therefore, the consortium lead should have a strategy for collecting, checking, and summarising financial and delivery data received from all members in a timely and effective manner. BEIS may need to deep dive into certain projects within the consortium bid during delivery, and so project-specific data should be held by the consortium lead and made available to BEIS on request.
- **Governance:** consortia should not be formed 'in name only' and a level of joint governance and shared working is expected to be evidenced. This is necessary to assure BEIS that any shared risks or approaches can be agreed, there is clear communication between members and joint decision-making can be effective.

9. The Application Form

9.1 Key Dates

The following table outlines indicative dates for SHDF Wave 2.1 milestones.

Milestone	Indicative date
Guidance and FAQs published / clarification period begins	18 th July 2022
Application form, further FAQs, Grant Funding Agreement, Grant Offer Letter and Data Sharing Agreement published	2 nd August 2022
Clarification period ends	12 th August 2022
Final documents (guidance, FAQs, application form) published post clarification period	29 th September 2022
Competition launch	29 th September 2022
Application submission details published	October 2022
Application submission opens	At least 5 working days before competition close
Competition close	18 th November 2022
Bid assessment ends	December 2022
Successful projects notified	Late February/Early March 2023
Grant funding agreements signed with successful Lead Applicants / projects start	From March 2023

9.1.1 Post-Launch Webinars and FAQs

Following on from the pre-launch webinars, BEIS will host 'Bid Development Masterclasses' during the competition window, arranged and run through the Social Housing Retrofit Accelerator. These 'Bid Development Masterclasses' will provide details of the SHDF Wave 2.1 competition guidance and the application process. These are open to Applicants, representatives of the supply chain and delivery partners.

There will be a clarification period ending on 12th August 2022 for Applicants to ask further questions. All queries should be addressed to SHDFWave2.Applications@BEIS.gov.uk after which all documents will be updated and re-uploaded to gov.uk page.

9.2 Application Process

Once Applicants are satisfied that they meet the Strategic Fit, Delivery Assurance and Value for Money aims (see Section 9.4 below) of the SHDF Wave 2.1 competition, the Lead Applicant can complete the SHDF Wave 2.1 competition application form which is available to download on the [SHDF Wave 2.1 webpage](#).

Details provided in the proposal submitted by the Lead Applicant will be used as the basis for BEIS to work with successful Applicants and their delivery partners to implement the schemes; all Applicants should therefore be mindful that the eligibility criteria, homes to be targeted and upgrades will be the basis of the Grant Offer Letter/Grant Funding Agreement, upon which grant funding is issued.

The submission of applications will open at least 5 working days before the close of the competition. Details of the submission process will be made available in October 2022 on the [SHDF Wave 2.1 webpage](#). Applications must be submitted by the Lead Applicant as defined in Section 2.1. All completed application forms and required attachments must be submitted by 23.59 on the bid submission deadline, on 18th November 2022. Proposals received after the application deadline will not be considered.

Applicants are requested to follow the guidance within the application form regarding formatting and number of words per section. Applicants should refer to this guidance document where necessary and ensure that they have complied with all the competition requirements.

BEIS officials will first review applications through an initial sift compliance check and may wish to complete some initial clarifications following this sift; followed by a full review of compliant applications. All assessments including the initial compliance sift will be quality assured and a moderation process will be undertaken. Proposals that are shortlisted for funding through the

review process, will then require approval via the relevant governance boards and then Ministerial final approval.

BEIS expects to be able to notify Lead Applicants of the outcome of their application by late February/ early March 2023. In the case of successful applications, BEIS will set out the level of funding being approved, and a GFA will be agreed with the Lead Applicant.

For any queries on submitting applications, please contact

SHDFWave2.Applications@BEIS.gov.uk

9.3 Applications from consortia

Consortia Applicants should submit a single application to BEIS, which is coordinated by the consortium lead. The responses in the application form should focus on the consortium lead's approach, with high level information about the approach taken by other consortium members. Where it is not appropriate for the consortium lead alone to draft the response submitted (e.g. they are not stock-holding or have a comparatively small project to other members), the consortium lead should work jointly with the largest consortium member (in terms of number of homes being treated) to draft the response submitted. The responses should give a more detailed view of the largest consortium member project, while still giving high level information about the other consortium members. Where consortia choose to adopt a unified approach to a particular topic, this should be detailed in the response to BEIS. Consortia applicants will be granted an extended word count allowance to convey these additional details in their response.

All consortia members will be required to provide individual data on the stock they are applying with, the retrofits proposed, and the modelled outcomes of those retrofits. When completing the supplementary tables to the application form, each consortia member should input their own data in individual tabs provided. The consortia lead is responsible for ensuring that the data summary correctly encompasses the data from each consortia member's individual tab.

9.4 Evaluation of Proposals & Assessment Criteria

Applications for funding will be judged by BEIS officials against a set of criteria on a non-linear scale (0, 1, 3, 7, 10). This assessment criteria is set out below:

- **Strategic Fit:** how well the proposal fits with the aims, desired outcomes and eligibility criteria of the SHDF Wave 2.1 competition.
- **Delivery Assurance:** an assessment of the feasibility and credibility of the project including detail on delivery forecasts, key milestones and the planning and scheduling

process; resource capability and capacity and organisational design; risk and issues management; management of conflict of interests; commercial agreements and procurement activities including supply chain management.

- **Value for Money:** the proposed measures to be installed and their costs; a cost breakdown of the project; and justification for the cost of the project.

Eligible proposals will be ranked based upon their total score. In general, applications with higher scores will qualify for funding ahead of those with lower scores, with funding provided to as many applications judged as suitable within the budget available. After assessment, there will be a moderation process and a portfolio review, including review of the suitability of applications that score well overall but poorly on one or more individual question(s).

In support of the levelling up agenda, BEIS also reserves the right to review the distribution of funding across England comparative to the number of social homes per region and allocate funding in line with this.

In the event that BEIS receives more funding applications than funding available, BEIS may place eligible applications on a reserve list to be contacted about any future grant funding opportunities.

BEIS reserves the right to terminate the competition at any time, and may decide not to award any grants, or to award grants for less than the total funding available under SHDF Wave 2.1.

Depending upon the nature of applications received, BEIS reserves the right to vary the allocation of grant funding, taking account of the scheme criteria and the number and size of Value for Money proposals it receives.

BEIS will not be liable for any costs incurred in the preparation or submission of applications.

Appendix A: SHDF Wave 2.1 Project Plan Guidance

Question 3.1 of the SHDF Wave 2.1 application requires a project plan to be attached as Annex F. Below, please find guidance on what BEIS expects to see in a good project plan.

Content

- Applicants may structure plans however they see fit, **but as a minimum**, BEIS expects plans to include the following:
 - Key project stages broken down into specific tasks
 - Details of project set up and project team establishment
 - Details of all necessary procurement activity
 - Details of tenant engagement activity before, during and after works have been completed
 - The steps needed for project design and coordination, including PAS2035 risk assessments, planning permissions, and building surveys
 - Details of installation
 - Details of post-installation activities and handover
- Plans should be tailored to the project and should not use a generic list of tasks. For example, any building surveys, procurement activity, and tenant engagement steps should all be relevant to the specific measures and buildings involved in the project.
- Plans must embed references to the 9 BEIS core milestones which were released at competition launch, as well as the full PAS2035 process. References to the BEIS core milestones should reflect the information provided in Table 9 of the main application form.
- If the project plans to install measures in a phased approach, the plan must include detail of this.
- Consortia bidders should provide a detailed consortia plan, as well as a plan on a page for each consortium member. Plans for consortium bids are likely to take a programme management approach, outlining areas such as governance, controls, and timelines which cover the whole consortium. The plan should also include specific member-level detail as required, outlining as a minimum the spread of delivery across the consortia.

Structure/Format

- Plans should be created in Microsoft Project, Excel, or similar software, and included as Annex F as a PDF file.
- Plans should list tasks line-by-line, including forecast start and end dates, durations, the BEIS core milestone they contribute towards, and owners for each line. A Gantt chart should also be included in the plan.
- The plan should clearly show dependencies. Applicants may add a column to note these, or use arrows on a Gantt chart.
- An extract of an example plan is included below as a guide to demonstrate how applicants may incorporate line-by-line tasks, dependencies, and the BEIS core milestones. Plans should include at least the level of detail shown below but the exact structure is at the bidder's discretion.

Plans which only use the BEIS core milestones, or do not include specific, broken-down tasks, are likely to receive a low score in the 'Delivery Assurance' section of the assessment.

Milestone			Forecast start	Forecast end	Duration	Relevant BEIS Core Milestone(s)	Dependencies	Apr-23				May-23					Jun-23			
Line	Project Stage	Task						3	10	17	24	1	8	15	22	29	5	12	19	26
1	(MS1) Project team establishment	Job profiles created for each team member	03/04/2023	09/04/2023	1 week	MS1														
		Retrofit Coordinator appointed	03/04/2023	09/04/2023	1 week	MS1	Market availability of Retrofit Coordinators													
		Resident Liaison Officer appointed	03/04/2023	14/04/2023	2 weeks	MS1														
	Project design and surveys	Desktop Analysis and archotyping of properties	03/04/2023	14/04/2023	2 weeks	MS5														
2		(MS4) Undertake PAS2035:2019 Risk Assessments	10/04/2023	21/04/2023	2 weeks	MS4														
3		Agree survey format	24/04/2023	26/04/2023	3 days	MS5														
4		Book archetype surveys	03/04/2023	14/04/2023	2 weeks	MS5														
5		(MS5) Detailed individual property surveys (PAS 2035 Retrofit Assessment)	24/04/2023	19/05/2023	4 weeks	MS5	BEIS MS1 (project team established) must be complete													
6		Carry out Pull tests for EWI	24/04/2023	12/05/2023	3 weeks	MS5														
7		Archetype structural surveys	24/04/2023	12/05/2023	3 weeks	MS5														
8		Undertake CWI adequacy fill tests	01/05/2022	19/05/2023	3 weeks	MS5														
9		Carry out design & energy modelling (by Archetype)	24/04/2023	19/05/2023	4 weeks	MS5														
10		Procure and agree measure specification	24/04/2023	07/05/2023	2 weeks	MS5														
11		Complete asbestos surveys	24/04/2023	19/05/2023	4 weeks	MS5														
12		Complete pre gas surveys	24/04/2023	12/05/2023	3 weeks	MS5														
13		Complete environmental surveys	24/04/2023	07/05/2023	2 weeks	MS5														
14		Complete damp surveys	22/05/2023	18/06/2023	4 weeks	MS5														

This publication is available from: www.gov.uk/government/publications/social-housing-decarbonisation-fund-wave-2

If you need a version of this document in a more accessible format, please email SHDFWave2.Applications@BEIS.gov.uk. Please tell us what format you need. It will help us if you say what assistive technology you use.



Department for
Business, Energy
& Industrial Strategy

Social Housing Decarbonisation Fund Wave 2.1 Application Form

Guidance to Applicants:

Please read the Competition Guidance Notes carefully before completing this form and provide sufficient information to demonstrate compliance with the Eligibility Criteria and the Evaluation Criteria.

Applicants are encouraged to write self-contained responses, within the word count given to limit the size of the application. Applicants are requested to maintain the structure of the application form.

Scoring of Responses:

This application form contains three types of questions:

1. Questions that are assessed and weighted to contribute towards the application score (these questions will be flagged as 'assessed and weighted')
2. Binary questions that are not weighted and do not count towards the overall score. These will still be assessed and responses will either pass or not pass that individual question (these questions will be flagged as 'assessed but not weighted'). Binary questions will form part of moderation and will be considered as part of the suitability review.
3. Questions that are for information only and will not be assessed (these questions will be flagged as 'for information only') – whilst not marked, this information will help BEIS understand necessary information on projects, and therefore enable facilitation of effective delivery.

Eligible proposals will be ranked based upon their total score. In general, applications with higher scores will qualify for funding ahead of those with lower scores, with funding provided to as many applications judged as suitable within the budget available. All applications will be moderated after assessment, and a portfolio review will be undertaken, including a suitability review of applications that score well overall but poorly on one or more individual question(s). For clarity, this suitability review includes both applications scoring poorly on a question weighted to contribute towards the application score, and applications not 'passing' a binary question. The outcome of the suitability review may result in a change in the eligible proposal ranking or a proposal no longer being regarded as eligible.

Guidance to Consortia Applicants:

Consortia Applicants should submit a single application to BEIS, which is co-ordinated by the consortium lead. The consortium lead is responsible for ensuring

that the information provided in this application form is correct, including the information provided on other consortia members. The supplied draft Grant Funding Agreement sets out full information on the responsibilities of the consortia lead.

