

Item No.	Classification: Open	Date: 20 February 2023	Meeting Name: Environment and Community Engagement Scrutiny Commission
Report title:		Update briefing on retrofit and low carbon heating funding and projects for council homes	
Ward(s) or groups affected:		All	
From:		Director of Asset Management	

In response to the Commission's request for an: *'Update on social housing funding for retrofit and low carbon energy e.g. Social Housing Decarbonisation Fund; water-source heat pump project (on three of our council estates with £7m in funding from the GLA) , and the District Heat Network, working with Veolia, using funding from the Heat Networks Investment Project (HNIP) to extend South-East London Combined Heat & Power (SELCHP)'*.

The Director of Asset Management asks the Commission to note the following:

1. Social Housing Decarbonisation Fund (SHDF)

Southwark put in a bid in November 2022. The bid (for £3.5m+) focused on deep retrofit to 320+ street properties in the Nunhead and Peckham area, aligning with a scheduled major works scheme.

Installing retrofit measures is less complicated in street properties than to tall buildings and our major works contractor working in the area has all the necessary accreditations and certifications to carry out the work. It is therefore a good fit for our first deep retrofit project.

We were expecting to hear if our bid has been successful in January 2023 but the government's timetable has slipped and successful bidders will be informed at the 'end of February/beginning of March'.

2. ECO funding

In addition to the SHDF, we are looking to secure Energy Companies Obligation (ECO4) funding to carry out insulation works across the borough. Assessments are currently being carried out and a communications plan for residents is being put together. We are hoping that a programme of work will start by April 2023.

3. Asset Management Plan

As regards an overall strategy, a Plan detailing proposals for investment in our council homes over the next five years is well into development. It will set out our

plans to strive for a Net Zero standard by 2030, with a commitment to achieve an EPC rating of 'C' across the housing stock as a minimum goal.

We will be starting a resident engagement exercise shortly and we will publish ways in which our residents can get involved. How the Council invests in homes to make them more energy efficient and reduce carbon will be a major strand of this engagement.

4. Water-source heat pump project (Consort, Newington, Wyndham)

This project successfully reached “practical completion” in September 2022, meaning all material elements of the project are now complete. The project is now within a 12 month ‘Defects Liability Period’ where the contractor is responsible for repairing/replacing if any defects arise. Cllrs Williams and Merrill attended a joint site visit to the Newington estate heat pump project in November 2022, which was also attended by Deputy Mayor for London (Shirley Rodrigues), the contractors and the residents.

5. SELCHP District Heat Network expansion project (working with Veolia)

In June 2013, the council entered a 20 year “Heat Supply Agreement” with Veolia Environmental Services Southwark Limited to provide heat from SELCHP to a number of council boiler houses in Bermondsey and Rotherhithe, which in turn provide heat to 2,650 council homes.

This has proven to be a success in terms of heat cost, carbon reduction and reliability so in 2019-20 a feasibility study was undertaken to explore expanding the network towards the Old Kent Road and Peckham areas.

With a positive feasibility result, in 2021, the Council worked with Veolia to secure government grants for commercialisation and construction activities. Veolia ended up with a combination of two government grants (Heat Network Investment Project (HNIP) and Green Heat Network Fund Transition Scheme (GHNF-TS)).

Since early 2022 we have been working on the following activities concurrently (which together would be classed as “commercialisation” – i.e. developing the project to a sufficient level of detail to enable it to progressed):

- route ground scanning (detecting existing utilities)
- boiler house surveys and connection works design
- boiler house heat metering and load testing
- underground mains detailed design (pipe sizing, hydraulic modelling, pumping strategy)
- liaison with council parks, property and highways departments
- liaison with TFL, Network Rail, Rail for London and statutory authorities
- progression of a Local Development Order (LDO) to simplify planning for this major infrastructure project
- arboricultural surveys

- archaeological surveys
- working with the council's legal department on a draft easement
- working with legal advisors regarding the changes that would be needed to the existing 'Heat Supply Agreement'
- quantity surveying, cost estimates and financial modelling
- resident consultation meetings (online and in person)

Not all of the above elements are complete, but all are well underway. The current intention is to complete the commercialisation activities by summer 2023 and take a paper to cabinet in autumn 2023 to seek approval to vary the contract to commission the network expansion to be built.