



## Mayor and Cabinet

### **Report title: Warmer Homes Social Housing Fund**

**Date:** 29 January 2025

**Key decision:** Yes

**Class:** Part 1

**Ward(s) affected:** All

**Contributors:** Executive Director for Housing, Head of Climate Resilience

### **Outline and recommendations**

#### **1. Outline**

- 1.1. Lewisham Council is seeking to access funding under the Government's Warmer Homes Social Housing Fund wave 3.
- 1.2. An application has been submitted to the Department of Energy Security and Net Zero seeking £11,441,176 grant funding to support a three year programme valued at £20,882,353 to retrofit 1,100 properties within the Council's housing stock.
- 1.3. Mayor and Cabinet is recommended to approve the application under the Warmer Homes Social Housing Fund and delegate approval to the Executive Director of Housing, in consultation with the Executive Director for Corporate Services, to enter into the grant agreement.

#### **2. Recommendations**

- 2.1. Mayor and Cabinet is recommended to delegate decision making on entering into any grant agreement on the Social Housing Fund to the Executive Director of Housing in consultation with the Executive Director for Corporate Services.

## Timeline of engagement and decision-making

The Government launched the Warm Homes Social Housing Fund on 23 September 2024

The approach to the application was discussed at the Council's Executive Management Team on the 6 November and Housing Director Management Team on 20 November.

The outcome of applications is expected to be made before the start of financial year 2025/26.

The Social Housing Fund Wave 3 will run to September 2028. All grant funding for Wave 3 projects must be transferred to the grant recipient and spent by 31 March 2028.

### 1. Summary

- 1.1. This report seeks Mayor and Cabinet approval for an application for funding under the Warmer Homes Social Housing Fund and the delegation of decision making for entering into any grant agreement.
- 1.2. The Social Housing Fund has £1.29 billion under wave 3 to upgrade social housing stock to meet the requirements of Energy Performance Certificate C. Lewisham Council is seeking £11,441,176 grant funding over three years to support a programme valued at £20,882,353 to retrofit 1,100 properties within the Council's housing stock.

### 2. Recommendations

- 2.1. Mayor and Cabinet is recommended to approve the application for £11,441,176 funding under the Warmer Homes Social Housing Fund as part of a three year programme valued at £20,882,353 to retrofit 1,100 properties within the Council's housing stock.
- 2.2. Mayor and Cabinet is recommended to delegate approval to the Executive Director of Housing, in consultation with the Executive Director for Corporate Services, to enter into the grant agreement.

### 3. Policy Context

- 3.1. In 2016, the UK Government ratified the Paris Agreement, part of the United Nations Framework Convention on Climate Change, which commits countries to taking action to prevent the global average temperature increasing 2°C above pre-industrial levels. In 2019 the Climate Change Act 2008 (2050 Target Amendment) Order 2019<sup>1</sup> committed the UK to a legally binding target of net zero emissions by 2050. In 2021 the Government published its Net Zero Strategy setting out proposals to deliver the UK's commitment under the Paris Agreement.
- 3.2. Lewisham Council's Corporate Plan 2022-26 identifies the climate emergency as one of four local challenges, and states that:

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<sup>1</sup> <https://www.legislation.gov.uk/ukdsi/2019/9780111187654>

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- We continue to strive towards being a net zero borough by 2030, and will continue to lobby the government and work with our partners to achieve this.
  - We will lead by example, by using 100% renewable energy, retrofitting public buildings where possible to make them more energy efficient, and supporting residents to make their homes warmer and more efficient.
  - Our parks and green spaces are a lifeline to the health and wellbeing of our residents, and provide important resilience against the climate emergency. We will continue to invest in them, and continue to plant more trees – adding to the 25,000 we've planted since 2018.
  - The progress of our Climate Emergency Action Plan will be reviewed annually by our Executive Management Team and through our scrutiny committee process, including reporting annually to the Mayor and Cabinet. We will publish a public update once a year setting out what has been done in that year and updating our set of actions going forward.
- 3.3. Lewisham's draft Housing Retrofit Strategy sets out a range of projects designed to accelerate retrofit in housing across the borough including the Council's own housing stock. The Social Housing Fund is a key opportunity to drive forward delivery of this strategy.

## 4. Background

- 4.1. The Warm Homes: Social Housing Fund will upgrade a significant amount of the social housing stock currently below Energy Performance Certificate (EPC) band C up to that standard. It will support the installation of energy performance measures in social homes in England, and help deliver warm, energy efficient homes, reduce carbon emissions, tackle fuel poverty, support green jobs and improve the comfort, health and well-being of Lewisham's tenants.
- 4.2. The Warm Homes: Social Housing Fund Wave 3 has been allocated £1.29 billion as part of the Autumn Budget. Initial indications from DESNZ have been that they received applications with a value of £2.3 billion.
- 4.3. The application under Wave 3 seeks £11,441,176 grant funding over three years to support a programme valued at £20,882,353 to retrofit 1,100 properties within the Council's housing stock.
- 4.4. The fund was launched in the first week of October and the deadline for applications was 25 November 2024. A bid was submitted subject to the approval being sought through this report.
- 4.5. The Council is currently delivering a retrofit programme under Wave 2.1 of this programme with an initial £2.9m grant funding. The programme is in its second year of delivery and has supported retrofit works at the Hermitage site in Blackheath conservation area including new windows, solar photovoltaics, roof, lighting and fabric upgrades. 28 properties have been completed out of an expected final total of 260 funded through this wave of funding.