The responses in the application form should focus on the consortium lead's approach, with high level information about the approach taken by other consortium members. Where it is not appropriate for the consortium lead alone to draft the response submitted (e.g. they are not stock-holding or have a comparatively small project to other members), the responses in the application form should focus on the largest consortium member's approach (in terms of number of homes being retrofitted). The responses should give a more detailed view of the largest consortium member project, while still giving high level information about the other consortium members. Where consortia choose to adopt a unified approach to a particular topic, this should be detailed in the response to BEIS. Consortia applicants will be granted an extended word count allowance to convey these additional details in their response. Questions 3.1, 3.2 and 3.3 have specific guidance to consortia applicants, which differs to this approach and should be noted.

Within the supplementary tables provided, all consortia members will be required to provide individual data on the stock they are applying with, the retrofits proposed, and the modelled outcomes of those retrofits. When completing the supplementary tables to the application form, each consortia member should input their own data in individual tabs provided. The consortia lead is responsible for ensuring that the data summary correctly encompasses the data from each consortia member's individual tab.

Application Submission Details:

The submission of applications will open at least 5 working days before the close of the competition. Details of the submission process will be made available in October 2022 on the [SHDF Wave 2.1 webpage](#). Applications must be submitted by the Lead Applicant as defined in Section 2.1. All completed application forms and required attachments must be submitted by 23.59 on the bid submission deadline, on 18th November 2022. Proposals received after the application deadline will not be considered.

Declarations

Declarations	
I have the express authority to fill out this application on behalf of the lead applicant and its project partners.	Yes
The lead applicant acknowledges that, if successful, it will be expected to deliver the project as outlined in this proposal.	Yes
I have read the accompanying guidance document and other related documents for completing this proposal.	Yes
To the best of my knowledge, this proposal is legally compliant with any commercial agreements it uses.	Yes
The directors of the lead applicant do not have a financial interest in any suppliers they plan to use.	Yes
To the best of my knowledge, the proposed project is compliant with the UK Public Contract Regulations 2015.	Yes
I confirm that the VAT position on this application form has been signed off by a relevant financial officer.	Yes
The Lead Applicant confirms that all homes/ upgrades included in this project are intended to fit wholly within the specifications outlined in the accompanying guidance document.	Yes
The Lead Applicant will introduce controls designed to ensure that SHDF competition funding will not be blended with other government schemes such as ECO for the funding of the same individual measure.	Yes
The Lead Applicant has consulted their Data Protection Officer and built-in plans to ensure deliverability of data sharing requirements with BEIS, including the completion of a Data Protection Impact Assessment.	Yes
The Lead Applicant will ensure that tenants, installers and delivery partners receive both BEIS' and their own project-specific Privacy Notice, outlining how their personal data will be processed within the project and wider programme, in line with the terms of GDPR.	Yes
The Lead Applicant agrees to acknowledge BEIS's funding in all communications regarding the project, with reference to any branding stipulated by BEIS, and support collection of case studies, as well as dissemination of case studies subject to BEIS approval.	Yes
The Lead Applicant acknowledges that BEIS will contact a sub-sample of tenants, installers and delivery teams as part of the independent evaluation of the SHDF and will incorporate this as part of their project Privacy Notice.	Yes

The Lead Applicant agrees to collate and transfer data, including personal data, as described in the Data Sharing Agreement, necessary to manage benefits and deliver evaluation of the programme.	Yes
The Lead Applicant agrees to the performance management requirements outlined in the guidance document.	Yes
The Lead Applicant will ensure projects are carried out to strict safety standards and that all work conducted through the SHDF will be compliant with all specifications and requirements set out in PAS2035 and appropriate safety and construction standards, including Construction, Design and Management (CDM) regulations and any statutory requirements for Principal Designs to be appointed.	Yes
Please confirm the Lead Applicant understands and acknowledges the terms and conditions of the supplied [draft] Grant Funding Agreement.	Yes
Please confirm that the Lead Applicant understands that funding not spent in the required timeframe is not guaranteed and applicants may have to take on any costs themselves in such instances, as set out in the supplied [draft] Grant Funding Agreement.	Yes
The Lead Applicant confirms that energy bills will not increase for tenants owing to works carried out through SHDF Wave 2.1.	Yes
[For optional Digitalisation funding applicants only] If accessing digitalisation funding, the Applicant agrees to share information with BEIS and any appointed third party evaluation partner.	Yes
Please provide an explanation if you have answered “no” to any of the above statements.	Answer: N/A

Subsidy control questions (for information only)

- These questions are to help us understand how you fit into our obligations to control and report on subsidies.
- Your answers to these questions will not affect whether or not you are eligible for or receive funding.
- Please answer the questions for either single applicants or consortiums, depending on which applies to you.

For single applicants

I have the express authority to fill out this application on behalf of the lead organisation and its project partners.

Yes

For consortium applicants

I have the express authority to fill out this application on behalf of the lead organisation and its project partners.	Yes
--	-----

1. Application Details

Section A: Details of Lead Applicant

All questions in section A are for information only.

Name of lead applicant and type of body: <i>Name of the lead, e.g. Local Authority, Combined Authority, registered provider of social housing, or registered charity. Please ensure that names are listed here as they appear in the gov.uk list of registered providers¹ or register of charities².</i>	South Derbyshire District Council
Company number of lead applicant (if applicable): <i>If the lead applicant is a Housing Association, please include your company number and DUNS number:</i>	N/A
Charity number of lead applicant (if applicable): <i>If the lead applicant is a Charity, please include your registered charity number.</i>	N/A
Is this a consortium application? <i>A consortium is an application containing more than one social landlord.</i>	No
Is your application subject to UK Subsidy Control Requirements?	No

¹ <https://www.gov.uk/government/publications/registered-providers-of-social-housing/list-of-registered-providers-14-april-2022-accessible-version>

² <https://register-of-charities.charitycommission.gov.uk/charity-search>

<p><i>Please provide brief evidence to support this position. Further information can be found in section 2.3 of the competition guidance document.</i></p>	
<p>Are there private properties (private rental sector or owner occupier) included in your application as well as social homes? And if so, have you/will you seek a declaration from the relevant economic sector that they do not exceed the Small Amounts of Funding Exemption in respect of elements of the bid that related to non-social homes³?</p> <p><i>Please provide brief evidence to support this position.</i></p>	<p>Yes</p>
<p>[Individual applications only] In any three-year consecutive fiscal period and not including any SHDF funding applied for, will/have you received state support of under 325,000 Special Drawing Rights?</p> <p><i>If the answer is yes, please state the amount of state support given.</i></p>	<p>No</p>
<p>[Consortium applications only] Name(s) and organisational type of consortium partners in application:</p> <p><i>Consortium partners can be Local Authorities, Combined Authorities, Registered Providers of social housing, Arms-Length Management Organisations or Registered Charities. Please specify whether each organisation is a Local Authority, Combined Authority, Housing Association or other type of organisation and whether each organisation is a registered provider. (Further information can be found in the guidance, section 2.1)</i></p>	<p>N/A</p>

³ See section 2.3 of the competition guidance document for further information.

<p>[Consortium applications only] Contact details of consortium partners in application:</p> <p><i>This question is only required for consortium applications. You should provide an email address for each consortium partner.</i></p>	N/A
<p>[Consortium applications only] In any three year consecutive fiscal period and not including any SHDF funding applied for, have/will the members of the consortium together receive/have received state support of under 325,000 Special Drawing Rights?</p> <p><i>If the answer is yes, please provide the amount of state support, broken down into each consortium member.</i></p>	N/A
<p>Lead applicant town/ city:</p> <p><i>You should enter the town/ city in which the lead applicant is located. You will also be required to enter the postcodes of targeted properties in the supplementary tables provided.</i></p>	South Derbyshire
<p>Lead Applicant Region:</p> <p><i>Please select: North West, North East, Yorkshire and the Humber, East Midlands, West Midlands, East, London, South East, South West, Nationwide (if Nationwide, please also state the region with the highest stock holding).</i></p>	East Midlands
<p>Name and role of the individual drafting this proposal:</p> <p><i>This individual will be considered the main contact. BEIS will contact this individual if we have any questions or updates on the status of the application. You may provide</i></p>	<p>Paul Whittingham</p> <p>Head of Housing</p>

<p><i>more than one contact name if helpful for resilience purposes.</i></p>	
<p>Email address of the individual drafting this proposal:</p> <p><i>BEIS will use this email address to provide confirmation and receipt of the submitted application form. BEIS will use this email address as the primary source for any updates to the lead applicant on the status of their application. You may provide more than one email address if helpful for resilience purposes.</i></p>	<p>Paul.Whittingham@southderbyshire.gov.uk</p>
<p>Phone number of the individual drafting this proposal:</p> <p><i>This is an optional field; this information is requested in case BEIS are unable to reach the Applicant by email. You may provide more than one phone number if helpful for resilience purposes.</i></p>	<p>07786841160 / 01283 595984</p>
<p>Partner Organisations:</p> <p><i>Please provide the names of any partner organisations contributing to this application, and their roles within your project's delivery model.</i></p>	<p>Novus Property Solutions – Contractor</p> <p>Energy Specifics – Retrofit Coordinator</p> <p>Constructive Thinking Studios – Retrofit Designer</p>
<p>Comms and Media Contact:</p> <p><i>Please provide a designated PR and Comms contact for your organisation for media-related enquiries.</i></p>	<p>James Taylor – Communications Manager</p> <p>James.taylor@southderbyshire.gov.uk</p>

Section B: Summary Information

All questions in section B are for information only.

<p>Public description of project:</p> <p><i>If this application is successful, BEIS may wish to publicise the results of the scheme which may involve engagement with the media. At the end of the application and assessment process, BEIS may issue a press release or publish a notice on its website. Applicants should summarise their project goals and ensure the summary is suitable for public disclosure. Applicants could include information including:</i></p> <ul style="list-style-type: none"> • Project title • Lead and consortia members • Region • Number of homes treated • Project cost <p><i>BEIS reserves the right to amend the description before publication if necessary but will consult the applicant about any changes.</i></p> <p><i>Single bidder word limit – 100, consortia bid word limit – 150</i></p>	<p>The South Derbyshire District Council (SDDC) SHDF project aims to improve the energy efficiency of approximately 103 homes for our customers. The homes are situated in South Derbyshire and all have an EPC below 'C'. The aim of the project is to improve the comfort, health, and well-being of our customers, and reduce their fuel poverty potential by delivering warmer and more energy-efficient homes. This also feeds into SDDC's aim to be carbon-neutral by 2030. The total project cost is £1,751,672.08 funded on a 50/50 basis through the SHDF scheme.</p>
<p>Total project costs:</p>	<p>Including non-recoverable VAT: £1,751,672.08</p> <p>Excluding VAT: £1,401,338.00</p>
<p>[Consortium applications only] Total project costs, split by consortia member:</p> <p><i>This question is only required for consortium applications.</i></p> <p><i>Please add additional organisation name/costs depending on the size of your consortium.</i></p>	<p>Organisation Name:</p> <p>Including non-recoverable VAT:</p> <p>Excluding VAT:</p> <p>Organisation Name:</p> <p>Including non-recoverable VAT:</p> <p>Excluding VAT:</p>

Total SHDF Wave 2.1 grant funding applied for:	Including non-recoverable VAT: £875,836.04 Excluding VAT: £700,669.00
[Consortium applications only] Total SHDF Wave 2.1 grant funding applied for, split by consortia member: <i>Please add additional organisation name/costs depending on the size of your consortium.</i>	Including non-recoverable VAT: Excluding VAT:
Total co-funding contribution:	Including non-recoverable VAT: £875,836.04 Excluding VAT: £700,669.00
[Consortium applications only] Total co-funding contribution, split by consortia member: <i>Please add additional organisation name/costs depending on the size of your consortium.</i>	Including non-recoverable VAT: Excluding VAT:
Blended Funding: Are you intending to use funding secured from another Government scheme alongside SHDF funding? Funding must be secured by the point of application to SHDF.	No Scheme Name: Amount (£):
[If the Lead Applicant or any consortia member is not a Registered Provider]: The Lead Applicant confirms that properties included in this application fall under the definition of social housing ⁴ (except for non-social housing included for the purposes of infill) and has provided evidence in Annex A. Evidence should include rent rates for the properties being considered for retrofit, with a market rate comparison. This is recommended to be attached as a spreadsheet.	[N/A]

⁴ as defined by the Housing and Regeneration Act 2008 (sections 68-70)

Please state whether the following annexes are included in your application:

BEIS expects applicants to supply all annexes relevant to their bid unless sufficient justification in answers negates the need for this.

Annexes should be used to provide further information, such as screenshots of modelling or evidence of quotes, to further illustrate the written justification provided within this document. Applicants should not use the annex as a way of negating the word count.

