

# DECISION ITEM



| REPORT OF                        | MEETING                         | DATE            | ITEM NO |
|----------------------------------|---------------------------------|-----------------|---------|
| DEVELOPMENT SERVICES DIRECTORATE | FINANCE AND DEMOCRACY COMMITTEE | 23 JANUARY 2017 | 5       |
| <b>AFFORDABLE WARMTH SCHEME</b>  |                                 |                 |         |

## PUBLIC ITEM

This item is for consideration in the public part of the meeting.

## SUMMARY

This report provides details of a two year allocation of £28,210 per year by Lancashire County Council to Fylde Borough Council for the delivery of an affordable warmth scheme during 2016/17 and 2017/18. The scheme is to provide capital measures such as boiler replacements and installation of central heating to vulnerable residents where an affordability issue has also been identified. This issue was considered at the Environment, Health and Housing Committee meeting of 10<sup>th</sup> January 2017.

## RECOMMENDATION

### The Committee is requested:

1. To note that Environment, Health and Housing Committee on the 10<sup>th</sup> January 2017 considered the proposal and approved the delivery of the affordable warmth scheme as described in this report.
2. To approve a fully-funded addition to the capital programme in the sum of £28,210 in 2016/17 and £28,210 in 2017/18 in relation to the initiative, fully funded by a grant from Lancashire County Council in the same sum.
3. To authorise the scheme expenditure as detailed in the report.

## SUMMARY OF PREVIOUS DECISIONS

1. This matter was considered by the Environment, Health and Housing Committee on the 10<sup>th</sup> January 2017.

It was RESOLVED

1. To approved the affordable warmth scheme as described in the report;
2. To recommend to Finance and Democracy Committee the approval of a new fully funded capital scheme in the sum of £28,210 in 2016/17 and £28,210 in 2017/18 in relation to the initiative, fully funded by a grant from Lancashire County Council in the same sum; and
3. To authorise the scheme expenditure as detailed in the report subject to approval of the scheme from the Finance and Democracy Committee.

## CORPORATE PRIORITIES

|  |   |
|--|---|
| Spending your money in the most efficient way to achieve excellent services<br>(Value for Money)       | √ |
| Delivering the services that customers expect of an excellent council (Clean and Green)                | √ |
| Working with all partners (Vibrant Economy)  | √ |
| To make sure Fylde continues to be one of the most desirable places to live<br>(A Great Place to Live) | √ |
| Promoting Fylde as a great destination to visit<br>(A Great Place to Visit)                            |   |

## REPORT

### BACKGROUND

1. On the 13.9.2016 Lancashire County Council gave approval for the allocation of £1,000,000 to local authorities over a two year period to “support for residents in reducing energy bills, and in particular addressing fuel poverty”. Please find document link here: <http://council.lancashire.gov.uk/ieDecisionDetails.aspx?ID=9208> and at the end of this report.
2. Lancashire County Council (LCC) have split this funding between the district authorities based on the percentage of fuel poor households within each authority. The table of distribution is attached (Document one). Fylde Councils allocation is £28,210 per year for a minimum of two years. This funding must be allocated to capital projects within residential dwellings only.
3. The Home Energy Conservation Act 1995 (HECA) places requirements on Local Authorities to reduce emissions of Carbon Dioxide to the atmosphere by improvements to the energy efficiency of the residential dwellings within the area. This grant funding will assist towards this HECA requirement.

### INTERVENTIONS

4. The funding available is capital, therefore, is directed at interventions that make a long term contribution to helping people keep their homes warm through physical improvements in the home that help improve thermal comfort and efficiency.
5. A meeting held on the 27<sup>th</sup> September 2016 between all districts and LCC discussed the types of measures that could be installed under this scheme. The following measures were approved by LCC on the 10<sup>th</sup> October 2016.
  - Servicing, repairs and replacement boilers and heating systems and associated works, including controls.
  - Repairs to and new radiators and radiator reflectors
  - Gas fire services and repairs
  - Draught proofing measures – windows, doors, loft hatches, electrical fittings on walls and ceilings, suspended floorboards, pipework leading outside, ceiling-to-wall joints. Thermal blinds and carpets may be included as draught proofing measures in appropriate circumstances where other long-term measures have been considered and the thermal benefit can be demonstrated – details for inclusion must be provided in the monitoring.
  - Standard loft and cavity wall insulation
  - Interventions for 'hard to treat' cavities and solid walls such as non-standard insulation solutions and external or internal wall insulation.
  - Glazing improvements

## ELIGIBILITY

6. Lancashire County Council have set the eligibility criteria for access to the grant scheme. Being on a low income, living in thermal inefficient home, having higher heating needs, and high fuel costs can all increase the risks of living in a cold home. The funding is aimed at the most vulnerable to harm from cold or damp homes. This could include a wide range of individuals who either are, or are at serious risk of, experiencing poor health and wellbeing due to a cold home.

