

## **Cabinet – 9 September 2015**

### **Help for households in fuel poverty**

<b>Portfolio:</b>	Councillor A Andrew, Economy Infrastructure and Development
<b>Service:</b>	Money Home Job
<b>Wards:</b>	All: Borough Wide
<b>Key decisions:</b>	<b>No</b>
<b>Forward Plan:</b>	No

#### **1. Summary**

- 1.1 The council and its partners have been at the forefront nationally of home energy improvements for many years and this work directly helps with a priority within the Corporate Plan 2015-2019 - Shaping a Fairer Future, to provide support with the cost of living. This report seeks Cabinet consent in line with the council's Grant Manual to be the Accountable Body for the award of up to £1.16M of Department of Energy and Climate Change (DECC) funds for cross tenure help for Walsall households to secure gas central heating.

#### **2. Recommendations**

That Cabinet:-

- (i) authorises the Executive Director for Resources to enter into agreement with:
  - a) Department of Energy and Climate Change (DECC) for the funding of a cross-tenure support project to help provide gas central heating for dwellings in the borough, including for the council to be Accountable Body for funds provided;
  - b) Walsall Housing Group (Whg) and Accord Housing Association Limited for funds from DECC to be used on their dwellings in line with Table 1 of this report.
- (ii) note the progress of the council on other related initiatives.

### 3. Report detail

3.1 Department of Energy and Climate Change (DECC) announced a new national competition for grant funds for councils to bid for to help those residents in homes with:

- a) No mains gas connection and or;
- b) Very low energy efficiency as measured by Energy Performance Certificate (rating F or G) and costly electric storage heaters, solid fuel or warm air heater as main source of heating.

The timescale for bidding was very short and following the development of a partnership bid with Whg and Accord Housing Associations, Corporate Management Team agreed a bid could be submitted to DECC. The bid is shown in summary in Table 1 below.

3.2 Table 1 Funding breakdown for the proposed DECC project.

<b>Tenure / landlord</b>	<b>Dwellings</b>	<b>Original Grant bid to DECC</b>
Accord Housing Association	145	£282,700.00
Whg - Tenants	200	£402,000.00
Whg - Leaseholders	50	£180,000.00
Contingency assistance	50	£180,000.00
Total dwellings	445	£ 1,044,700.00
Project Management and delivery fee		£104,470.00
Marketing and publicity		£10,447.00
Total		£ 1,159,617.00

3.3 DECC has approved the Walsall bid as one of only 20 in England with a reduced allocation of a total of £869,712. This is at a level requiring cabinet agreement to the council being Accountable body and agreeing the Project Plan. Appendix 1 shows the Project Plan.

3.4 The Project Officer is continuing to negotiate the specific outputs and allocations for Walsall with DECC. DECC have also indicated that there may be the possibility (but no guarantee) of increasing funding back to the original bid level depending on:

- additional resources becoming available nationally for example, through lower outputs from other bidding authorities and;
- delivery and timescales within Walsall.

- 3.5 This project is in full accordance with the council's adopted Home Energy Conservation Act (July 2015) and supports the other initiatives that the council has undertaken / planned which are summarised below in Table 2 below.

Initiative	Comment
Collective fuel switch	Over 1,500 switches have taken place. The most recent switch has brought average savings of over £280 per year per utility. A new switch launched 4 <sup>th</sup> August 2015.
NEA Membership	The National Energy Action Charity has provided the council with free corporate membership and is helping deliver community energy advice sessions and providing a range of free energy saving items for residents. They are also helping with costs of development of a new guide to help residents reduce damp and condensation in their homes.
British Gas	British Gas are seeking to prioritise their Energy Company Obligation (ECO) funding to help residents in Walsall secure new boilers. Beneficiaries must be on specific means tested benefits.
Foundations Independent Living Trust (FILT)	Continued support for 'safety-net' help for central heating repairs and replacement to boilers. Up to £750 per property.
Carbon Monoxide prevention	Joint work with West Midlands Fire Service to target free detectors to those most at risk
Prevention of excess seasonal deaths	Direct support for Public Health and NHS colleagues in promotion of Keep Warm and Well and Keep Cool Keep well promotion to tackle excess seasonal deaths from extreme heat and cold.

- 3.6 A report to a future cabinet is proposed with the range of options officers are also investigating to seek to help residents who can't fund the outlay for domestic solar panels to help increase the levels of local lower carbon power generation and reduce resident's fuel bills even further.

## 4 Council Priorities

### Support with cost of living

- 4.1 A priority within the Corporate Plan 2015-2019 - Shaping a Fairer Future, is to provide support with the cost of living. The actions within this report provide direct help for residents with this. For example, over 1,500 residents have switched energy supplier(s) to secure lower household bills.