A guideline annex length has been provided in the table below for each annex. There is no upper limit on annex lengths, however BEIS expects applicants to keep annexes as concise as possible and only include the information requested. BEIS will take a proportionate approach to the assessment of annexes exceeding the guideline length, and annexes that exceed the guideline length provided may not be assessed in full.

Consortia bidders should abide by the guidelines to consortia when supplying annexes: the responses in the application form should focus on the consortium lead's approach, with high level information about the approach taken by other consortium members. Questions 3.1, 3.2 and 3.3 require annexes and have specific guidance to consortia applicants, which differs to this approach and should be noted.

<p>Annex A: Evidence that properties fall under social housing definition [mandatory annex for applicants who are non-registered providers only]</p> <p><i>Guideline annex length: one spreadsheet tab per applicant who is not a registered provider.</i></p>	[No]
<p>Annex B: stock identification and steps taken to ensure data provided in table 1 is accurate.</p> <p><i>Guideline annex length: single bidder – up to 3 pages, consortia – up to 5 pages</i></p>	[yes]
<p>Annex C: modelling methodology used to identify the measures proposed in table 2, and the outputs of retrofits outlined in table 3</p> <p><i>Guideline annex length: single bidder – up to 1 page, consortia – up to 2 pages</i></p>	[yes]
<p>Annex D: evidence that bills will not increase as a result of works [mandatory annex in homes</p>	[No]

where low carbon heating is proposed, optional annex in homes without low carbon heating] <i>Guideline annex length: single bidder – up to 2 pages, consortia – up to 3 pages</i>	
Annex E: justification where EPC F/G homes are not expected to meet EPC C <i>Guideline annex length: single bidder – up to 2 pages, consortia – up to 3 pages</i>	[No]
Annex F: project plan	[Yes]
Annex G: risk and issues register	[Yes]
Annex H: project team capacity and capability <i>Guideline annex length: single bidder – up to 2 pages, consortia – up to 3 pages</i>	[Yes]
Annex I: evidence to support your confidence in delivering this project <i>Guideline annex length: single bidder – up to 1 page, consortia – up to 2 pages</i>	[Yes]
Annex J: proof of cost justification <i>Guideline annex length: single bidder – up to 4 pages, consortia – up to 6 pages</i>	[yes]
Annex K: proof of co funding <i>Guideline annex length: single bidder – up to 5 pages, consortia – up to 8 pages</i>	[yes]

2. Strategic Fit

Worth 35% of the total marks	
Proposed works to social homes	
2.1.a) Assessed	Please complete tables 1-3 in the accompanying document.

<p><i>and weighted</i></p>	<p><i>Tables 1-3 will request information for homes starting below EPC C. This will include the starting characteristics of selected stock, the proposed measures to be installed, and the expected performances outcomes of the retrofit work. Questions 2.1.b – 2.6 will provide the opportunity to justify the retrofit approach proposed.</i></p>
<p>2.1.b) <i>Assessed and weighted</i></p>	<p>How have you identified the stock and made sure the data you have provided in table 1 is accurate? Evidence may be submitted as Annex B.</p> <p><i>Applicants should explain the stock assessment process that was used to identify these homes as being suitable for this application. Please outline the approach that has been taken to provide accurate data, including any steps taken to mitigate against reliance on poor quality data.</i></p> <p><i>The starting point for this is expected to be SAP, RdSAP or PHPP. This must be evidenced in annex B (e.g. through EPC certificates of an appropriate sample of stock. Applicants are not required to provide evidence in annexes for all homes included in their bid but are expected to provide evidence for at least one home representative of each archetype included in the bid. All homes must still meet SHDF Wave 2.1 requirements). It is acceptable to use recent EPC certificates combined with stock analysis at the application stage of the proposal.</i></p> <p><i>For those applicants wishing to use modelling to demonstrate the starting condition of the stock, BEIS expects a clear explanation of the modelling process that was used. Applicants may choose to supply a screenshot of any modelling carried out as annex B, to further illustrate the written justification. If a home is EPC C or above pre-retrofit according to a valid EPC, then it cannot be included in an application unless pre-application an EPC assessment is carried out showing that it is below EPC C, or if a retrofit assessment is carried out and as part of the retrofit assessment process the property is evidenced to be below EPC C. Acceptable evidence as part of the retrofit assessment process must be based on government approved SAP 2012 or SAP 10.2 software.</i></p> <p><i>Any application containing void properties should outline the modelling used to choose an appropriate selection of voids that will be deliverable during the SHDF Wave 2.1 delivery window, alongside what evidence was used to provide accurate information in Table 1 for this selection of properties. See the published clarification questions for further detail about consideration of voids.</i></p>

Detail should be provided on the proportion of stock in the bid covered by the methodology used to provide data on the starting condition of homes, and the proportion of stock in the bid where assumptions have been made on starting condition based on data from similar properties (i.e. gap data). An assessment should be made of how the proportion of gap data included impacts the overall quality and accuracy of bid data.

The best answers will provide additional confidence on the real-world condition of properties, beyond just the use of SAP/RdSAP/PHPP and any stock modelling that may have been done.

Single bidder word limit – 250, consortia bid word limit – 350

Guideline annex length: single bidder – up to 3 pages, consortia – up to 5 pages

Answer:

Using expertise of our partners Constructive Thinking Studio and Energy Specifics, we have undertaken analysis to ensure high levels of data quality:

1. **Reviewed asset list** and identified main archetypes,
2. **Used geographic and fuel poverty overlays** to identify primary areas using Locarla (directory of information on 2900 Housing Associations and Local Authorities, including analysis/overview of stock data),
3. **Undertook retrofit assessments (see Annex B), air pressure testing and created Retrofit Coordinator reports** for main archetypes and a relevant percentage of the stock (10%), based on real-world site visits (to increase accuracy and data quality, evidenced by photographs), suitable for installation works and future submission to Trustmark,
4. **Completed high-level energy modelling** based on LidAR scanning (completed during site visits) and existing, proven methodology of Scan-BIM-Energy Modelling (digital-twinning). The resultant point cloud outputs were processed in Leica's Cyclone software, and outputs exported to the BIM modelling software Archicad. This is flexible so external scans, Retrofit Assessment floor plans and associated building data, enables each property to be accurately modelled. This demonstrates compliance with the energy target of 90 kWh/m²/pa, energy performance data for estimated fuel bills, and provides the Net Zero path for each property, enabling the work to integrate with planned and strategic asset management decisions in the future.
5. **Worked with Elmhurst** to agree a methodology for re-assessing existing EPC ratings and re-lodged old EPC "C" rated properties ahead of the bid, where our modelling proved RdSAP ratings to be incorrect.

<p>2.1.c)</p> <p><i>Assessed and weighted</i></p>	<p>What modelling methodology have you used to identify the measures that you have proposed in table 2, and the outputs of those retrofits outlined in table 3? Evidence may be submitted as Annex C.</p> <p><i>Examples of acceptable evidence can include the outputs from stock modelling and energy efficiency planning using a SAP, RdSAP or PHPP based modelling tool or calculator. We would also expect a description of the modelling process – including any headline parameters included in the modelling. You may also wish to provide further evidence on any additional modelling/work you have done to provide further certainty. Applicants are expected to include a screenshot of the modelling undertaken as annex C, to further illustrate the written justification. Applicants are not required to provide evidence in annexes for all homes included in their bid but are expected to provide evidence for at least one home representative of each archetype included in the bid. All homes must still meet SHDF Wave 2.1 requirements.</i></p> <p><i>This does not replace the requirements for dwelling assessments under PAS2035. (Further information can be found in the guidance, section 2.9 and 2.10).</i></p> <p><i>Single bidder word limit – 250, consortia bid word limit – 350</i></p> <p><i>Guideline annex length: single bidder – up to 1 page, consortia – up to 2 pages</i></p>
	<p>Answer:</p> <p>We have incorporated lessons-learned from Wave 1 and been proactive in modelling archetypes pre-bid. As per BEIS guidelines, we have not over-specified, and have instead targeted the most cost-effective, fabric-first path to EPC C for as many properties as possible.</p> <p>Our partners Constructive Thinking Studio and Energy Specifics, have a proprietary modelling process using Scan-BIM-Energy Modelling. 10% of properties have been energy-modelled pre-bid. Air pressure test results (per archetype) informed the retrofit design.</p> <p>ECO Designer is used for energy modelling to ensure stated heat requirements are met. This allows for a range of fabric measure specifications to be tested efficiently and an optimum design package produced. Identification of cold bridging is central to our energy modelling</p>

	<p>approach and subsequent design solutions. This is how we decided what measures were best suited to each property, through optimised design, taking a fabric-first approach in readiness for future low-carbon heating solutions. We prioritised resident comfort in selecting measures are minimally disruptive, whilst giving maximum impact, at minimum cost. This is so we can extend the scheme to as many properties as possible in Wave 2 and improve the environment of as many residents as possible, therefore reducing fuel poverty potential. Measures identified are primarily loft insulation, cavity wall, windows, doors, low voltage fans, some below DPC EWI, general draft-proofing.</p> <p>The process is tried and tested on 3000+ properties (SHDF, LADS, ECO), and is totally scalable, whilst not reducing quality.</p> <p>Outputs include full construction drawings/specifications, data transfer to asset management systems, full BIM capability.</p>
<p>2.2)</p> <p><i>Assessed but not weighted</i></p>	<p>How you will ensure that bills will not increase as a result of the retrofit works, relative to what they would otherwise have been. Evidence of this modelling may be supplied as Annex D.</p> <p><i>Evidence of bill decrease should be based upon modelling via SAP, RdSAP or PHPP as an alternative. The modelling methodology used needs to be the same before as after retrofit – for instance, if using SAP 2012 before retrofit then this also needs to be used post retrofit. This does not replace the requirements for dwelling assessments under PAS2035.</i></p> <p><i>Projects proposing low carbon heat installations are required to demonstrate that bills will not increase as a result of the retrofit works, on a detailed basis for all archetypes – this should include a screenshot in Annex D of the modelling undertaken which should highlight SAP score pre-retrofit, modelled SAP score post retrofit, and modelled bill difference between pre and post retrofit. (Further information can be found in the guidance, section 2.9). Applicants are not required to provide evidence in annexes for all homes included in their bid but are expected to provide evidence for at least one home representative of each archetype included in the bid. All homes must still meet SHDF Wave 2.1 requirements.</i></p> <p><i>Single bidder word limit – 250, consortia bid word limit – 350</i> <i>Guideline annex length: single bidder – up to 2 pages, consortia – up to 3 pages</i></p>

	<p>Answer:</p> <p>Through our processes and methodology set out below, we are confident that bills will not increase as a result of these retrofit works.</p> <p>The energy modelling process uses On Construction SAP, based on LiDAR scanning (digital twinning) for each property. This outputs current property energy demand based on configuration, occupancy, and performance. Once various measures have been evaluated and modelled based on the PAS 2035 Retrofit Coordinator recommendations, the best-fit Retrofit Design package will be finalised and agreed between SDDC, Coordinator Energy Specifics, Designer Constructive Thinking, and our contractor Novus. The modelling process allows for detailed design solutions for cold bridging elements and surface temperature factor calculations, as well as the output SAP-rating for that design.</p> <p>Thus, the pre- and post-SAP scores are very accurately calculated, and we can confirm bills will not increase.</p> <p>Given extraordinary times we are living in with regards to fuel costs, and the three-monthly review of the fuel-cap by OFGEM, we can demonstrate with certainty the proposed fuel demand and a robust percentage improvement (i.e. decrease) over the existing property performance to ensure bills will not increase.</p> <p>Tenant behaviour plays a key role in this, and we will provide a detailed handover, and energy efficiency guide bespoke to works delivered, to optimise benefits of installed measures e.g., leave fans running after show, ventilate property regularly.</p>	
<p>2.3.a)</p> <p><i>Assessed but not weighted</i></p>	<p>Please confirm that all EPC Band D or E homes in your bid are expected to reach at least EPC Band C.</p>	<p>[Yes]</p>
<p>2.3.b)</p> <p><i>Assessed but not weighted</i></p>	<p>If EPC Band F or G properties are not expected to be able to meet EPC Band C, please provide a clear justification as to why. Evidence of this justification may be supplied as Annex E.</p> <p><i>Applicants must improve their social homes (through a fabric first approach suitable for the building type) to at least a minimum energy efficiency rating threshold of EPC Band C; except for those EPC Band F/G homes that cannot reach this level, which would need to reach EPC Band D and provide strong justification as to why they could not reach EPC Band C</i></p>	

