

COUNCIL

22 OCTOBER 2020

12

Report Title	GREEN HOMES GRANT - LOCAL AUTHORITY DELIVERY SCHEME BID			
Purpose of Report	To authorise the Chief Executive to sign a Memorandum of Understanding to accept £1,094,050 of capital BEIS funding for a Project to be delivered under the Green Homes Grant Local Authority Delivery Scheme (LADS)			
Decision(s)	<p>Council RESOLVES to:</p> <p>a. Authorise the Chief Executive to sign the Memorandum of Understanding and accompanying documentation in relation to the Green Homes Grant: Local Authority Delivery Grant Determination Notice at appendix B and take all necessary steps to arrange for delivery of the objectives</p> <p>b. Add the Green Homes Programme to the Capital Programme, fully funded by the Grant.</p>			
Consultation and Feedback	Consultation has taken place with partner authorities in the Warm and Well Partnership and the Gloucestershire Clinical Commissioning Group			
Report Author	Maria Hickman Housing Renewal Manager Email: maria.hickman@stroud.gov.uk			
Options	To turn down the offer of funding			
Background Papers	None			
Appendices	Appendix A - Bid Summary Appendix B - Green Homes Grant: Local Authority Delivery Grant Determination (2020): No 31/5187			
Implications (further details at the end of the report)	Financial	Legal	Equality	Environmental
	Yes	Yes	No	No

1. INTRODUCTION / BACKGROUND

- 1.1** In August Central Government, as part of their Green Homes Grant initiatives, made available a fund to which a local authority could bid for funding to work with low income households to improve the energy efficiency of their homes.
- 1.2** Known as LADS the scheme required projects that were ready to be delivered with a commencement date of October and completion date of March 2021, with a minimum bid threshold of £500,000.

- 1.3 The Warm and Well Partnership is well known locally, having been in existence for almost 20 years, being the main delivery mechanism for fuel poverty work in Gloucestershire and South Gloucestershire.
- 1.4 The Council is the lead partner, the other partners being; Cheltenham Borough Council, Cotswold District Council, Forest of Dean District Council, Gloucester City Council, Tewkesbury Borough Council and South Gloucestershire Council.
- 1.5 The partnership works closely with Gloucestershire Clinical Commissioning Group and Gloucestershire County Council although they are not formal partners.
- 1.6 Severn Wye Energy Agency are the current delivery agent for the Warm & Well Scheme until March 2022, following an OJEU tendering process.
- 1.7 Following health and housing data analysis, it was identified that there is a significant issue within the Warm & Well area with those with chronic health problems occupying poorly insulated and heated Park Homes. These types of dwellings have been ineligible for other Government energy efficiency programmes.
- 1.8 The Warm & Well Partnership was successful in bidding for funding from National Grid to install first time central heating systems. However, in some rural areas the funding available has proved to be insufficient to enable works to be undertaken to identified homes.

2. MAIN POINTS

- 2.1 BEIS funding is available to Local Authorities under the Green Homes Grant: Local Authority Delivery Scheme to provide energy efficiency improvements to low income households.
- 2.2 Given the very tight timeframe for submission and delivery of projects, the Warm & Well partnership identified works that could be undertaken with Park Homes (owners and private sector tenants) and in rural areas to install air source heat pumps (owners and private sector tenants), that would meet the eligibility criteria.
- 2.3 As the Lead partner SDC submitted a bid on behalf of the partnership for £1,094,050 to provide insulation to 100 park homes and top up funding to install 50 air source heat pumps to properties in off gas areas.
- 2.4 Confirmation that the bid was successful was received on the 1st October 2020, the offer must now be formally accepted by the 30th October 2020.
- 2.5 Authorisation is now sought for the Chief Executive to act on the Council's behalf to sign the Memorandum of understanding and any other documents required to accept this offer of funding and deliver the project accordingly.

4. IMPLICATIONS

4.1 Financial Implications

- 4.1.1 All of the funding for the project is to be funded by BEIS and there is no contribution from the Council apart from officer time.

4.1.2 The Capital Strategy dictates that full Council must decide to add schemes to the capital programme. This report is therefore compliant with that strategy. The project is in line with Council priorities, is deliverable and is fully funded.

4.1.3 The grant funding is to be paid to the Council 50% in advance and 50% in arrears. The grant conditions show that the Council is financially at risk if grant conditions are not followed. This risk will be mitigated by the monitoring and reporting process.

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4.2 Legal Implications

The grant funding referred to in this report has been made under section 31 of the Local Government Act 2003. The grant is paid subject to compliance with specified conditions which essentially require the Council to meet the commitments set out in its original proposal. One of the requirements of the grant is that the Council must enter into the Memorandum of Understanding as a record of the arrangement.

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4.3 Equality Implications

There are not any specific changes to service delivery proposed within this decision.

4.4 Environmental Implications

There are no significant implications within this category as the work undertaken will be contributing to carbon savings estimated at 11,540 t.

