

## **Appendix 1 – Background information to Urgent Decision: Green Homes Local Authority Delivery grant funding**

### **Green Homes Grant Scheme**

In August 2020, government launched a Green Homes Grant scheme to upgrade homes across England. Under this, £500 million funding was allocated for local authorities to bid for through the Local Authority Delivery (LAD) scheme, designed to:

- Improve the energy efficiency of homes of low-income households, helping reduce fuel poverty
- Help phase out high carbon fossil fuel heating
- Deliver progress towards the UK's commitment to net zero by 2050.

### **Successful Worcestershire bid**

- Worcestershire authorities completed a joint bid, led by Wychavon DC, to maximise the capacity of the to bid and deliver within the timescales required (delivery deadline of March 31<sup>st</sup> 2021).
- This bid was successful and has been awarded £1,905,000 for delivery of projects across Worcestershire.
- In consultation with the Portfolio Holder for Climate Change, Redditch Borough Council's element of the bid was for external wall insulation to non-traditional construction property types - British Iron and Steel Federation (BISF) system built and Hawksley BL8 Aluminium Bungalows - and has been allocated £300,000. This will fund insulation of 30 homes, based on the maximum grant funding per property of £10,000.
- There is also capital funding for Energy Performance certificates where required pre and all post installation (up to £21,000 across Worcestershire) and Contingency works (up to £58,150 across Worcestershire).
- Each authority will also receive £7,000 for internal costs of delivery and £2,000 for publicity.
- Payments are staged with 50% of the monies paid over initially.

### **Eligibility**

The eligibility criteria below are set by the Department of Business, Energy and Industrial Strategy (BEIS):

- Combined household annual income of no more than £30,000 gross, before housing costs and where benefits are counted towards this figure.
- Property Energy Performance Rating of E, F or G.
- Qualifying owner occupiers will receive external wall insulation fully funded up to £10,000.
- Privately rented properties are eligible, but there is a minimum contribution by the landlord of one third of the cost of works, with the average subsidy cost not to exceed £5,000 per property.

## Measures

Measures which can be funded were set by the Department of Business, Energy and Industrial Strategy (BEIS). RBC chose to focus on a relatively small number of non-traditional construction properties for external wall insulation because:

- As the works are primarily external, the risks related to Covid19 are less
- Given the timescales, properties needed to be able to benefit from permitted development rather than requiring planning permission for external wall insulation.
- This narrowed selection to non-brick properties in urban Redditch Borough, which is primarily on mains gas. Most properties on mains gas will not have sufficiently poor energy performance to meet the eligibility criterion of EPC E rated or below. However, the British Iron and Steel Federation (BISF) properties (e.g. in Southcrest) and the Hawksley BL8 Aluminium Bungalows (e.g. in Abbeydale) are extremely thermally inefficient and some of these properties meet this criteria even on mains gas.
- External wall insulation can be more difficult to apply in winter, as low temperatures and damp conditions can delay setting of render, so relatively small numbers of properties will be targeted for this initial phase.

## Delivery

- Wychavon DC are drafting legal agreements with the other authorities, to enable us to deliver in our areas.
- It is planned for engagement e.g. letters and completing eligibility checks to be managed by RBC's procured energy advice service, YES Energy.
- A fully managed service for external wall insulation and associated works such as Energy Performance Certificates (including surveys, design, preliminaries, installation, evidence for compliance and monitoring and 25 year guarantees) is intended to be delivered through a contract with Surefire Management Services (SMS), under a pre-procured, OJEU compliant framework, using contractors with certification as required by BEIS.
- Wychavon DC and their procured energy advice service Act on Energy are responsible for monitoring and reporting to BEIS in relation to the grant funding.
- Should uptake be poor for any reason, with the agreement of the project group, delivery can be switched to other measures or property types or between projects in different local authority areas, in order to maximise delivery before March 31<sup>st</sup> 2021. Should there be reasonable delays e.g. due to Covid19 or weather, there may also be flexibility in the deadline.
- There will be further opportunities to bid for funding for delivery in 2021-22, in order to assist those who have been unable to benefit from the first phase.