	<p><i>(evidence should be based upon modelling via SAP, RdSAP or PHPP as an alternative. The modelling methodology used needs to be the same before as after retrofit – for instance, if using SAP 2012 before retrofit then this also needs to be used post retrofit. Applicants should show starting SAP score and modelled end SAP score.) Applicants are expected to include a screenshot of evidence supporting their justification as annex E, eg EPC certificates, or modelling, to further illustrate the written justification. Applicants are not required to provide evidence in annexes for all homes included in their bid but are expected to provide evidence for at least one home representative of each archetype included in the bid. All homes must still meet SHDF Wave 2.1 requirements</i></p> <p><i>Single bidder word limit – 250, consortia bid word limit – 350</i></p> <p><i>Guideline annex length: single bidder – up to 2 pages, consortia – up to 3 pages</i></p>
	<p>Answer:</p> <p>N/A</p>
<p>2.4) <i>Assessed but not weighted</i></p>	<p>If alternative low carbon heating solutions to low temperature heat pumps have been proposed, please provide a clear justification as to why.</p> <p><i>If no alternative low carbon heating is proposed in this application, leave this box blank. Further information can be found in the guidance, section 2.10.1</i></p> <p><i>Single bidder word limit – 250, consortia bid word limit – 350</i></p>
	<p>Answer:</p> <p>N/A</p>
<p>2.5) <i>Assessed but not weighted</i></p>	<p>If you have applied to utilise the solid wall cost cap on some or all homes in your retrofit, please provide a justification as to why.</p> <p><i>Please note the cost of cavity wall insulation on its own is not an acceptable justification. If only utilising the cavity wall cost cap, please leave this response blank. (Further information can be found in the guidance, section 2.11)</i></p>

	<p><i>Any home that is not classed as ‘cavity’ in the SAP wall type categorisation may use the solid wall cost cap if appropriate to do so. This includes brick, stone (granite, sandstone, or whinstone), timber, system build, or curtain walls.</i></p> <p><i>Single bidder word limit – 250, consortia bid word limit - 350</i></p> <p>Answer:</p> <p>N/A</p>
<p>2.6)</p> <p><i>Assessed and weighted</i></p>	<p>Please outline how the approach proposed is appropriate to your stock that you have applied with.</p> <p>This could include:</p> <ul style="list-style-type: none"> <i>Why the measures proposed for the stock applied with are an appropriate fabric first and lowest regrets approach to your stock that you have applied with. You may choose to build on the response to Q2.1 about modelling, and include information about your understanding of your stock, including retrofits that have been previously carried out.</i> <i>If no fabric measures have been applied with, please provide a clear justification as to why.</i> <i>Applicants are expected to propose cost effective measures appropriate for their chosen stock which align with the SHDF Wave 2.1 objectives and strategic approach. Applications installing measures that are not making cost effective progress towards the SHDF’s strategic objectives are likely to receive a low score in the ‘Value for Money’ section of the assessment, particularly where these measures are accountable for a significant proportion of the spend. See guidance sections 2.10 and 2.11 for further information.</i> <i>How the 90kwh/m2/year level outlined in the guidance was considered as part of the retrofit - including justification on the end level of space heating demand, considering reasonableness of retrofit and cost effectiveness. Note, applications should not look to implement a retrofit that reaches 90kwh/m2/year without considering these factors at the forefront of retrofit design.</i> <i>How it is in alignment with your organisation's net zero strategy?</i> <p><i>Single bidder word limit – 600, consortia bid word limit - 800</i></p>

Answer:

Our proposed approach is appropriate to the applied stock. Measures identified are aligned to our strategy to improve the health and wellbeing of tenants, reduce the risk of fuel poverty, and decarbonize our stock, whilst causing minimum disruption to vulnerable tenants.

Following initial data collection exercises, we undertook PAS2035 retrofit assessments including modelling and designs of 10 archetype properties (outlined under 2.1c), to confirm proposed measures are accurate.

Fabric First Approach

Properties are batched for ease of delivery/logistical efficiency, most with alternative fuel sources and traditional cavity construction meaning an easily achievable EPC C, at a relatively low cost per property.

Our rationale for selecting 103 properties is:

- 7 clustered properties that have low carbon heating on Tower Road/Main Street. They should have had a fabric-first approach initially to make sure they are energy-efficient to ensure the air source heat pumps are fully effective and reduce energy bills. The installation of low-carbon heating was complete as part of an earlier scheme (predominantly 2016/17), which did not stipulate a fabric-first approach. In hindsight this was an oversight and has been a key learn for decarbonisation strategy within the council thereafter which we are keen to now rectify for affected residents as part of this scheme. These are pre-1941 cavity wall properties.
- 17 flats in Brook Street that have ground source heat pumps (low-carbon heating), all the same property type, clustered around Brook Street, Swadlincote need a fabric-first approach for the same reasons as above.
- 2 properties that have biomass boilers (low carbon heating), so need a fabric-first approach for the same reason as above.
- 6 coal-fired properties need a fabric first approach, so that the next stage is to install a low-carbon heating system to get the off-coal.
- 3 properties heated by oil burners for the same reason as above.
- 43 Worst-first/ low-energy performing clustered properties with D/E EPC ratings.
- The remaining 25 properties are made-up of overflow from Wave 1 (sheltered bungalows with vulnerable tenants below EPC C).

Cost-Effectiveness

The Scan-BIM-Energy Modelling process allows Constructive Thinking Studio to evaluate multiple design options, always fabric first. By

	<p>undertaking this level of energy and measure analysis, maximising value for money, factoring in industry bench-marking and inflationary considerations will be central to the design. Tier 1 contractors can drive cost efficiencies when supplied with full construction packs and schedules.</p> <p>Energy Target 90 KwHr/m2/pa</p> <p>By using proprietary energy modelling software, we can assess multiple measure combination options, all calculated with On-Construction SAP. We can design out internal dew points and produce appropriate design detailing for identified thermal bridging.</p> <p>Under the SHDF Demonstrator, we successfully modelled to 50 KwHr/m2/pa on most properties and achieved required targets for SHDF Wave 1 properties.</p> <p>There are a minority of properties that won't meet 90kWh/m2 target as the installation of additional measures to reach 90kwh/m2/year would not be good value for money for all properties applied with, however, they still achieve EPC C and reduction in fuel bills.</p> <p>Net Zero Strategy</p> <p>We are targeted to be carbon neutral by 2030, see here. Use of energy modelling software is a perfect strategic tool for furthering this strategy. SHDF Wave 2 will help us achieve our ambitions by bringing the worst-first homes to pathway; we can then look to install Low-Carbon Heating measures in later schemes.</p> <p>There is a strong correlation between development, adoption and implementation of a Net Zero strategy with PAS 2035 and using BIM and digital-twinning of assets adds strong data to inform and back-up Net Zero pathways.</p>	
<p>2.7)</p> <p><i>Assessed but not weighted</i></p>	<p>Will any homes within your application go beyond the performance outcomes for SHDF Wave 2.1 (EPC Band C, with appropriate consideration of 90 kwh/m2/year)?</p>	<p>[No]</p>
<p>2.8)</p> <p><i>Assessed but not weighted</i></p>	<p>If you answered yes to question 2.7, please confirm that you will only use grant funding to fund a maximum of 50% of the eligible costs to reach EPC Band C, with appropriate consideration of 90kwh/m2/year, and that all</p>	<p>[N/A]</p>

	<p>other funding will need to come from co-funding.</p> <p><i>See section 2.11.2 of the competition guidance for further information.</i></p>	
<p align="center">Proposed infill works</p> <p><i>The focus of SHDF Wave 2.1 is on improving social homes currently below EPC C at scale. BEIS recognises that in some instances, Applicants may wish to carry out works to a block comprising mostly social homes below EPC C, but some homes in the block may be non-social homes, or social homes at EPC C or above. These homes may be eligible for infill funding for whole-block measures, such as external wall insulation, however such instances need to be strongly justified.</i></p>		
<p>2.9)</p> <p><i>Assessed but not weighted</i></p>	<p>Does your application contain any social homes starting at EPC Band C or above?</p>	<p align="center">[No]</p>
<p>2.10)</p> <p><i>Assessed but not weighted</i></p>	<p>If you answered yes to question 2.9, please complete table 4 and 5 (and proceed to respond to question 2.11). If you answered no to question 2.9, please skip to question 2.12.</p> <p>N/A</p>	
<p>2.11)</p> <p><i>Assessed but not weighted</i></p>	<p>Please justify the inclusion of any social homes at EPC Band C or above in this application, including why the proposed measures are vital for infill.</p> <p><i>Funding is limited to situations in which social homes below EPC Band C would be adversely affected without it, for example cases where these social homes would not be able to meet EPC C with appropriate consideration of 90kwh/m2/year, bearing in mind reasonableness and cost effectiveness (see 'Performance Outcomes' section 2.9 of the competition guidance document), or where works must be undertaken on a whole block for planning or logistical reasons.</i></p> <p><i>Funding is available for insulation and associated ventilation. Applicants may include additional measures on an exceptional basis if a justification is given as to why a whole block approach is essential for the attainment of SHDF Wave 2.1 performance outcomes (see section 2.9) for the below EPC Band C homes. Any Applicant wishing to install a measure that is not</i></p>	

	<p><i>an infill measure onto these homes must do so out of their own money, separately to their co-funding contribution.</i></p> <p><i>Single bidder word limit – 300, consortia bid word limit - 400</i></p>	
	<p>Answer:</p> <p>N/A</p>	
<p>2.12)</p> <p><i>Assessed but not weighted</i></p>	<p>Does your application contain non-social homes?</p>	<p>[No]</p>
<p>2.13)</p> <p><i>Assessed but not weighted</i></p>	<p>If you answered yes to question 2.12, please complete tables 6 and 7 (and then proceed to respond to questions 2.14 and 2.15). If you answered no to question 2.12, please skip to question 2.16.</p>	
<p>2.14)</p> <p><i>Assessed but not weighted</i></p>	<p>Please justify the inclusion of non-social homes in your bid, including why the proposed measures are vital for infill.</p> <p><i>Funding limited to situations in which social homes would be adversely affected without it, for example cases where social homes would not be able to meet EPC C with appropriate consideration of 90kwh/m2/year, bearing in mind reasonableness and cost effectiveness (see ‘Performance Outcomes’ section 2.9 of the competition guidance document), or where works must be undertaken on a whole block for planning or logistical reasons.</i></p> <p><i>Funding is available for insulation and associated ventilation. Applicants may include additional measures on an exceptional basis if a justification is given as to why a whole block approach is essential for the attainment of SHDF Wave 2.1 performance outcomes (see section 2.9 of the competition guidance document). Any Applicant wishing to install a measure that is not an infill measure onto these homes must do so out of their own money, separately to their co-funding contribution.</i></p> <p><i>Single bidder word limit – 300, consortia bid word limit - 400</i></p>	
	<p>Answer:</p> <p>N/A</p>	
<p>2.15)</p>	<p>Please explain what low-income eligibility criteria will be used to determine the proportion of funding that homes are eligible for.</p>	

Assessed but not weighted	Applicants should describe the steps they have taken to provide accurate data. <ul style="list-style-type: none"><i>The SHDF Wave 2.1 competition will fund 100% of costs of the infill measure for low-income owner occupier homes. These homes are considered as:</i><ul style="list-style-type: none"><i>Homes with an annual income of no more than £31,000 gross, before housing costs and where benefits are counted towards this figure</i><i>We expect many Applicants to use receipt of means tested benefits as a proxy for low-income and would expect Applicants using non-means tested benefits to set out additional income verification. Other methods to verify eligibility may include using data such as existing processes on Council Tax reductions for those on lower incomes, residents on the social housing waiting list, or more innovative approaches such as advanced statistics and machine learning (e.g. Experian or CACI Paycheck), where Applicants can demonstrate these will target low-income households. Self-declarations will not be acceptable methods of verification.</i> <p><i>Single bidder word limit – 250, Consortia bid word limit - 350</i></p>	
	Answer: N/A	
Additional information		
2.16) Assessed but not weighted	Please confirm that you will be using Trustmark registered (or an equivalent body) businesses in line with the installer eligibility requirements, to ensure appropriate installation of measures to appropriate standards and quality [PAS2035].	[Yes]
2.17) For information only	Have you identified a PAS2035 retrofit coordinator? Please state your preferred route to market for procuring a retrofit coordinator: independent, contractor led, or in house.	[Yes] Preferred route to market: Our preferred route to market is contractor led as Novus have an established relationship and

		developed processes with Energy Specifics Ltd (ESL).
<p>2.18)</p> <p><i>For information only</i></p>	<p>If applicable, please set out how your project will add social value, for example any plans to work with local colleges or provide apprenticeships to upskill the supply chain. Please note that SHDF Wave 2.1 grant funding may not be used beyond eligible costs set out in the Competition Guidance.</p> <p><i>Single bidder word limit – 300, Consortia bid word limit – 400</i></p>	
	<p>Answer:</p> <p>Per the Social Value Act 2012, we consider how our procurement activities might improve economic, social, and environmental well-being.</p> <p>Novus has committed to collaborating on social value delivery with a focus on our objectives:</p> <ul style="list-style-type: none"> • Reduce fuel poverty • Promote health and wellbeing • Make South Derbyshire District Council carbon neutral by 2030 <p>We will collaborate with our supply chain to prioritise the most meaningful and impactful initiatives in the local community, whether through charity fundraising, donating to food banks, or providing support on fuel bills.</p> <p>This could include:</p> <ul style="list-style-type: none"> • Heating fuel provision, energy efficient white goods or other low-cost energy efficiency measures to support households experiencing a heating crisis • Emergency support for food, energy and goods for those struggling • Launch national foodbank appeal encouraging employees to donate to local foodbanks • Undertake community improvement-projects via Build Back Better schemes • Encouraging employees to volunteer during work hours ('Volunteer Hero' initiative) • Donation of materials/in-kind goods • Allocate small grants to customers who may be struggling with their energy bills • Distribute Energy-saving advice booklets to every customer <p>Novus has agreed to work with Burton & South Derbyshire College to</p>	

	<p>provide work experience opportunities in relevant trades in the supply chain.</p> <p>Through Novus' Think Local approach, we will maximise local labour on this project including subcontractors, manufacturers, materials, services. They will engage local supply chains through "Meet the Buyer" Events, Press and Internet campaigns, and through our recommendations. This is part of their supply chain commitment to us and will be reported against:</p> <ul style="list-style-type: none"> • Employing local subcontractors in 20 miles • Offer real Living Wage • Skills buildings for those NEET e.g., workshops, training, apprenticeships • Employ SMEs and social enterprise • Provide work experience opportunities • Training and skills for local people • Prompt payment, within 27 days • Novus will assign a team member to be a 'business mentor' for each SME engaged
--	--

Delivery Assurance

Worth 35% of the total marks.