APPENDIX A

Green Homes Grant LADS Scheme Bid Summary

A proposal to add value to the vulnerable consumer by enhancing a well-established, trusted energy advice service delivered in partnership between 7 local authorities with the Clinical Commissioning Group and managed by Severn Wye Energy Agency, a charitable, energy advice agency with 20 years' specialising in delivering to core objectives to alleviate fuel poverty.

The Warm and Well scheme has been a key device in Gloucestershire and South Gloucestershire for the delivery of the Fuel Poverty Strategy, targeting the vulnerable, integrating with NHS and improving EPC ratings.

We will: provide robust data, case studies and clear methodology for reaching the eligible; share learning widely through our networks and; demonstrate the leveraging of funding and the impact of creating healthy homes. Warm & Well has delivered a number of large scale grant programs, offering brand awareness, existing partnerships and client database.

Our proposal for part of the project is the continuation of a successful park home insulation programme that has been running in Gloucestershire for the past two years. Using NHS data, this partnership project has identified that people living in park homes suffer from poorer health outcomes than those living in other types of properties.

The project looks to improve the living environment for park home residents to cover the costs of wall insulation and when appropriate, floor and loft insulation, thus reducing the heating costs and creating a healthier home.

The benefits of the project are three-fold: alleviating fuel poverty (making it cheaper to stay warmer during the coldest months), improving health outcomes by creating a more comfortable living environment (thus reducing the number of visits to GPs and hospitals), and reducing carbon emissions (through reduced energy consumption).

In addition to this, we will also allocate some of the funding to top up existing Warm Homes Fund grants in order to install Air Source heat pumps. This will be in properties attracting little or no ECO funding (i.e. those with existing solid fuel heating systems or smaller properties which don't attract the high lifetime saving scores associated with large, detached properties).

Currently the only viable option for many of these properties with the funding available is LPG central heating. This is not only counteracting the Government's carbon reduction targets, but is also the most expensive form of central heating to run – therefore is not overly successful in bringing people out of fuel poverty.

Households will be declared eligible by using existing ECO flexible eligibility as declared in LA Statement of Intent or being in receipt of Affordable Warmth benefits, alongside having a total household income of under £30,000.

The project will expect to achieve over £2.6M bill savings for clients and save 11,540tCO₂ from being released into the atmosphere.

Using data from previous project and BRE's Housing Health Cost Calculator, we anticipate an annual saving to the NHS (through improved health outcomes) to be c.£140,000 and a lifetime

saving of over £4M. The savings to wider society could equal £4.4M annually, and £175M over the lifetime of the measures.

APPENDIX B

GREEN HOMES GRANT: LOCAL AUTHORITY DELIVERY GRANT DETERMINATION (2020): No 31/5187

The Secretary of State for Business, Energy & Industrial Strategy (“the Secretary of State”), in exercise of the powers conferred by section 31 of the Local Government Act 2003, makes the following determination:

Citation

- 1) This determination may be cited as the Green Homes Grant: Local Authority Delivery Determination (20/21) [No31/5187].

Purpose of the grant

- 2) The purpose of the grant is to provide support to local authorities in England towards expenditure lawfully incurred or to be incurred by them.

Determination

- 3) The Minister of State determines as the authorities to which grant is to be paid and the amount of grant to be paid, the authorities and the amounts set out in Annex A.

Grant conditions

- 4) Pursuant to section [31(3) and] 31(4) of the Local Government Act 2003, the Minister of State determines that the grant will be paid subject to the conditions in Annex B.

Treasury consent

- 5) Before making this determination in relation to local authorities in England, the Secretary of State obtained the consent of the Treasury.

Signed by authority of the Secretary of State for Business, Energy & Industrial Strategy

Ben Golding, Director, Energy Efficiency and Local, Department for Business, Energy & Industrial Strategy



30 09 2020

ANNEX A

Authorities to which grant is to be paid	Amount of grant to be paid
Stroud District Council	£1,094,050.00

ANNEX B

GRANT CONDITIONS

1. Grant paid to a local authority under this determination may be used only for the purposes that a capital receipt may be used for in accordance with regulations made under section 11 of the Local Government Act 2003.
2. The Chief Executive and Chief Internal Auditor of each of the recipient authorities are required to sign and return to the team leader of the Energy Efficiency and Local Division of the Department for Business Energy and Industrial Strategy a declaration and Signed Memorandum of Understanding, to be received no later than 30 October, in the following terms:

“To the best of our knowledge and belief, and having carried out appropriate investigations and checks, in our opinion, in all significant respects, the conditions attached to GREEN HOMES GRANT: LOCAL AUTHORITY DELIVERY GRANT DETERMINATION (2020): No 31/5187 have been complied with”.
3. If an authority fails to comply with any of the conditions and requirements of paragraphs 1 and 2, the Minister of State may-

reduce, suspend or withhold grant; or

by notification in writing to the authority, require the repayment of the whole or any part of the grant.
4. Any sum notified by the Minister of State under paragraph 3(b) shall immediately become repayable to the Minister.