

EXECUTIVE COMMITTEE

13 October 2015

Creation of a new Energy Efficiency Fund for homeowners in Redditch

Relevant Portfolio Holder	Mark Shurmer/ Debbie Taylor
Portfolio Holder Consulted	Yes
Relevant Head of Service	Judith Willis
Wards Affected	All
Ward Councillor Consulted	No
Key Decision Yes	

1. SUMMARY OF PROPOSALS

- 1.1 This report summarises proposals to use existing resources to launch a new Energy Efficiency Fund which will help homeowners in Redditch improve the energy efficiency of their properties, helping them to heat their homes more affordably and reliably, also producing carbon savings.

2. RECOMMENDATIONS

2.1 The Committee is asked to **RESOLVE** that:

- 1) **An Energy Efficiency Fund for homeowners in Redditch be launched and delivered between November 2015 and November 2018;**
- 2) **That authority be delegated to the Head of Community Services to finalise the inclusion of the Energy Efficiency Fund within the existing Service Level Agreement (SLA) with Act on Energy.**
- 3) **That authority be delegated to the Head of Community Services to finalise details of the approved scheme and, in consultation with the Portfolio Holders for Housing and the Local Environment, to make minor amendments to the scheme and review the scheme as required.**

The Committee is asked to **RECOMMEND**:

- 1) **The transfer of the £17k remaining Warmer Worcestershire funds capital grant to fund the revenue schemes as detailed in this report.**

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3. KEY ISSUES

Financial Implications

- 3.1 Funding for the Energy Efficiency Fund has been identified within existing budgets. On 11 June 2013 Executive resolved that 'all historic/existing energy efficiency and conservation schemes currently available through the Council's capital budget be formally suspended to avoid conflict with the incoming Green Deal initiative and the remaining funding is redeployed to support the Affordable Warmth initiatives, Green Deal incentives and general Energy Efficiency initiatives'. The Council therefore has £94k capital budget available to undertake these types of initiatives, and it is proposed to utilise this resource to finance the creation of the Energy Efficiency Fund.
- 3.2 It is proposed to divide this £94k into £64k for fuel poverty alleviation and £30k for incentivising replacement of energy inefficient heating systems (£10K per year for the three year period of the scheme). Any underspends will be carried over into subsequent financial years.
- 3.3 The Council also retains £17k of previously unspent Capital Grant from Warmer Worcestershire Home Insulation Scheme funds, which officers at Worcestershire County Council have now confirmed may be used to fund boiler repairs and servicing for vulnerable residents. On 6th July 2011, Executive resolved that funding of £40k from Worcestershire County Council be incorporated into the Council's existing Energy Efficiency Installations budget for a home insulation scheme, and that subject to the agreement of Worcestershire County Council, to utilise such funding remaining at 1st April 2012 for other Home Energy Efficiency initiatives if appropriate. To enable this capital grant to be utilised for revenue schemes there has to be Council approval.

Legal Implications

- 3.4 Although the Council is not legally obliged to provide an Energy Efficiency Fund it does have a broader agenda around improving energy efficiency, especially for households on low incomes, and around reducing carbon emissions under international agreements, EU Law and the Climate Change Act. The general power of competence in s1 of the Localism Act 2011 empowers the council to undertake such a project.
- 3.5 The scheme will be delivered by local energy advice agency Act on Energy. There is an existing service level agreement (SLA) in place between the Council and "Act on Energy" and delegation is sought for the Head of Community Services to agree the final terms of the SLA in

respect of the boiler scheme on behalf of the Council.

Service / Operational Implications

- 3.6 The fund of £111k will enable the installation and repair of a range of cost effective energy efficiency measures via grants, together with holistic advice and signposting for eligible households.
- 3.7 Energy efficiency links to the following council purposes;
- Help me to be financially independent
 - Help me to live my life independently
- It also plays a role in sustaining good mental and physical health, so partner agencies may also benefit from positive outcomes in this area of work.
- 3.8 The scheme will be delivered by Act on Energy, which is the Council's energy efficiency advice partner. Along with other local councils, including all Worcestershire councils, we have a longstanding partnership with Act on Energy, which has included the delivery of several energy efficiency projects across Redditch.
- 3.9 The Energy Efficiency Fund aims to have a preventative impact, by focussing on helping to prevent a crisis as well as assisting when difficulties do occur. The measures that can be provided within the available budget are those which are most cost effective – heating and heating controls, loft and cavity insulation, draught proofing, heating system insulation and energy efficient lighting (see Appendix 1). It will help fill a gap in available funding for these measures.
- 3.10 A home visit will be offered by Act on Energy, including a review of and advice on energy bills and home energy efficiency measures. If other issues are identified, Act on Energy will also refer or signpost as appropriate to other agencies.
- 3.11 Act in Energy will assist the resident to arrange the works, as described in 4. Risk Management.
- 3.12 Payment will be from a lump sum held by Act on Energy to the contractor, on receipt of an invoice from the contractor with proof of completion of works. A legal agreement will be drawn up between the Council and Act on Energy to cover these financial arrangements.
- 3.13 Act on Energy will also follow up with the homeowner following the installation of measures. They will also contact the homeowner in a years' time to offer further advice including regarding the benefits of regular servicing of heating appliances.

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- 3.14 Act on Energy will also collect data about the home and health benefits to the resident from the intervention – to enable auditing of the effectiveness of the programme. This will aim to show the cost savings achieved for others agencies e.g. health partners, helping to build a case for partnership working and funding of a continuation of the scheme if it is successful.

The benefits of delivery by Act on Energy include

- The delivery of this scheme by Act on Energy should minimise the Council officer time required to undertake these activities.
- The holistic approach taken by Act on Energy, particularly in relation to vulnerable residents, may help the council and partners to deliver a joined up, more effective service for those residents.

Customer / Equalities and Diversity Implications

- 3.11 The scheme should benefit homeowners on low incomes and in receipt of qualifying benefits in Redditch
- 3.12 The scheme offers an opportunity to help homeowners tackle some of the financial and health issues they experience as a result of ineffective heating in their home.
- 3.13 By assisting residents in this way, we may reduce the demand on our and partners services in relation to crisis situations and health needs

4. RISK MANAGEMENT

- 4.1 Some of the measures available within the fund must be undertaken by suitably qualified tradespersons – for example, the installation, servicing and repair of boilers.
- 4.2 The proposed scheme has safeguards in place to ensure this is adhered to at all times. The homeowner will be asked to provide two quotes from accredited contractors, which will be reviewed by Act on Energy. Any application for grant monies will only be accepted after the contractor provides evidence of appropriate accreditation and current public liability insurance.
- 4.3 Any liability regarding the contract remains between the homeowner and the contractor, but Act on Energy will be available to advise the homeowner if issues arise.

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- 4.4 The scheme will be monitored by the Council's Climate Change and Energy Efficiency Officer.

5. APPENDICES

Appendix 1 – Summary of energy efficiency measures available within the fund and eligibility criteria for accessing the fund.

6. BACKGROUND PAPERS

None

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