

Item 8

Integrated Settlement Update – Warm Homes and Public Sector Decarbonisation Scheme

Overview

- Funding being negotiated

**The 3-year funding profile for the Buildings' Retrofit funds are as follows:

	2025/26	2026/27	2027/28	Total
Warm Homes: Social Housing Fund	£21,318,000	£26,163,000	£26,163,000	£73,644,000 CDEL
Warm Homes: Local Grant	£5,280,000	£12,360,000	£12,360,000	£30,000,000 CDEL
Public Sector Decarbonisation Scheme	£2,883,000	£14,198,000	£14,198,000	£31,279,000 CDEL

- Outcomes and Outputs definitions agreed for both – targets for these still to be finalised.
- Warm Homes: Social Housing – initial GM guidance and process is live to ensure continuity of delivery (pending settlement sign-off)
- Warm Homes: Local Grant – approach to delivery being agreed with LAs – mobilisation to quickly follow.
- Public Sector Decarbonisation – agreed to initially utilise the existing Salix process with GM modifications. Low quantum in first year will lead to focus on pipeline development initially.

GMCA Public Building Retrofit Fund (PSDS)

- Organisations **within scope** of the deal are:
 - GM Local Authorities, Emergency Services, Mental Health NHS Trusts, all schools in the state education system (i.e. maintained schools, academies, multi-academy trusts and free schools) and further education institutions and colleges
- Organisation **out of scope** are:
 - Central Government departments and their arm's length bodies, acute and cancer NHS trusts and foundation trusts, higher education institutions
- **Targets** are subject to ongoing negotiation with DESNZ. Key issue of access to previous Low Carbon Skills Fund which is not devolved. Options are to utilise our allocation to provide feasibility locally (which reduces the quantum but provides more control on delivery) or remain in the national programme (which provides significant delivery issues around quantum and timing, plus funding not confirmed). First option is preferred.
- **Timescale** – targeting Q2 2025/26, expect more details soon.
- **Modified Salix approach** as a transition into GM devolved programme. GW1 strategic and technical prioritisation of funds leading to GW2 full assessment to reduce application burden and risk to project delivery.

GMCA Public Building Retrofit Fund (PSDS)

PSDS transition - Programme key differences under consideration:

- Regular application windows up to March '28 fund end
- 2 application gateways within each window
- Strategic prioritisation as well as technical prioritisation for allocation of funds
- Eligibility relaxation e.g. Requirement for fossil fuel heating system replacement/FFHS End of life requirement for a LCH source replacement
- Flexibility for grant spend within the 3 FY

GMCA Warm Homes: Social Housing Fund

National Scheme Criteria:

- Social Housing
- Improve EPC from D-G to C
- Up to £7.5k Insulation
- Up to £7.5k Low Carbon Heating
- 50% Match Funding
- 15% Admin and Ancillary Costs
- PAS 2035 and PAS 2030 or MCS
- TrustMark

GM Options for Consideration:

- Regular bidding windows
- Retrofit Assessments and Designs
- Gas Boiler Replacements
- Damp and Mould
- Estate Regeneration
- Good Landlord Charter
- Possibility for some flexibility

GMCA Warm Homes: Local Grant

National Scheme Criteria:

- Owner-occupied or Private Rent
- Low-income Households
- Improve EPC from D-G to C
- Up to £15k Insulation
- Up to £15k Low Carbon Heating
- 15% Admin and Ancillary Costs
- PAS 2035 and PAS 2030 or MCS
- TrustMark

GM Options for Consideration:

- Scheme delivery by GMCA or LAs
- Grant or Interest Free Loan
- Area Based Scheme
- Focus on Solid Wall Insulation
- Disrepair
- Flood Resilience
- Good Landlord Charter
- Possibility for some flexibility

RECOMMENDATIONS

The Partnership is requested to:

- Note the report