## 5 Risk Management

- 5.1 Assurances were secured prior to bidding for funds from our partners Whg and Accord that they were able to deliver their key parts of the DECC fund (if approved).
- 5.2 Specific grant agreements are to be in place with Whg and Accord to manage their delivery of the project in accordance with the DECC funding and to

indemnify the council especially in relation to any subsequent claims by DECC relating to breaches of State Aid rules.

- 5.3 Work with a number of other housing associations to substitute (if required) has also taken place to ensure that the maximum DECC funds can be invested into Walsall.
- 5.4 A detailed project plan in line with the requirements of the Accountable Body protocol (Appendix 1) is in place for this initiative.

## **6 Financial Implications**

- 6.1 The DECC funds will be managed by the council as Accountable Body and distributed to partners on completion of the relevant works in line with legal agreements between the parties.
- 6.2 The funds include an allocation for project management and delivery and marketing and promotion which will mean that the project is cost neutral for the council. This fund will be directly managed by the council.
- 6.3 If required due to the timing of the project funds will be requested to be carried forward from 2015/16 into 2016/17 to fulfil the obligations of this scheme. This will be done with portfolio holder consultation in line with the carry forward protocol.

## **7 Legal Implications**

- 7.1 The proposed work is report is in line with DECC guidelines and requirements and the Home Energy Conservation Act (HECA) 1995.
- 7.2 Legislation which enables local authorities to offer housing assistance (including energy efficiency works) is set out in the Regulatory Reform (Housing Assistance) (England & Wales) Order 2002. It allows councils to adopt a flexible approach to giving assistance in any form including financial help reflecting local circumstances, needs and resources. Such assistance can be given upon terms specified before making the assistance available, including the seeking of security taken as a charge on the property.

## **8 Property Implications**

There are no direct council properties implications as the council retains no housing stock which is eligible under this project.

## **9 Health and wellbeing implications**

- 9.1 Provision of improved and cheaper heating has a direct positive impact on the ability of households to efficiently heat their homes. The proposals are in full accordance with recent National Institute for Health and Care Excellence (NICE) guidelines on tackling excess winter deaths and as part of the DECC

project some new research is proposed that will also gauge the psychological impacts of new heating.

- 9.2 A focus of the initiatives identified in 3.6 is to help tackle excess seasonal deaths and worsening of illness and disabilities impacted by extreme temperatures. The works seek to reduce the level of fuel poverty within the borough.

## **10 Staffing implications**

As highlighted in 6.2 the DECC fund includes for project management and therefore relevant officer time will be charged directly to this project.

## **11. Equality Implications**

- 11.1 DECC 's definition of fuel poverty has increased the proportion of household types with dependent children of all ages (not just under 5's) who are seen as a priority group. Under the previous definition households with a 60 years of age or older resident comprise almost 70% of all fuel poverty households compared with the new method where they equate to approximately 40%.
- 11.2 The council will continue to ensure that methods of maximising assistance to vulnerable households are reflective of the target groups and this will include where necessary and appropriate broadening the partners that we work with.
- 11.3 Help for owner occupiers will be targeted initially at the lower super output areas of the borough with the highest fuel poverty in line with the adopted HECA action Plan.

## **12. Consultation**

This project has been developed in partnership with Whg and Accord Housing Association and partners who help promote the cross-tenure work such as Walsall AgeUK. Residents within the areas of the borough with the highest fuel poverty are being directly contacted to advise them of the funding opportunities through these proposals.

## **Background papers**

1. Walsall Housing Strategy 2012-16
2. Walsall Home Energy Conservation Act – Action Plan – Improving Home Energy Together. July 2015.
3. NICE Guidelines NG6 – Excess winter deaths and morbidity and the health risks associated with cold homes. March 2015

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Handwritten signature of Rory Borealis in black ink, consisting of the letters 'R' and 'B' followed by a stylized flourish.

Rory Borealis  
Executive Director, Resources

Handwritten signature of Councillor Adrian Andrew in blue ink, featuring a complex, stylized script.

Councillor Adrian Andrew  
Portfolio Holder – Economy  
Infrastructure and  
Development

## Project Plan for delivery of DECC central heating funds 2015/16

[illegible]

	2015						2016					
<b>Timescale continued.</b>	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun
Whg installations to their leaseholder properties completed												
whg support for their tenants in use of new heating												
Accord support of their tenants in use of new heating												
Council support of owner occupiers in use of new heating												
Monitoring update provide to DECC												
Submission of report to DECC including research findings												

Project Plan Version 2. Updated following notification from DECC of funds.

Date: 3/8/15

Project Plan to be reviewed quarterly by Project officer: David Lockwood, Housing Standards and Improvement Manager