



Committee Name: Council

Committee Date: 18/03/2025

Report Title: Funding Approval for Two Environmental Projects

Portfolio: Councillor Hampton, Deputy Leader: A Climate Responsive Norwich

Report from: Executive Director of Communities & Housing

Wards: All Wards

OPEN PUBLIC ITEM

KEY DECISION

Purpose

This report advises the council on actions undertaken to deliver *A climate responsive Norwich* and *A future-proof Norwich*. It keeps members apprised of recently submitted bids to reduce energy consumption, energy cost and carbon emissions from both the Council's social housing stock and a proportion of Norwich's private sector housing.

This report enables officers to take urgent action. Funder's documents require the formal agreement of the council before the 27th March 2025.

Recommendation:

It is recommended that Council delegates authority to the council's chief finance officer (S151) in consultation with the cabinet member for an open and modern council to:

- a. Increase the 2025-2030 general fund capital programme by £4.7million to represent the grant funding allocated by the Department for Energy Security and Net Zero (DESNZ) for the purposes set out below.
- b. Increase the 2025-2030 HRA capital programme by £22.7million to represent grant funding allocated by the Department for Energy Security and Net Zero (DESNZ) plus the element of works to be funded from HRA resources for the purposes set out below.

Policy Framework

The Council's 2024-29 community-led plan outlines five priorities, which are:

- A prosperous Norwich.
- A fairer Norwich.
- A climate responsive Norwich.
- A future-proof Norwich.
- An open and modern council.

This report supports the delivery of '*A climate responsive Norwich*' and '*A future-proof Norwich*'.

Report Details

Background

1. The Council has declared a climate emergency and has set carbon reduction targets for its own activities and for the city.
2. In pursuance of the council's climate targets, two bids have been submitted by the council for grant funded opportunities being offered by the Department for Energy Security and Net Zero (DESNZ).
3. The two opportunities set out in this paper fit closely with the corporate goal of delivering carbon reduction.

Warm Homes: Social Housing Fund

4. Following the success of the council's Social Housing Decarbonisation Fund (SHDF) Waves 1 and 2.2, and as part of the council's ongoing and ambitious programme to improve the energy efficiency of its own social housing stock, the council has submitted a funding bid for the latest wave of this grant. This funding scheme has been renamed by the new government to 'Warm Homes: Social Housing Fund Wave 3'.
5. DESNZ have now confirmed a grant of £12,042,657 to the council in response to the bid which requires £10,634,555 in co-funding by the council, creating a total project fund of £22,677,212. The funding is expected to deliver 1,400 solar PV systems, 140 air source heat pumps, and a ground source heat pump system for 24 dwellings. The funding is expected to start in April 2025 and run over three years with grant-funded works needing to be completed by 31st March 2028, with a further 6 months during the 2028/29 financial year to complete reporting.
6. The scheme supports residents by improving comfort, making homes healthier to live in and reducing energy bills, whilst at the same time reducing greenhouse gas emissions from our social housing stock.

Warm Homes: Local Grant

7. The council has submitted a bid for the government's 'Warm Homes: Local Grant' which aims to improve private sector housing, including owner-occupied and private rented properties. This funding scheme was previously known as Local Authority Delivery (LAD) and Sustainable Warmth Competition (SWC) but has been rebranded by the new government.
8. DESNZ have now confirmed a grant of £4,745,409 to be delivered over three years with a possibility to extend the project by a further two years if sufficient funding is allocated in the government's funding review. 100% of the funding is granted on the basis that no council co-funding required.
9. This bid is based on improving 330 private sector homes over three years, with up to £12,400 available for each home to improve energy efficiency and a further £15,000 for low carbon heating solutions such as heat pumps.
10. The scheme will allow the council to support the city's residents in private sector homes through improving comfort, making homes healthier to live in and reducing energy bills, whilst at the same time helping to achieve the council's goal for Norwich as a city to be net-zero by 2045.

Implications

Financial and Resources

11. Any decision to reduce or increase resources or alternatively increase income must be made within the context of the council's stated priorities, as set out in its Corporate Plan 2024-29 and budget.
12. It is proposed to increase the 2025-2030 general fund capital programme by £4,745,409 and the 2025-2030 HRA capital programme by £22,677,212, as set out in the tables below:

	2025-2026 £000	2026-2027 £000	2027-2028 £000	2028-2029 £000	Total £000
GF Capital Programme					
Warm Homes: Local Grant (DESNZ)	1,582	1,582	1,582	-	4,745

	2025-2026 £000	2026-2027 £000	2027-2028 £000	2028-2029 £000	Total £000
HRA Capital Programme					
Warm Homes: Social Housing Fund (DESNZ)	4,014	4,014	4,014	-	12,042
HRA Funded	1,073	2,132	2,178	5,252	10,635
Total Adjustment to HRA Capital Programme	5,087	6,146	6,192	5,252	22,677

13. The proposed general fund adjustments are fully funded by external funding, with £4,745,409 being funded from the Department of Net Zero and Energy Security's Warm Homes Local Grant.

14. The proposed HRA adjustments are funded by £12,042,657 from the Department of Net Zero and Energy Security's Warm Homes Social Housing Fund combined with £10,634,555 from HRA resources. These energy efficiency measures are assumed to be pursued within the current 30-year HRA Business Plan which includes assumptions around government funding and HRA resources to achieve EPC (C) and net zero for its housing stock. Earmarking those resources against this project is achievable within the overall business plan assumptions.

Legal

15. There are no direct legal implications of this report.

Statutory Considerations

Consideration	Details of any implications and proposed measures to address:
Equality and Diversity	The activities, measures, and recommendations outlined in this report will contribute to improving equality in Norwich, including equitable access to affordable energy and nature.
Health, Social and Economic Impact	The activities, measures, and recommendations outlined in this report will have positive health, social and economic impacts.
Crime and Disorder	N/A
Children and Adults Safeguarding	N/A
Environmental Impact	The activities, measures, and recommendations outlined in this report will directly contribute to reducing carbon emissions and improving biodiversity.

Risk Management

Risk	Consequence	Controls Required
<p>Not targeting corporate plan outcomes and achieving net zero in line with the council deadlines.</p> <p>The council needs to manage the contracts carefully as they represent significant resources.</p>	<p>Negatively affecting the reputation of the council.</p> <p>The council has less resources to use for other activities and outcomes.</p>	<p>The council has adequate procurement and financial control mechanisms over its capital programme.</p>

Other Options Considered:

16.NA

Reasons for the decision/recommendation:

17.The recommendations set out in this report significantly deliver against its stated environmental targets.

Background papers: None

Appendices: None

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