<p>3.1)</p> <p><i>Assessed and weighted</i></p>	<p>Please provide a project plan for your project and attach this as Annex F. As a minimum, BEIS expects plans to include the following:</p> <ul style="list-style-type: none"> • <i>Key project stages broken down into specific tasks</i> • <i>Details of project set up and project team establishment</i> • <i>Details of all necessary procurement activity</i> • <i>Details of tenant engagement activity before, during and after works have been completed</i> • <i>The steps needed for project design and coordination, including PAS2035 risk assessments, planning permissions, and building surveys</i> • <i>Details of installation</i> • <i>Details of post-installation activities and handover</i> • <i>The 9 BEIS core milestones included in Table 9 of the application form should be integrated into the plan</i> <p><i>Appendix A of the competition guidance document provides further guidance to applicants on how to structure plans, as well as an example.</i></p>
--	---

	<p><i>Consortia bidders should provide a detailed consortia plan as per the guidance in Appendix A of the competition guidance. Additionally, each consortia member should submit a plan on a page. The annex containing all plans should be submitted as a single document.</i></p>
<p>3.2)</p> <p><i>Assessed and weighted</i></p>	<p>Please provide a Risk and Issue Register for your project. The register must be completed in the supplementary template, titled “Annex G - SHDF Wave 2.1 Risk Register Template”, which can be downloaded from the SHDF Wave 2.1 webpage. All fields in the register should be completed to outline the risks and issues for the overall retrofit project and demonstrate mitigations you are putting in place to minimise the likelihood (in case of risks) and potential impact (both risks and issues). The Register should also include contingency plans should a risk materialise. Please attach the Risk and Issue Register as Annex G.</p> <p><i>Project Risk and Issue Registers should include, as a minimum, an assessment of the following risks:</i></p> <ul style="list-style-type: none"> <i>• Tenants (both social and non-social) refuse works being carried out on their homes, including due to COVID-19</i> <i>• Planning permission from the relevant department is not received in time</i> <i>• Properties that are deemed eligible at application stage are found to be ineligible (EPC C or above)</i> <i>• Leaseholders within mixed blocks refuse to finance works for infill homes</i> <i>• Specific materials and supplies are not available in time (e.g., steel, heat pumps)</i> <i>• Contracts, for retrofit coordinators or other necessary resources, are not in place in time to support delivery, due to delayed procurements, changing requirements, or lack of supply chain capacity</i> <i>• There is variation between costs during delivery compared to those used at application stage</i> <p><i>The list above provides a list of some of the most common risks. BEIS expects Risk and Issue Registers to also include risks specific to each project.</i></p> <p><i>Consortia bidders should aim to capture risks and issues for the whole project, but are encouraged to still include specific risks that apply only to specific consortium members, making clear where this is the case.</i></p>
3.3.a)	<p>Please provide the following to evidence the capacity and capability of your project team. This should be attached as Annex H.</p>

<p><i>Assessed but not weighted</i></p>	<ul style="list-style-type: none"> • <i>Organisational Design Map: This should comprise of a visual representation of the individuals forming your project team as well as the relationships between them. It should also show the contractors/suppliers (potentially) involved in the project, consortia members (if applicable) and who in your team will engage with BEIS/any BEIS appointed third parties.</i> • <i>Profiles and mini-CVs for key personnel. This must include:</i> <ul style="list-style-type: none"> ○ <i>A named Project Sponsor</i> ○ <i>Project Manager</i> ○ <i>Reporting lead</i> ○ <i>Retrofit co-ordinator/assessor</i> ○ <i>Quantity surveyor</i> <p><i>Consortia bidders should include details on the project or governance team for the consortia, which should include a clear overview of how the consortia works, and the roles within it including the senior responsible officer for each consortia member. A short overview of the project teams for individual consortia member projects should be included.</i></p> <p><i>Guideline annex length: single bidder – up to 2 pages, consortia – up to 3 pages</i></p>		
<p>3.3.b)</p> <p><i>Assessed but not weighted</i></p>	<table border="1"> <tr> <td data-bbox="432 1137 1171 1346"> <p>Please confirm that the project team as outlined in question 3.3.a will be sufficiently resourced, including specifically for providing regular monthly data and reporting to BEIS.</p> </td><td data-bbox="1171 1137 1476 1346"> <p>[Yes]</p> </td></tr> </table>	<p>Please confirm that the project team as outlined in question 3.3.a will be sufficiently resourced, including specifically for providing regular monthly data and reporting to BEIS.</p>	<p>[Yes]</p>
<p>Please confirm that the project team as outlined in question 3.3.a will be sufficiently resourced, including specifically for providing regular monthly data and reporting to BEIS.</p>	<p>[Yes]</p>		
<p>3.4)</p> <p><i>Assessed and weighted</i></p>	<p>Please give an overview of how you will manage your project to deliver to time, cost, and quality.</p> <p><i>Your answer should include any Project Management methodologies, systems, and practices you plan to use. Your answer should also include any additional information you wish to provide relating to the documents and plans you have provided for question 3.1, 3.2 and 3.3. Your answer should reference but not be limited to the following: project planning, governance and controls, data and reporting, and risk and issue management (including fraud risk management and reporting). The internal governance process for handling cost variances within your project should be outlined here, but details on specific approaches taken to addressing cost variances should be covered in your answer to question 3.5.</i></p> <p><i>Single bidder word limit – 600, consortia bid word limit – 800</i></p>		

Answer:

Novus, Energy Specifics Ltd, and Constructive Thinking Studios Ltd, will collaborate to manage works on time, to quality, with cost certainty, in compliance with the SHDF. All organisations have an established relationship and have developed tried-and-tested joint processes through delivery of SHDF Demonstrator and Wave 1 projects. This team will be assigned to Wave 2 and use these lessons and tried-and-tested processes to deliver to time, cost, quality per BEIS milestones.

We will assign a dedicated, trained project management team, to assign accountabilities, ensure everyone works to deadlines, place strict governance in place to enable seamless, compliant delivery from day one, maximise allocated funds, achieve intended outcomes.

TIME:**1. BEIS template**

2. Use Project Plan, attached in **Annex F**, (& Table 9) created by their dedicated Planner using Asta software, incorporating BEIS key milestones; we build contingency into our programme for unexpected circumstances

3. Identify risks and mitigation e.g., clearly communicate required material delivery dates, avoid bad weather conditions in programme

4. Maximise operational efficiency so workforce work productively e.g., trade continuity by giving individual trades a steady workload (eliminating need for subcontractors leave/return to the project)

5. Focus on resident liaison/buy-in to enable property-access

6. Monitor plan adherence through on-site supervision and digital tablets on-site to 'sign-off' key tasks/update master plan in real-time. Oneserve (Novus IT Management Software) will issue early warnings if plan is not being met, so mitigation measures are implemented. There will be weekly programme reviews to ensure we are on-track.

COST:

1. Identifying risks in project risk register, so controls can be implemented. Novus has expert understanding of retrofit-risks and mitigation e.g., commercial/**fraud risks** associated with funding allocation, mitigated through Novus' management process to evidence work delivered, (e.g. before/after photos). Novus will assign specialist owners to each risk to maintain accountability, with ongoing monitoring (e.g., weekly reviews).

2. Conducting robust retrofit surveys, assessments, designs, with cost confidence guaranteed from outset and all activities in the plan.

	<ol style="list-style-type: none"> 3. Partnering with PAS-2030 certified subcontractors and material suppliers, outlining delivery dates, agreeing fixed costs where possible, ensuring availability/capacity to deliver. 4. Ordering materials at survey/design stage, including bulk-buying materials to reduce costs/lead-in times. 5. Supply chain benchmarking across similar retrofit projects, so prices are regularly reviewed/renewed providing value. 6. Maintain budget compliance, through digital Spend Tracker, to review 'predicted vs actual' spend, detailing proposed budgets for each work element, preliminaries, for individual properties. <p>QUALITY STANDARDS (including Trustmark):</p> <ol style="list-style-type: none"> 1. Creation of ISO 9001-certified quality plan by Novus detailing controls 2. Novus project teams to manage and oversee quality standards, 3. Team training, e.g., PAS 2035, PAS 2030 etc. to comply with quality standards 4. Strict supply chain selection, management, training, accreditation, 5. Daily briefings providing site teams clear instructions on standards, 6. Inspections e.g., daily supervisor checks, key-stage inspections, 7. Data collection/reporting, throughout the project/upon completion, to evidence delivery is on track and compliant with funding T&Cs. Novus has a reporting pack for government-funded SHDF projects, to be amended to meet Wave 2 reporting requirements. Data will be collected digitally on-site, integrated with Oneserve to support an auditable digital trail (including photographs, certification). Reports will be stored on a secure, GDPR compliant, shared drive with SDDC, exportable in multiple formats. Reporting/administration will remain up-to-date, supporting seamless lodging-process/funding-release. 8. Conducting joint handover-inspections, upon completion of each including robust testing and commissioning as per PAS 2035 for each measure (if there are multiple measures they will be commissioned together). Novus will confirm tenants are happy with the works (and understand how to operate systems) before leaving their homes. 9. Resident monitoring/evaluation, 3, 6, 9 months post-completion,
<p>3.5)</p> <p><i>Assessed but not weighted</i></p>	<p>Please give an overview of how you plan to approach any cost variations to those levels applied with throughout the life cycle of your project. Your answer should include:</p> <ul style="list-style-type: none"> • How you will approach any changes to costs that occur after bid stage. This may include: <ol style="list-style-type: none"> 1. Any potential/plans for using organisational contingency funding. Please note, costs applied with as part of the

	<p>SHDF application should be realistic costs for delivery of the project in the current environment. By contingency funding in this question, BEIS means applicant funding available in addition to these realistic levels included elsewhere in this application form.</p> <ol style="list-style-type: none"> 2. If there are unexpected cost increases beyond those levels applied with, and insufficient availability of any contingency funding to cover such cost increases, how applicants would consider the suitability of the measure mix and number of homes to be retrofitted, while still bearing in mind the key SHDF principles of delivering a fabric first approach to EPC C at scale. How any decreases in costs from those applied with would be approached, including any considerations on delivery of additional homes. 3. Any provisions that you have in existing contracts or mechanisms that you will include in contracts that will be procured to address cost variation including those driven by inflation. <p><i>In response to this question, you may wish to cross reference the rate of inflation you have included in your costings, as detailed in question 4.2.</i></p> <p><i>Single bidder word limit – 250, consortia bid word limit – 350</i></p>				
	<p>Answer:</p> <p>Through cooperation with Novus and an open-book approach we will be reactive to cost-increases and follow strict variation processes.</p> <p>A lesson from Wave 1 was underestimating enabling works involved, which further emphasised the importance of having better understanding of housing stock. We have therefore been proactive in modelling upfront to archetype properties to provide cost-certainty. Novus also uses CPIs to calculate inflation levels from The National Office of Statistics, providing transparency.</p> <p>We will capitalise on economies and be collaborative in our approach to budget adherence:</p> <table border="1" data-bbox="448 1843 1474 1968"> <thead> <tr> <th data-bbox="448 1843 687 1888">Risk</th><th data-bbox="687 1843 1474 1888">Contingency</th></tr> </thead> <tbody> <tr> <td data-bbox="448 1888 687 1968">Measure costs increase</td><td data-bbox="687 1888 1474 1968">Novus and Retrofit Designers would 'design-out' using economically viable alternatives.</td></tr> </tbody> </table>	Risk	Contingency	Measure costs increase	Novus and Retrofit Designers would 'design-out' using economically viable alternatives.
Risk	Contingency				
Measure costs increase	Novus and Retrofit Designers would 'design-out' using economically viable alternatives.				

