
Warm Homes Grant Funding Resources

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| Relevant Portfolio Holder | Councillor Jen Snape |
| Portfolio Holder Consulted | Yes |
| Relevant Head of Service | Judith Wills |
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| Wards Affected | All |
| Ward Councillor(s) consulted | |
| Relevant Strategic Purpose(s) | All |
| Non-Key Decision | |
| If you have any questions about this report, please contact the report author in advance of the meeting. | |
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1. RECOMMENDATIONS

The Executive Committee is asked to RECOMMEND that: -

- 1) The Capital and Revenue Budgets are increased to receive Redditch Borough Council's Warm Homes Local Grant Funding (WHLG) of the indicative £1,204,615.38 or the final grant awarded.**

The Executive Committee is asked to RESOLVE that

- 2) Authority be delegated to the Assistant Director of Community and Housing Services following consultation with the Portfolio Holder for Climate Change to administer the funding received in the WHLG in line with the grant conditions.**

2. BACKGROUND

- 2.1 The Warm Homes: Local Grant scheme, set to begin in 2025, aims to provide energy performance upgrades and low carbon heating to low-income households in England. The scheme targets homes with an Energy Performance Certificate (EPC) rating between D and G that are privately owned. Local authorities will deliver measures such as insulation, solar panels, and air source heat pumps, tailored to individual homes. Occupants on a low income will not contribute to the cost of these upgrades.

- 2.2 The Warm Homes Local Grant (WHLG) provides an opportunity for Redditch Borough Council to directly address fuel poverty and improve the energy efficiency of homes within the Borough. By retrofitting homes with energy-saving measures, Redditch Borough Council can work towards achieving the authority's climate goals, enhance the well-being of residents, and create employment in the green sector.
- 2.3 Additionally, the WHLG aligns with the UK government's objectives to improve the energy performance of homes and reduce fuel poverty nationwide. This program is a key component of the broader strategy to achieve Net Zero emissions by 2050 and ensure that all homes meet minimum energy efficiency standards by 2030.

3. OPERATIONAL ISSUES

The following operational matters are being considered:

3.1 Planning

- Location Identified: In Redditch, the initial project delivery will focus on the Woodrow area, which features a mix of tenures and allows for a collaborative approach with Redditch Borough Council Housing using both WHLG and WSHF funding.

3.2 Engagement

- Resident Engagement: Develop and implement an engagement strategy to encourage participation in the program, with a focus on the target area in Redditch. Work to engage residents on the owner-occupier side.
- Act on Energy Partnership: Collaborate with Act on Energy to leverage their expertise in engaging residents and encourage applications for the program through the owner-occupier part of the programme.
- Community Engagement: Partner with local community groups and organisations to promote the programme and address any concerns or barriers.

3.3 Procurement

- Retrofit Assessment and Coordination: Conduct a robust procurement process to secure a qualified and experienced Retrofit Assessor and Coordinator.
- PAS 2035 Retrofit Installer: Secure a qualified and experienced PAS 2035 retrofit installer/contractor to undertake the retrofit works. This will include a clear specification for the retrofit measures to be delivered,

emphasising quality and value for money, as well as experience of working across multiple grant schemes.

- Framework Utilisation: Utilise existing procurement frameworks wherever possible to expedite the process and ensure compliance.

3.4 Delivery

- Retrofit Works: Implement the retrofit works according to the agreed plans and required standards set out within PAS 2035, ensuring a smooth and efficient process with minimal disruption to residents.
- Quality Assurance: Conduct regular inspections and quality checks throughout the retrofit process.
- Resident Liaison: Maintain regular communication with residents to keep them informed of progress and address any issues.

3.5 Monitoring and Reporting

- Monthly Reports to MNZH: Submit monthly progress reports to the Midlands Net Zero Hub (MNZH), the consortium lead, to ensure transparency and alignment with the overall programme goals.
- Financial Monitoring: Track project expenditure and ensure adherence to the budget.
- Data Collection: Collect data on retrofit measures, costs, and impacts on residents to inform future projects and report on outcomes.

3.6 Evaluation

- Project Review: Conduct a comprehensive review of the project's performance upon completion, highlighting lessons learned.
- Impact Assessment: Assess the long-term impact of the program on carbon emissions, fuel poverty, and resident well-being.

4. **FINANCIAL IMPLICATIONS**

4.1 Funding Allocation:

- Redditch: £1,204,615.38 (including £120,461.54 for administrative and ancillary costs)
- Funding will be allocated to the general Capital and Revenue budgets

4.2 Potential Number of Homes Retrofitted:

Based on an average cost per home of £15,000, the WHLG funding can be utilized to retrofit approximately:

- Redditch: 80 homes (£1,204,615.38 / £15,000 per home)

4.3 Funding Source:

- The funding is sourced from the WHLG grant allocations.

4.4 Monitoring:

- **Regular Financial Reporting:** The project will submit regular financial reports to MNZH as part of the consortium, ensuring transparency and adherence to the budget.

4.5 Eligibility

- **IMD:ID Eligible Postcodes:** Households located in postcodes that fall within the most deprived 25% according to the Index of Multiple Deprivation (IMD) are eligible. These households are classified as auto eligible.
- Households with a gross income below £36,000 per year or a net income of £20,000 or less after housing costs or Households must be classified as low-income, which can be demonstrated by receiving specific means-tested benefits.
- Properties must have an EPC rating between D and G.

