

# Briefing Paper



Nottingham  
City Council

<b>Date of Capital Board</b>	16 <sup>th</sup> November 2022
<b>Corporate Director &amp; Lead Officer</b>	Frank Jordan & Catherine Judge
<b>Estimated time required</b>	10mins
<b>Item Name</b>	
<b>1. Purpose</b>	<p><i>A brief explanation of why you are bringing this to Board. If the report is already drafted in the Executive Board format this can be used rather than the template below.</i></p> <p>To seek approval to accept and spend European Regional Development Funding (ERDF) to the sum of £380,000, together with approval to class £380,000 of funds allocated within the HRA and Public Sector Housing Capital Programme as match funding.</p>
<b>2. Recommendations / Information only (delete as required)</b>	<p><i>List recommendations and or decisions you require of Board. Outline any decision or follow up work required by BOARD, with clarity around timings. Alternatively, if the presentation / paper is for information only please make this clear.</i></p> <ol style="list-style-type: none"><li>1. To accept and spend grant of £380,000 of European Regional Development Funding for the DREeM Phase 3 project</li><li>2. To delegate authority to the Director of Environment and Sustainability to manage the grant</li><li>3. To add 10 homes (flats) into the existing Melius Homes' DREeM Phase 3 contract</li><li>4. To approve the use of this grant alongside budgets contained within the approved PSHCP which will fulfil the match funding requirements of £380,000, required by DLUHC (Department of Levelling Up, Housing and Communities).</li></ol>
<b>3. Interdependencies</b>	<p><i>Note if the paper report needs to go to Leadership or any other meetings such as Executive Board, Overview and Scrutiny or Audit Committee and the dates for those meetings.</i></p>
<b>4. Background/context</b>	<p><i>Detailed background information can be provided here. Include Annexes if required. Explain the current situation and why a report to Board is required, reference any previous Board involvement or decisions, highlight any other upcoming issues or deadlines, and explain and evidence any recommendations you make.</i></p> <p>The DREeM project is delivering the deep retrofit model to 138 existing Nottingham Homes, reducing carbon emissions, energy costs and fuel poverty. The Nottingham element of the project is only one component with the others comprising works to Dunkirk Primary School, and also works proposed by Derby Homes.</p> <p>Derby City Homes, a project partner have recently expressed their intention to withdraw from the DREeM project. They had been allocated £380,000 ERDF under the project which they were to match with £380,750 Derby City Council funds. Under the terms of the Grant Funding Agreement, in the event</p>

of one partner withdrawing the remaining project partners are responsible for delivering the project. This hence presents an opportunity for NCC to increase our scope of works through transfer of this grant funding, subject to additional match funding being secured.

We have identified several homes within the City which would benefit from the energy improvement works funded by this additional grant. Having assessed the housing stock and the deadline for meeting the expenditure of the grant (April 2023), we consider that the most appropriate use of this opportunity is to complement existing programmes of work that are advanced and therefore able to complete within the timeframes. To that end it is proposed to undertake deep retrofit works, using the same model/system used elsewhere on the DREeM project, and apply this to the Eddlestone Drive area of Clifton. Previous investment in retrofit design and modelling works to these properties was carried out in late 2021, but unfortunately the scheme wasn't financially feasible.

We have been working with Melius Homes to review the design proposals for the flats at Eddlestone Drive and have calculated that it will be possible to refurbish 10 of these using the additional ERDF grant monies, together with match funding.

These additional properties would cost £760,000, which would consist of £380,000 ERDF and £380,000 HRA match. Utilising ERDF for these works provides us with £38,000 per property of external funding. If we do not utilise ERDF but instead include these properties in subsequent years under the Social Housing Decarbonisation Fund, the grant funding is likely to be capped at £10,000 per property, and we will not be able to deliver the full range of measures.

There will be no impact to the planned maintenance budgets as a result of the acceptance of this grant.

#### 5. Financial Implications and Comments (if applicable)

The proposed acceptance of the additional ERDF funding of £380,000 will increase the Public Sector Housing Capital Programme by the same amount. The funding would be specifically to deliver 10 homes to an EPC Band A standard at a unit cost of £76,000 each. These homes will be part of the Phase 3 properties already contracted with Melius, and which have been on site for the past 6 months.

Of the 10 additional homes, 2 have been long-term void following a previous gas explosion.

Phase 3 is currently running on programme and is under-budget with a series of homes having already been handed over.

#### 6. Legal and Procurement comments (if applicable) including risk management considerations

Legal and procurement comments are currently being requested via a DDM.

#### 7. HR and EDI considerations

EIA not required. Reasons: This is not a new programme of work