	<table border="1"> <tr> <td data-bbox="448 197 687 320">Increasing inflation</td><td data-bbox="687 197 1474 320">Novus would prioritise more expensive works to mitigate inflationary pressures. If reductions were envisaged we may delay to more advantageous time</td></tr> <tr> <td data-bbox="448 320 687 495">Proposed works exceed budget</td><td data-bbox="687 320 1474 495">Reschedule and/or reduce measures or properties, focussing on properties most feasible to achieve EPC C, for minimum cost) or leverage other maintenance provisions to mitigate unforeseen increases.</td></tr> </table> <p>Identifying back-up properties is part of our ongoing asset management strategy to address potential cost decreases, pending detailed stock condition surveys in 2023, prioritised moving forward.</p> <p>Where unforeseen circumstances arise, we would follow agreed variation procedures, supported by data from Novus' Oneserve system:</p> <ol style="list-style-type: none"> 1. Variation identified (Novus) 2. Photographs taken, sent to Surveyors (Novus) 3. Surveyors view and quote variation price (Novus) 4. Variation evidence/quote emailed to us for approval (Novus) 5. Variations approved or sent back to re-quote (SDDC) 6. Novus operations team authorised to proceed with works 	Increasing inflation	Novus would prioritise more expensive works to mitigate inflationary pressures. If reductions were envisaged we may delay to more advantageous time	Proposed works exceed budget	Reschedule and/or reduce measures or properties, focussing on properties most feasible to achieve EPC C, for minimum cost) or leverage other maintenance provisions to mitigate unforeseen increases.
Increasing inflation	Novus would prioritise more expensive works to mitigate inflationary pressures. If reductions were envisaged we may delay to more advantageous time				
Proposed works exceed budget	Reschedule and/or reduce measures or properties, focussing on properties most feasible to achieve EPC C, for minimum cost) or leverage other maintenance provisions to mitigate unforeseen increases.				
<p>3.6)</p> <p><i>Assessed but not weighted</i></p>	<p>Please provide a statement detailing your confidence in delivering this project. Where possible, this should be done through the provision of evidence of successful delivery of at least one past construction and or/ energy efficiency project of a similar size, scale, and complexity. Further information may be included as Annex I.</p> <p><i>Applicants should provide a clear narrative, supported by evidence as to their confidence in delivering this project. Applicants may include evidence such as case studies, references from past projects, or screenshots of monitoring as annex I to further illustrate the written justification provided.</i></p> <p><i>Evidence can include the following:</i></p> <ul style="list-style-type: none"> • <i>An overview of the project and its objectives, and robust evidence of delivery performance including but not limited to: KPIs and milestones achieved; measures completed in line with original project baseline; Budget/VFM, and benefits achieved. Where applicants have participated in relevant BEIS and DLUHC grant schemes should use these schemes as their primary evidence base but may include other additional examples.</i> • <i>Narrative on past delivery challenges with a clear demonstration of how these issues were addressed and will be mitigated</i> 				

	<p><i>against during the delivery of the SHDF project, specifically referencing how lessons have been learned by the organisation.</i></p> <ul style="list-style-type: none"> <i>• Use of case studies; references from past projects; monitoring or/and final reports.</i> <p><i>Where an applicant is unable to answer this question with an example, they should outline the processes that have been put in place to ensure they are equipped to deliver this project, and may cross reference to other responses given within this application form.</i></p> <p><i>BEIS reserves the right to utilise applicant performance evidence sourced internally from the delivery teams managing the BEIS/other department schemes including but not limited to: monitoring or/and final reports; performance statement from Project Director; report by Scheme Administrator; 3rd party Technical Consultants reports. If an applicant's past performance would impact BEIS's confidence in their ability to deliver the project, the narrative on past delivery challenges or references to the appropriate mitigations in the Risk and Issues register should give BEIS the confidence that any such failure or issue will not recur if that applicant were to be awarded grant funding.</i></p> <p><i>Single bidder word limit – 500, consortia bid word limit – 700</i></p> <p><i>Guideline annex length: single bidder – up to 1 page, consortia – up to 2 pages</i></p>
	<p>Answer:</p> <p>Under SHDF Wave 1, we are currently in the process of delivering 'whole house' retrofit to 120 properties to varying degrees dependent on the EPC rating and recommended improvement package for each property: for Loft Insulation, cavity wall, windows & doors, low voltage fans, some below DPC EWI, and general draft-proofing. This project is in the early stages of delivery.</p> <p>The project team for this scheme is largely the same as we would opt to use for Wave 2.1 and has informed our project approach. We are confident that having a team that is familiar and experienced with the processes and programme will give us an added advantage. Due to lessons learned Novus have employed a new Senior Project Manager with vast retrofit experience, Carl Wright. Barry Hill (trained L5 co-ordinator) is now in an advisory role to add a further layer of assurance.</p> <p>We have included a case study for an alternate scheme delivered by Novus for Redditch Borough council to evidence their capabilities in delivering compliant works to conclusion with intended outputs delivered. See detailed case study attached as Annex I.</p>

	<p>Collaboratively, the Novus sustain centre of excellence in collaboration with Energy Specifics and Constructive Thinking, has contributed to projects for over 500 social housing properties, with 1000 undergoing assessment, and over 5000 Trustmark lodgements to date.</p> <p>Further examples of where Novus/ESL (Energy Specifics Ltd)/CTS (Constructive Thinking Studios Ltd) have successfully delivered fabric-first decarbonisation projects:</p> <ul style="list-style-type: none"> • Brent PAS2035 Retrofit pilot: EWI, windows, internal wall insulation, high-heat retention heaters • Northampton Partnership Homes: SHDFd & SHDF Wave 1 EWI, loft insulation and associated works (e.g. Solar PV, air source heat pumps, ventilation, installation of smart meters) • Stevenage Local Authority Delivery LADS 2 & SHDF Wave 1: CWI, loft insulation, photovoltaics, low energy lighting, and installation of GSM meters • London Borough of Enfield LADS 1B & SHDF Wave 1: EWI, loft insulation and mechanical fans • Dacorum LADS 2 & SHDF Wave 1: EWI, windows, flat roof, PV • Chester – Guinness SHDF Wave 1: EWI, Windows, loft • Stonewater (Batches 1-4)LADS 2 & SHDF Wave 1: B1 and 2 - CWI + associated • Nottinghamshire W1 & 2 SHDFd & SHDF Wave 1: EWI, windows, loft
<p>3.7)</p> <p><i>Assessed and weighted</i></p>	<p>Please describe in detail your commercial and procurement strategy to support the delivery of the project including already established supply chains and how you will support supply chain development. Please complete table 8 as part of this question.</p> <p><i>Applicants should include commercial and procurement strategies considering all contracts (or planned contracts) that will be placed using grant funding, and/or details of any amendments to existing contracts to deliver the project. This should include timelines, market engagement strategies, contract route, contract management and performance plans, pricing model, evaluation/award criteria and other information. Applicants should describe how they will support the delivery of HM Government policies with a focus on Social Value, supporting SMEs, Prompt Payment, Modern Slavery and Carbon Reduction Plans.</i></p> <p><i>If new procurements are required and these are not known at the time of application, applicants should provide an indication of planned contracts to be placed to deliver the grant funding (e.g by value, type). Details not known at the time of application should be itemised in the</i></p>

	<p><i>risk register, along with planned actions and milestone dates for resolution in the project plan.</i></p> <p><i>If existing procurements are amended or extended, applicants should consider any procurement risks of increasing volumes of work and values through existing contracts or frameworks, especially where subject to project change requests.</i></p> <p><i>Single bidder word limit – 600, consortia bid word limit – 800</i></p>
	<p>Answer:</p> <p>We have procured Novus' services via the Fusion21 Framework for delivery of the Wave 1 scheme and will continue to use this Framework or equivalent for the delivery of the Wave 2 scheme, opting to direct award via a new call-off contract to accommodate a completion date in 2025.</p> <p>The current Contract is a "whole house" contract including all major/planned/responsive works to Council properties. Through this framework we went out to competitive tender with two qualifying contractors. Novus Property Solutions Ltd (Novus) were the successful bidder in terms of both price and quality. The contract was let under a JCT MTC commencing June 2019 for 3 years with an option to extend for 2 years which was agreed. For the remaining year of the SHDF Wave 2, we would look to procure Novus' services again through an appropriate framework, options for which are outlined below.</p> <p>Novus have several existing procurement frameworks which we can directly award through, following an OJEU compliant procurement process. These all have no geographical restrictions. Frameworks/DPS' they can utilise include;</p> <ul style="list-style-type: none"> • Procure plus holdings limited, Retrofit Programme Delivery Services DPS • Prosper (ne) procurement limited, Decarbonisation Retro-Fit Framework (including Refurbishment works) • Communities and housing investment consortium ltd (CHIC), National Optimised Retrofit Installations DPS 2022 • Fusion 21 limited, Decarbonisation Framework • Efficiency east midlands, Decarbonisation Framework • Efficiency North, Whole House Installation Works Under £2m • CPC, Whole House WH2 framework <p>Direct award via an appropriate framework</p>

	<p>Direct awards can be made under multi-supplier framework arrangements which set out all the terms under which contracts may be called off without further agreement.</p> <p>In these circumstances, the specific contract will be offered to the supplier who will be able to fulfil the order most efficiently. Novus enable us to establish a compliant contract with a trusted partner, at speed to ensure the contract timescales can be met.</p> <p>From our discussions with Novus, and their relationships with Framework Consortiums, we understand that contracts could be signed within 2 weeks of confirmation of funding award, with a Value for Money Statement produced should there be a requirement, based on the above parameters.</p> <p>We are satisfied that Novus has the resource to provide a turnkey solution as our preferred contractor and that they have procured the relevant supply chain including:</p> <p>Retrofit Coordinator/Assessor/Evaluator: Energy Specifics Ltd – Multiple Level 5 Qualified persons</p> <p>Retrofit Designer: Constructive Thinking Studios Ltd – RIBA & RICS qualified Architects</p> <p>Approved installers: Novus has been continuously procuring Trustmark/MCS or equivalent installers throughout 2021/22 and have successfully onboarded local, capable and compliant installers to carry out the proposed measures. Installers include Emmott Pierce, and Phoenix Renewables.</p> <p>This pre-established, partnership approach will aid the delivery of this project within the challenging timeline.</p> <p>Support the delivery of HM Government policies</p> <p>We will support the delivery of HM Government policies with a focus on Social Value, supporting SMEs, Prompt Payment, Modern Slavery and Carbon Reduction Plans throughout the delivery of this programme and have commitment from our supply chain to invest in our initiatives as part of contract KPIs.</p> <p>In order for us to engage with a supplier, they must supply their relevant policies and sign up to our minimum standards regarding</p>
--	--

	<p>supplier payment, carbon reduction, and modern slavery. Suppliers are incentivised to exceed upon minimum benchmarks.</p> <p>We have a zero-tolerance policy regards to Modern Slavery in the supply chain and robust escalation procedures. Please see 2.18 for our social value commitments which include prioritisation of local employees and SMEs, Environmental commitments, prompt payment and community benefits.</p>
<p>3.8)</p> <p><i>Assessed and weighted</i></p>	<p>Please provide a comprehensive and proactive plan detailing your approach to considering the needs of tenants and overall tenant engagement.</p> <p><i>BEIS expects applicants to detail all tenant interaction relevant to the SHDF, including engagement/planning carried out prior to application submission.</i></p> <p><i>Applicants should detail the methods and materials to be used for tenant engagement. Applicants should describe how they will secure buy in from tenants on both the proposed retrofit approach to the home and entry to the home to undertake any necessary surveys and to carry out works. BEIS expects tenant engagement to go beyond leafleting and cold calling, which BEIS does not consider to be sufficient methods of tenant engagement when implemented in isolation. Tenants should have access to a communications platform where they can have questions answered and concerns resolved with the Landlord.</i></p> <p><i>Applicants should also demonstrate that individual vulnerabilities and tenant concerns have been considered with explicit reference to protected characteristics listed under the Equality Act 2010. Applicants should demonstrate that they have considered tenant comfort, wellbeing and satisfaction both during and post works, and provide a follow up plan including how you will educate tenants around new measures and technologies after works have been completed.</i></p> <p><i>Learnings from the SHDF Demonstrator scheme are that poor tenant engagement is a particular blocker to successful delivery.</i></p> <p><i>Single bidder word limit – 500, consortia bid word limit – 700</i></p>
	<p>Answer:</p> <p>We will work with Novus, to maintain tenant engagement. Novus are PAS2035 certified, TrustMark registered, TPAS members, hold</p>