5. LEGAL IMPLICATIONS

5.1 Contractual Arrangements:

- The Council will need to enter into contracts with qualified retrofit installers and service providers to ensure compliance with PAS 2035 standards. This will need to be delivered in line with the Council's procurement process.
- Service level agreements (SLAs) will need to be established to define the roles and responsibilities of all partners involved.

5.2 Relevant Legislation:

- **Energy Act 2011:** Provides the legislative framework for the UK's energy policy, including measures to improve energy efficiency and reduce carbon emissions.
- **Climate Change Act 2008:** Sets legally binding targets for reducing greenhouse gas emissions and requires the government to develop policies to achieve these targets.

- **Building Regulations 2010:** Sets standards for the energy performance of buildings, including requirements for insulation and energy efficiency measures.
- **Local Government Act 1972:** Includes provisions related to local government responsibilities and powers, which may be relevant to the implementation of the WHLG program.
- **Warm Homes and Public Sector Decarbonisation Devolution Programme:** Government initiative providing funding and guidance for local authorities to improve the energy efficiency of public sector buildings and homes.

5.3 Accountancy Treatment:

- Grant funding and associated expenditures will be accounted for in line with the Council's financial regulations and accounting standards.

6. **OTHER - IMPLICATIONS**

6.1 **Relevant Strategic Purpose**

Redditch Borough Council is committed to achieving Net Zero carbon emissions by 2040. Addressing fuel poverty and reducing emissions from housing are key priorities within underpinning the authority's strategic objectives. The WHLG program and potential collaboration with the Warm Homes Social Housing Fund (WHSHF) directly align with these priorities.

The Warm Homes Local Grant (WHLG) project directly aligns with the green thread, which runs through the Council Plan. By improving the energy efficiency of homes and reducing carbon emissions, the project contributes to creating a clean and green environment. Additionally, addressing fuel poverty and enhancing residents' well-being supports sustainable development and improves the overall quality of life for the community. This initiative also fosters economic growth through job creation in the green sector and promotes the Council's commitment to addressing environmental and climate impacts

6.2 **Climate Change Implications:**

- **Carbon Emissions Reduction:** Residential energy consumption is a significant contributor to carbon emissions. Improving home energy efficiency is crucial to achieving net-zero goals.
- **Health Benefits:** Enhanced home energy efficiency can lead to improved health outcomes for residents by reducing exposure to cold and damp conditions.

6.3 Equalities and Diversity Implications:

- Fuel Poverty: The WHLG program targets households most affected by high energy costs, helping to alleviate fuel poverty and its associated health and social inequalities.
- Inclusive Approach: The programme will ensure that all eligible residents, regardless of background, have access to the benefits of the retrofit measures.

7. RISK MANAGEMENT

7.1 Identified Risks and Mitigation Strategies:

1. Lack of Resident Participation:

- Risk: Insufficient resident engagement may lead to low participation in the WHLG programme.
- Mitigation: Develop and implement a comprehensive engagement strategy, including outreach and education efforts, to encourage resident participation. Utilise partnerships with community groups and Act on Energy to increase awareness and involvement.

2. Challenges in Finding Qualified Contractors:

- Risk: Difficulty in securing suitably qualified and experienced contractors to undertake retrofit works.
- Mitigation: Conduct a robust procurement process to secure experienced PAS 2035 retrofit installers/contractors. Establish a reserve list of qualified professionals to ensure project continuity.

3. Supply Chain Issues for Retrofit Materials:

- Risk: Disruptions in the supply chain may lead to delays in obtaining necessary materials for retrofit works.
- Mitigation: Monitor supply chain trends and establish contingency plans for securing retrofit materials. Engage with multiple suppliers to diversify sources and minimise risk.

4. Overspending or Financial Mismanagement:

- Risk: The project may exceed its budget or face financial mismanagement.
- Mitigation: Implement strict financial monitoring and reporting processes. Submit regular financial reports to MNZH to ensure adherence to the budget and transparency.

5. Delays in Project Delivery:

- Risk: The project may face delays in implementation, affecting timelines and outcomes.
- Mitigation: Develop a detailed project timeline with built-in contingencies to address potential delays. Maintain regular communication with contractors and stakeholders to ensure timely progress.

6. Negative Publicity or Community Dissatisfaction:

- Risk: Issues during the project may lead to negative publicity or community dissatisfaction.
- Mitigation: Maintain transparent communication with the community throughout the project. Address any concerns or feedback promptly and effectively to build trust and support.

7. Poor Quality Work Being Delivered:

- Risk: The quality of retrofit works may not meet required standards, leading to dissatisfaction and potential rework.
- Mitigation: Conduct regular quality checks and inspections throughout the retrofit process. Ensure contractors adhere to PAS 2035 standards and address any issues promptly.

8. Complexity of Working Across Two Grant Funding Streams:

- Risk: Managing both the WHLG and WSHF funding streams may lead to administrative complexities and potential overlaps.
- Mitigation: Establish clear guidelines and protocols for managing both funding streams. Ensure coordination and communication between teams to streamline processes.

9. Misunderstanding of Eligibility Requirements by Residents:

- Risk: Residents may misunderstand the eligibility requirements for the WHLG program.

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- Mitigation: Provide clear and accessible information to residents about eligibility requirements. Offer assistance through community engagement events and support from Act on Energy.