## 5. Financial implications

- 5.1. The match funding element of the programme will come from the Housing Capital Programme. The selection of properties has been based on alignment with the Council's Decent Homes Programme to avoid any additional pressure on the capital programme.

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- 5.2. The specification of works for each property will be reviewed by the Strategic Investment Asset Management team in line with all Housing capital projects to ensure consistent decision-making and alignment of funding.
- 5.3. Blended funding from the Energy Company Obligation (ECO4), Decent Homes Fund, and other grant-funded programmes will be utilised where possible to maximise the impact of improvements at each property where possible.

## **6. Legal implications**

- 6.1. The report recommends that Mayor and Cabinet approve the application of funding under the Warmer Homes Social Housing Fund. Under the Council's Constitution any application for grant funding above £1 million or with match funding above £250,000 requires approval by Members.
- 6.2. The report also recommends that Mayor and Cabinet delegate approval to the Executive Director of Housing, in consultation with the Executive Director for Corporate Resources, to enter into the grant agreement.

## **7. Equalities implications**

- 7.1. The Council must have due regard to its Public Sector Equality Duty as set out in the Equality Act 2010. This requires all public bodies, including local authorities, to have due regard to the need to:
  - Eliminate unlawful discrimination, harassment and victimisation and other conduct prohibited by the Act
  - Advance equality of opportunity between people who share a protected characteristic and those who do not
  - Foster good relations between people who share a protected characteristic and those who do not
- 7.2. The Council's Single Equality Framework 2020-2024 provides an overarching framework and focus for the Council's work on equalities and helps ensure compliance with the Equality Act 2010.
- 7.3. Delivery of works under the programme will be targeted at properties with low Energy Performance Certificate ratings with residents at greater risk of finding it difficult to meet the cost of heating their home. The works will improve energy efficiency and contribute towards removing damp and mould problems and would therefore be expected to have an overall beneficial impact from an equalities perspective supporting vulnerable residents and improving health outcomes.

## **8. Climate change and environmental implications**

- 8.1. The planned works will achieve improvements to energy efficiency and heat decarbonisation alongside health and wellbeing outcomes. Carbon emissions from Lewisham's housing stock are estimated at 45,411tCO<sub>2</sub> year, which is approximately 7% of the Government's figure for carbon emissions within the London Borough of Lewisham.
- 8.2. Delivery of the programme of works set out in the application would improve the energy efficiency of properties, with Energy Performance Certificate (EPC) ratings expected to improve in 940 D rated properties to C, 57 from EPC E to C and 3 from EPC F to C. The forecast modelled annual carbon savings from these works is 603 tCO<sub>2</sub>.

## **9. Crime and disorder implications**

- 9.1. There are no crime and disorder implications arising from this report.

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## 10. Health and wellbeing implications

- 10.1. The planned works will support solutions for properties with damp and mould and other fabric upgrades to meet decent homes standards. The works will also cut the costs of heating for residents reducing the risk of exposure to the health impacts of living in a cold home.

## 11. Background papers

- 11.1 Lewisham Housing Retrofit Strategy DRAFT  
<https://councilmeetings.lewisham.gov.uk/documents/s117328/03.%20Appendix%20A-%20DRAFT%20Housing%20Retrofit%20Strategy.pdf>

## 12. Report author(s) and contact

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## 13. Glossary

Term	Definition
Carbon / Carbon dioxide	Carbon dioxide (CO <sub>2</sub> ) is a naturally occurring gas fixed by photosynthesis into organic matter and is a by-product of fossil fuel combustion, land use changes and other industrial processes. CO <sub>2</sub> is the principal greenhouse gas (see below) associated with human activity and climate change (see below) and the reference against which other greenhouse gases are measured. Unless otherwise indicated the terms 'carbon' or 'carbon dioxide' are used in this report to refer to a combined measure of greenhouse gases (CO <sub>2</sub> e or CO <sub>2</sub> equivalent), of which carbon dioxide is the most common.
Climate	Climate is usually defined as the average weather, or more rigorously, as a statistical description in terms of the mean and variability of relevant quantities over a period of time ranging from months to thousands or millions of years. The relevant quantities are most often surface variables such as temperature, precipitation, and wind.
Climate Change	Climate change, as used by the United Nations International Panel on Climate Change, refers to a change in the state of the climate that can be identified by changes in the mean and/or the variability of its properties, and that persists for an extended period, typically decades or longer.
Fuel Poverty	The Government's definition of fuel poverty for England and Wales states that a household is said to be in fuel poverty if: they have required fuel costs that are above average (the national median level), and, were they to spend that amount they would be left with a residual income below the official poverty line. There is a direct link between living in cold and damp conditions and poor health outcomes.
Retrofit	Works to improve energy efficiency and decarbonise heating and hot water use in homes. These works are typically insulation, upgrades to windows and other improvements to the fabric and energy efficiency of homes, alongside new ways to heat buildings and water that do not depend on fossil fuels such as gas.
Scope 1, 2 & 3 emissions	Scope 1, 2 and 3 emissions are a method of defining, measuring and reporting carbon emissions on an organisational or an area basis. Scope 1 covers direct emissions from owned or controlled sources. Scope 2 covers indirect emissions from the generation of purchased electricity, steam, heating and cooling. Scope 3 includes all other indirect emissions including in particular the supply chain.

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