	<p>ISO9001 policies/procedures, maintain average 97.7% customer satisfaction across all contracts.</p> <p>Considering lessons from Wave 1, we have been proactive with tenant engagement and are implementing further measures for Wave 2.1, including open-house property set-up as an office in a central/accessible location, community meetings, parish-council meetings, local counsellors to promote work.</p> <p><u>Pre-Works.</u> Novus will:</p> <ol style="list-style-type: none"> 1. Appoint dedicated Customer Liaison Officers (CLOs) to provide support/advice to tenants and leaseholders, be key points of contact (24/7/365), engage with adjoining neighbours, 2. Train tenant-facing staff on carbon literacy to support tenant engagement (<i>Novus delivered Retrofit Academy PAS 2035 and Environmental Awareness training</i>) 3. Create project-specific tenant engagement plan, engaging with our housing team/local tenant groups considering local community needs, detailing ways to maximise wellbeing/comfort/satisfaction. 4. Identify tenant needs, particularly those with vulnerabilities or Equality Act 2010 protected characteristics in tenant one-to-ones to understand their requirements and formulate individual Customer Care Plans including extra support (recording digitally on Oneserve): <ul style="list-style-type: none"> ○ Respite/chaperones and/or engagement with family/carers, ○ Enhanced communication e.g., interpreters, braille, large-print, NGT (also key to ensuring tenants understand handovers) ○ Specific work-methods e.g., extra assurance for those with learning difficulties, access-routes, 5. Secure tenant's buy-in: <ul style="list-style-type: none"> ○ Consultation, virtually/in-person (in accessible locations) to promote retrofit benefits and discuss programmes. ○ Tenant champions, trained by Novus, to champion the work and provide retrofit support to tenants/communities, ○ Pilots, at project-start, showcasing proposed works to tenants, inviting champions early-on to relay information to wider groups ○ Visits to existing retrofit projects to demonstrate approach, ○ Case studies/success stories on positive impacts ○ Showcasing retrofit measures using unit samples ○ Hand-deliver letters/simplified retrofit materials (i.e., factsheets) to tenants, providing early opportunity to answer queries, provide retrofit advice, arrange surveys/one-to-ones. 6. Send appointment reminders to maximise entry: <ul style="list-style-type: none"> ○ Letters sent 14-days/seven-days before works start ○ Reminder messages sent the day before appointments,
--	---

	<p>○ Texting/calling tenants whilst en-route.</p> <p><u>During Works.</u> Novus will:</p> <ol style="list-style-type: none"> Support tenants during Whole Dwelling Assessments, with CLOs present to discuss intended outcomes and explain how behaviours influence long-term success. CLO visits day before work-start, checking tenants are comfortable with upcoming works, supporting with preparation e.g., clearing lofts. Maintain active communication during works to ensure ongoing wellbeing, comfort, satisfaction, tailored to suit individual tenants: <ul style="list-style-type: none"> Daily Site Manager briefings with tenants before work start, Daily CLO contact to ensure tenant comfort/wellbeing, 24/7/365 contact-number, Key stage updates e.g., notifying disruptions to services, Open-door policies for tenants at site offices, Regular tenant consultation to gain ongoing feedback, Monthly newsletters, detailing overall progress. <p><u>Post Works.</u> Novus will:</p> <ul style="list-style-type: none"> Educate tenants on installed measures/technologies, advising on how to operate efficiently and maximise benefits Provide dedicated after-care number, providing ongoing access, including active follow-up calls at 3/6 months post-work Provide tenant user/energy-saving manuals in easy-to-read format, Capture tenant feedback/measure satisfaction, using preferred communication methods for individual tenant. <p>Novus will incorporate lessons learnt from Demonstrator/W1 projects into Wave 2 delivery, to continuously improve tenant experience.</p>
<p>3.9)</p> <p><i>Assessed but not weighted</i></p>	<p>Please provide a baseline estimate for total volume of properties per month against milestones. Please include your plan for both volume and cost, including any contingency you have accounted for.</p> <p><i>Applicants should insert numbers to Table 9 where applicable to indicate how many properties will complete each milestone per month. This should be as total volume.</i></p>
<p>3.10)</p> <p><i>Assessed but not weighted</i></p>	<p>Please provide a baseline estimate for how much money, including co-funding, will be spent per milestone per month.</p> <p><i>Applicants should complete Table 10 outlining how much money, including co-funding, will be spent per month. The information supplied should be inserted in numerical £ value.</i></p>

3.11) <i>Assessed but not weighted</i>	Will a partial upfront payment at the start of the delivery window be needed to quickly mobilise the project and ensure on-time delivery? <i>Please note that upfront payment is not guaranteed and will be considered on a case-by-case basis.</i> If yes, please outline why. <i>Single bidder word limit – 200, consortia bid word limit – 300</i>	
	Answer: No	
3.12) <i>Assessed but not weighted</i>	[Consortium applications only] Please outline why you have brought this consortium together. You should include the strategic purpose of this consortium and what you are aiming to achieve as a consortium. <i>Consortia bid word limit – 350</i>	
	Answer: N/A	
3.13) <i>Assessed but not weighted</i>	[Consortium applications only] Will you arrange for legally binding agreements between your consortium members, as per the competition guidance and requirements of the Grant Offer Letter?	N/A
3.14) <i>Assessed but not weighted</i>	[Consortium applications only] Have you conducted appropriate due diligence on the organisations and projects within your consortium, as per the competition guidance?	N/A
3.15) <i>Assessed but not weighted</i>	[Consortium applications only] How do you plan to manage the delivery of the project across consortium members? <i>Please refer to governance arrangements, data reporting and data sharing agreements, ways of working and any flexible approaches to project outcomes you will apply. Please also discuss the differing</i>	

	<p><i>supply chains and contractors used across the projects within the consortium.</i></p> <p><i>Consortia bid word limit – 400</i></p>	
	<p>Answer:</p> <p>N/A</p>	
<p>3.16.a)</p> <p><i>For information only</i></p>	<p>To effectively manage public spend, BEIS will commission an independent evaluation of SHDF Wave 2.1. Do you have plans to evaluate the progress and impact of your project independently of/ in addition to the BEIS- commissioned evaluation?</p>	<p>No</p>
<p>3.16.b)</p> <p><i>For information only</i></p>	<p>If yes, please give a brief overview of how you will evaluate your project, including:</p> <ul style="list-style-type: none"> <i>the research aims</i> <i>the research timeframe</i> <i>if you plan to carry out primary data collection, the type of data collection (survey, interviews etc.), and with whom.</i> <p><i>If you intend to commission your evaluation to a third-party (such as a University or Research Institution), please refer to this in your response.</i></p> <p><i>Please note that there is no requirement for grant award recipients to conduct independent monitoring or evaluation of their projects beyond compliance with the requirements set out under Declarations below and in Section 7.2 of the Competition Guidance.</i></p> <p><i>For further information on BEIS' monitoring and evaluation requirements, please see Section 7.2 in the Competition Guidance.</i></p> <p><i>Single bidder word limit – 300, consortia bid word limit – 400</i></p>	
	<p>Answer:</p> <p>N/A</p>	

Value for Money

Worth 30% of the total marks

4.1) <i>Assessed and weighted</i>	<p>BEIS will carry out a value for money assessment based on the mix of measures proposed, which will be scored.</p> <p><i>Please ensure the information entered into table 2 is correct. Applicants are expected to propose cost effective measures appropriate for their chosen stock which align with the SHDF Wave 2.1 objectives and strategic approach. Applications installing measures that are not making cost effective progress towards the SHDF's strategic objectives are likely to receive a low score in the 'Value for Money' section of the assessment, particularly where these measures are accountable for a significant proportion of the spend.</i></p>
4.2) <i>Assessed and weighted</i>	<p>Please complete tables 11, 12, 13 and 14 to provide a detailed cost breakdown of the project, then fully justify the cost breakdown provided below. Evidence may be supplied as Annex J.</p> <p><i>Please outline why the proposal represents good value for money.</i></p> <p><i>Applicants are not expected to maximise the available grant funding for retrofit works for every home (as outlined in Section 2.11.2) and should request grant funding based on the costs required to upgrade homes to SHDF performance outcomes.</i></p> <p><i>Applicants must justify their proposed capital costs for retrofit works and associated A&A. Some factors that may affect costs are: spread of dwellings, cost of materials, cost of installers, how effective existing contracts were or new procurements will be at achieving value for money, supply chain infrastructures, archetypes treated/inclusion of hard-to-treat properties and level of funding required to meet SHDF performance outcomes.</i></p> <p><i>Poorly evidenced costs at bid stage are a clear challenge to effective delivery. Applicants should justify why the cost breakdown provided is an accurate reflection of actual costs that will be seen in delivery. As a minimum, bidders should engage with the supply chain, and outline this engagement in the response, along with how it has given confidence to the costs provided. Bidders should also factor in any estimates of inflation, outlining the level incorporated into the bid. Applicants should justify these estimates. The rate at which inflation is factored in will be left at the discretion of the bidder but must be supported by evidence which may</i></p>

include, but is not limited to, recent experience on construction projects, or recent price changes seen in the market.

To supplement this, applicants may also wish to consider additional information as appropriate, eg consultations with Accounting Officers, further cost research, etc.

Applicants are expected to provide evidence of cost research, eg quotes from suppliers, as annex J.

BEIS will carry out a value for money assessment of bids, including a cost benchmarking exercise (i.e., comparing equivalent costs against costs seen in other bids) – with the aim of ensuring that bids represent good value for money but also are evidence based. Bids with poor cost justification will receive a low value for money score. The value for money assessment, including cost benchmarking, will be considered at portfolio review stage, to supplement the written response to this question – with the suitability of bids exhibiting relatively very high costs (i.e. potentially not exhibiting value for money) or very low costs (i.e. potentially not exhibiting evidence based/realistic costs) in particular likely to be considered.

Administration and ancillary (A&A) costs are expected to be as low as possible. Grant funding on A&A must be less than 15% of total grant funding - the expectation is that A&A spend should make up less than 15% of total costs. There is not scope to increase this proportion of grant funding used on A&A; however, in exceptional circumstances there may be scope for landlords to use slightly more than 15% of overall project costs for A&A purposes through spending slightly greater than 15% of the co-funding contribution on A&A. Applicants should justify the level of A&A costs requested.

Single bidder word limit – 650, consortia bid word limit – 850

Guideline annex length: single bidder – up to 4 pages, consortia – up to 6 pages

Answer:

Due diligence undertaken in developing proposals:

Novus are currently delivering numerous PAS 2035 compliant schemes across the UK, meaning they have been able to accurately benchmark costs and provide high levels of cost-certainty, alongside considering the current market and inflation risk.

	<p>They managed a concurrent tender process to ensure contractors are aware of all key parameters, to ensure they ascertained the most competitive and to ensure 100% compliance with PAS2035.</p> <p>Proper due diligence has been executed in engaging only with contractors who are Trustmark registered and able to supply the requisite PAS2030 certifications.</p> <p>Subcontractors were pre-qualified on this basis and required to submit tenders with a 60% quality/40% cost split. Offers were benchmarked accordingly to ensure the most economically advantageous proposal to feed into our final tender submission. See Annex J.</p> <p>Their costs have been proposed with cost savings/efficiencies in mind (whilst not compromising quality, safety, tenant satisfaction) so they submit a value for money (VFM) price. Their Commercial and Estimating teams have considered spread of dwellings, material costs, installer costs, supply chain infrastructures, property archetypes including hard-to-treat dwellings.</p> <p>Constructive Thinking Studios have undertaken detailed retrofit designs per the PAS 2035 standard using energy modelling. By capturing requirements accurately through retrofit assessments and designs, there will be 'no surprises'/scope changes, so we can be confident in the costs agreed.</p> <p>We ensured the proposal represents good value for money by:</p> <ul style="list-style-type: none"> • Obtaining accurate EPC data • Interrogating designs • Obtaining 'firm costs' from supply chain ensuring costs they quote are fixed for contract • Feeding into asset management strategy • Holding value-engineering workshops • Sourcing the market for compliant products that maximise cost/benefit • Benchmarking suppliers to ensure the most competitive rates <p>To provide cost-certainty and minimise variations, we will follow strict procedure:</p> <ol style="list-style-type: none"> 1. Ensure Retrofit coordinator undertakes initial technical surveys as soon as practicable to establish property condition and EPC rating 2. Constructive Thinking will produce a Complete Retrofit Design and formulate complete specification in line with PAS requirements 3. Novus team will interrogate the design and challenge areas as necessary before jointly appraising and confirming specification 4. They will then quantify using our agreed pricing matrices aligned with the contract 5. We will then have the opportunity to challenge/approve <p>Why Novus' proposal represents VFM:</p>
--	--

	<p>Novus' commercial proposal and overall delivery methodologies embed VFM, through:</p> <ul style="list-style-type: none"> • Early supply chain engagement, driving value from the outset. Novus' supply chain will already be engaged and understand requirements of the project, contributing to their ability to provide sustainable, compliant prices that maximise value. Novus prioritise using local suppliers wherever possible, guaranteeing reduced costs for deliveries and lead-times, with agreements in place with large national suppliers (e.g., Travis Perkins) which guarantee fixed, competitive prices. • Competitive commercial submissions. Novus' Estimating team have sent enquiries to numerous local PAS2030 certified suppliers (on a preferred supplier list), based on our requirements. For each trade, they received at least three quotations to drive VFM. They incorporate a quality element into the process, ensuring suppliers hold relevant certification and commit to wider social value and environmental benefits. • Conducting supply chain benchmarking exercises, across similar PAS 2035 retrofit projects to ensure supply chain prices are regularly reviewed and renegotiated. • Assigning dedicated Commercial team to the project, comprised of Commercial Manager Paul Grant, and Quantity Surveyor Sean Ritchie to oversee budget management and evaluate a variety of measures and options to drive VFM. • Sharing project cost data with supply chain, to identify efficiencies collaboratively and lower costs throughout the project duration. • Incorporating strategic asset management processes, to identify where repairs and maintenance can be incorporated within the works to improve overall life-cycle costings, whilst keeping repairs costs low through making use of scaffolding/plant in-situ. • Embedding innovation, by engaging the Novus Innovation Network to identify innovative products/new ways of working. <p>Admin & Ancillary costs</p> <p>Our admin and ancillary costs are 6%. These costs include:</p> <ul style="list-style-type: none"> • Project management, reporting, and governance costs • PAS 2035 retrofit assessor and coordinator costs
<p>4.3)</p> <p><i>Assessed but not weighted</i></p>	<p>Please complete table 15 with the amount of co funding you will input, then confirm the source of funds for co funding. (Further information can be found in the guidance, section 2.11). Supporting evidence of secured co-funding, and of any blended funding to be utilised, should be provided as Annex K</p>

	<p><i>Applicants are requested to state their overall co-funding contribution, which must be a minimum of 50% of eligible project costs. Applicant should also outline any blended funding to be utilised (see guidance section 2.12).</i></p> <p><i>Applicants should outline the source of funds for co-funding and are expected to provide evidence of secured co-funding such as board sign off, minutes from meetings or letters of commitment, as annex K. Applicants are required to provide evidence that co-funding has been signed off at CFO level. The co-funding value shown in evidence should match the value input to table 15 of the application form.</i></p> <p><i>Single bidder word limit – 200, consortia bid word limit – 300</i> <i>Guideline annex length: single bidder – up to 5 pages, consortia – up to 8 pages</i></p>												
	<p>Answer:</p> <p>The SDDC 50% contribution of £875,836.04 has been provisionally approved and evidence attached in Annex K.</p>												
<p>4.4)</p> <p><i>For information only</i></p>	<p>Please indicate in the table below which benefits you foresee for your project, including highlighting which benefits are monetised for the project, and which are non-monetised/qualitative benefits.</p> <p>To further build understanding, BEIS wishes to get comprehensive feedback on what benefits of social housing retrofit are included by landlords as part of their internal value for money calculations for internal approvals processes, as well as any other benefits included by landlords as part of their internal approvals processes. This question is for information only and will not be assessed.</p> <p><i>The government's Green Book sets out guidance on the valuation of benefits, but recognises that there may be additional benefits beyond those for which there is a formal methodology for monetisation.</i></p> <p><i>The following table highlights a selection of potential benefits from the project. This list is not intended to be exhaustive.</i></p> <p><i>For consortia, please include benefits that are considered by any member.</i></p> <table border="1"> <thead> <tr> <th>Benefit</th><th>Monetised (Yes /No)</th><th>Non-monetised/ qualitative (Yes/ No)</th></tr> </thead> <tbody> <tr> <td>Energy savings/bill savings for tenants</td><td>Yes</td><td>No</td></tr> <tr> <td>Carbon savings</td><td>Yes</td><td>No</td></tr> <tr> <td>Improved air quality</td><td>No</td><td>Yes</td></tr> </tbody> </table>	Benefit	Monetised (Yes /No)	Non-monetised/ qualitative (Yes/ No)	Energy savings/bill savings for tenants	Yes	No	Carbon savings	Yes	No	Improved air quality	No	Yes
Benefit	Monetised (Yes /No)	Non-monetised/ qualitative (Yes/ No)											
Energy savings/bill savings for tenants	Yes	No											
Carbon savings	Yes	No											
Improved air quality	No	Yes											

	Improved comfort for tenants	No	Yes
	Improved health outcomes for tenants	No	Yes
	Removing homes from fuel poverty	Yes	No
	Supporting green jobs	No	Yes
	Reducing strain on the NHS	No	No
	Developing the retrofit supply chain	No	Yes
	Innovation/developing new technologies	No	Yes
	Reduction in demolitions	No	No
	Supporting groups with protected characteristics	No	Yes
	Improving the market value of social housing	Yes	No
	Contributing to the levelling up agenda	No	Yes
	Improving building standards through PAS2035	No	Yes
	Improving building safety	No	No
	Increasing affordability for tenants	Yes	No
	Other (please specify)	Yes	No

Optional question: Digitalisation of retrofit innovation funding

- This question is optional. Applicants wishing to apply for supplementary digitalisation of retrofit innovation funding should complete the question below.
- It is expected that applicants applying for digitalisation support will have an existing digitalisation strategy.
- It is not expected that all applicants will apply for digitalisation funding – and not doing so will not adversely affect an application at assessment stage.
- Further information can be found in section 5 of the competition guidance document – which should be read before answering this question.

Responses to this question will be assessed separately to the main application to SHDF Wave 2.1

5.1)	Please complete table 16.
<i>Optional question: assessed separately to the rest</i>	<p>Below, please outline how:</p> <ul style="list-style-type: none"> • You wish to incorporate aspects of the digitalisation of retrofit within your project, including specific technologies or suppliers and the long- and short-term benefits this will provide to your SHDF Wave 2.1 project.

<i>of your application</i>	<ul style="list-style-type: none"> • This aligns with your existing digitalisation strategy, and makes further progress towards ‘end-to-end’ digitalisation of retrofit (such as digitalisation throughout retrofit projects, streamlining of processes). • This will allow for future delivery at scale – both in terms of how you envision it influencing your future retrofit strategy, and in terms of how it will benefit the wider social housing/retrofit sector. <p><i>Further information can be found in the guidance, section 5.</i></p> <p><i>Single bidder word limit – 500, consortia bid word limit - 700</i></p> <p>Answer:</p> <p>N/A</p>
----------------------------	---

Approval

Individual within lead applicant responsible for leading this project:

Name	
Title and role	
Email	
Phone number	
Signature	

Individual within lead applicant that approved this proposal for submission:

Name	
Title and role	
Email	
Phone number	
Signature	

REPORT TO:	HOUSING AND COMMUNITY SERVICES COMMITTEE (SPECIAL-BUDGET)	AGENDA ITEM: 8
DATE OF MEETING:	05 JANUARY 2023	CATEGORY: DELEGATED
REPORT FROM:	STRATEGIC DIRECTOR (CORPORATE REOURCES)	OPEN
MEMBERS' CONTACT POINT:	DEMOCRATIC SERVICES 01283 595 5848/5722 democraticservices@southderbyshire.gov.uk	DOC:
SUBJECT:	COMMITTEE WORK PROGRAMME	REF:
WARD(S) AFFECTED:	ALL	TERMS OF REFERENCE: G

1.0 Recommendations

1.1 That the Committee considers and approves the updated work programme.

2.0 Purpose of Report

2.1 The Committee is asked to consider the updated work programme.

3.0 Detail

3.1 Attached at Annexe 'A' is an updated work programme document. The Committee is asked to consider and review the content of this document.

4.0 Financial Implications

4.1 None arising directly from this report.

5.0 Background Papers

5.1 Work Programme.

Housing and Community Services Committee – 05 January 2023 Work Programme

Work Programme Area	Date of Committee meetings	Contact Officer (Contact details)
Reports Previously Considered By Last 5 Committees		
Public Open Space (Pos) – Historical Adoptions	19 April 2022	Chris Worman Parks and Green Spaces Manager 01283 595774
County Wide Homeless Strategy	19 April 2022	Paul Whittingham Head of Housing (01283) 595984
Council House Relets	19 April 2022	Paul Whittingham Head of Housing (01283) 595984
Sustainable Warmth Funding And Low Carbon Homes	19 April 2022	Matt Holford Head of Environmental Services (01283) 595856
Service Plan 2022/23	1 June 2022	James Taylor Communications Manager (01283 228705)
Corporate Plan 2020-24: Performance Report (2020-2021 Quarter 4 – (1 April to 31 March)	1 June 2022	Jennifer Doughty Corporate Performance and Policy Officer (01283) 228746
Recruitment Of Active Schools' Partnership (Asp) Bikeability Instructor	1 June 2022	Ian Gee Active Schools Partnership Officer (07472310737)

Derbyshire County Council Consultation On Independent Living Service Provision	1 June 2022	Paul Whittingham Head of Housing (01283) 595984
Corporate Plan 2020-24: Performance Report (2022-2023 Quarter 1 – (1 April to 30 June)	18 August 2022	Clare Booth Corporate Performance & Policy Officer (01283) 595788
Financial Contribution Towards An Active Schools Partnership PE & School Sport Apprentice Through Amber Valley School Sport Partnership (AVSSP)	18 August 2022	Ian Gee Active Schools Partnership Office (01283) 288751
Community and Environmental Partnerships Grant Scheme	18 August 2022	Sally Hemsley Community Partnership Officer (01283 (595894)
SDDC Supported Voluntary & Community Sector Organisations: Overview Reports 2021-22	29 September 2022	Sally Hemsley Community Partnership Officer (01283 (595894)
Fields In Trust Protection of Green Spaces	29 September 2022	Chris Worman Parks and Green Spaces Manager 01283 595774
Catering Concession Opportunities on Parks and Green Spaces	29 September 2022	Chris Worman Parks and Green Spaces Manager 01283 595774
Corporate Plan Performance Report Q2	17 November 2022	Clare Booth Corporate Performance & Policy Officer (01283) 595788
Swadlincote Woodlands Local Nature Reserve Status	17 November 2022	Chris Worman Parks and Green Spaces Manager 01283 595774
Repurposing of Shopmobility Grant to South Derbyshire CVS	17 November 2022	Sally Hemsley Community Partnership Officer (01283 (595894)

Community and Environmental Partnership Grant Scheme	17 November 2022	Sally Hemsley Community Partnership Officer (01283 595894)
Adoption of Memorial Bench Scheme	17 November 2022	Chris Worman Parks and Green Spaces Manager 01283 595774
Beat the Street	17 November 2022	
Provisional Programme of Reports To Be Considered by Committee		
Service Base Budgets	05 January 2022	Charlotte Jackson Head of Finance (01283 595901)
Housing Revenue Account Budget and Rent Level 2023-24	05 January 2022	Charlotte Jackson Head of Finance (01283 595901)
Decarbonisation Wave 2 Grant Funding	05 January 2023	Paul Whittingham Head of Housing (01283) 595984
Housing Regulator -new tenant satisfaction measures	02 February 2023	Paul Whittingham Head of Housing (01283) 595984
Foundations adaptations services review	02 February 2023	Paul Whittingham Head of Housing (01283) 595984
Tenancy Strategy and Tenancy Policy	02 February 2023	Paul Whittingham Head of Housing (01283) 595984
DCC Careline Consultation – Independent Living Services Working Group	09 March 2023	Paul Whittingham Head of Housing (01283) 595984

Annexe A

Health and Housing Strategy 2021-23	TBC	Eileen Jackson Strategic Housing Manager (01213) 595763
Policy on Access to Allotments	TBC	Head of Cultural & Community Services 07917 541274
Development and refurbishment Options Appraisals	TBC	Paul Whittingham Head of Housing (01283) 595984
Careline Services Digital Switch Strategy	TBC	Paul Whittingham Head of Housing (01283) 595984