On the 5th March 2015 the National Institute for Health and Care Excellence (NICE) published its new guidance '[Excess winter deaths and morbidity and the health risks associated with cold homes](#)'. It indicates the following groups to be particularly vulnerable to the effects of living in a cold home:

- people with cardiovascular conditions
  - people with respiratory conditions (in particular, chronic obstructive pulmonary disease and childhood asthma)
  - people with mental health conditions
  - people with disabilities
  - older people (65 and older)
  - households with young children (from new-born to school age [up to age 5])
  - pregnant women
7. Households will be eligible for funding if they meet at least one of the health vulnerabilities listed above and an affordability issue has been identified. An affordability issue can be confirmed in one of the following three ways:
    - Someone being in receipt of means tested benefits.
    - The CSE fuel poverty calculator being completed - this must be completed where a household is receiving more than £1,000.
    - A 'declaration' by the Local Authority or health / social care professional that affordability issues are present.

## THE METHOD AND COST OF FINANCING THE SCHEME

8. The scheme is fully funded by Lancashire County Council without the need of Fylde Council to provide any match funding or financial contribution.
9. Fylde Council will be required to administer the scheme, this will be undertaken within the existing resources of the Housing Services section.
10. This scheme will be in operation alongside other sources of funding and where possible these will be combined to allow the fund to go further. Lancashire County Council have stated that this is the preferred method of delivery in order for the fund to be maximised. Applicants will firstly be assessed to determine their eligibility for Home Heating Cost Reduction Obligation (HHCRO) funding. This funding is based on the carbon saving achieved by the measure. In most cases the HHCRO amount will not totally fund the measure and in these cases the difference can be paid by this proposed affordable warmth scheme. HHCRO funding is available via FireFly Energi who are currently administering the Cosy Homes in Lancashire (CHiL) scheme on behalf of Fylde and Lancashire County Council.
11. Only contractors who are approved to undertake HHCRO work could be used where HHCRO funding is applied for. HHCRO installers are required to undertake a strict quality assurance programme known as Publicly Available Specification (PAS)2030. They are also required to have £10,000,000 of Public and Employers liability insurance as well as £3,000,000 of Professional Indemnity Insurance. The applicant or owner of the property has discretion on who they appoint to undertake any works on their property. If the applicant wishes to use their own contractor

who is not PAS2030 HHCRO funding would not be applicable. Where an applicant wishes to appoint their own contractor the measure will be fully funded by the affordable warmth scheme. These contractors would be checked to ensure they have current public and employers liability insurance. The cost of this measure will also be checked to ensure it is reasonable for the proposed works.

12. Fylde council will be required to report monthly on the costs and types of measures which have been installed to Lancashire County Council.
13. An application form has been sent to LCC confirming the works which will be covered by this project, the method of delivery (with regards contractors and HHCRO funding) and projected costings. This has been approved by LCC. See document two below.
14. The scheme is not tenure specific however private rented properties would be expected to firstly meet their obligations under the Housing Act 2004 in relation to heating and insulation without grant assistance. Social housing would also be expected to meet this obligation. In addition contributions will be asked for from the housing provider prior to the approval of any affordable warmth funding. Therefore it is expected that the majority of funding will be directed towards owner occupied properties.
15. Funding will be paid by Lancashire County Council in two stages. An initial 60% £16,926 can be paid upfront with the remaining 40% £11,284 to be paid once 50% of the total grant amount has been spent £14,105.
16. The council will be permitted to carry over 40% of the funding into 2017/18 if necessary.

| IMPLICATIONS                            |   |
|---|---|
| Finance                                 | Approval of the request for the scheme to be added to the Capital Programme for 2016/17 and 2017/18 would provide for the delivery of the initiative with the cost being met by a capital grant from Lancashire County Council. |
| Legal                                   | Enabling and facilitating the improvement of the energy efficiency of dwellings in the council area is a requirement of The Home Energy Conservation Act 1995   |
| Community Safety                        | None arising directly from this report  |
| Human Rights and Equalities             | None arising directly from this report  |
| Sustainability and Environmental Impact | Improving the energy efficiency of dwellings will contribute to sustainable communities and improve the environment   |
| Health & Safety and Risk Management     | None arising directly from this report  |

| LEAD AUTHOR    | TEL          | DATE       | DOC ID |
|----------------|--------------|------------|--------|
| Tom Birtwistle | 01253 658561 | 04/01/2017 |        |

| LIST OF BACKGROUND PAPERS   |           |   |
|---|-----------|---|
| Name of document  | Date      | Where available for inspection  |
| Green Energy Fund: Strand 3, Supporting Domestic Energy Reduction | 13/9/2016 | <a href="http://council.lancashire.gov.uk/ieDecisionDetails.aspx?ID=9208">http://council.lancashire.gov.uk/ieDecisionDetails.aspx?ID=9208</a> |

|                               |           |                            |
|-------------------------------|-----------|----------------------------|
| Funding Allocation<br>2016/17 | 28/9/2016 | See Attached Document one. |
| Application form              | 9/12/2016 | See Attached Document two. |

**Document one:**

| <b>FUNDING ALLOCATIONS, 2016-17</b>                    |                |                      |                   |   |  |                                  |   |                          |
|--|----------------|----------------------|-------------------|---|--|----------------------------------|---|--------------------------|
| TEST DECC STATISTICS FOR 2014, released 30th June 2016 |                |                      |                   |   |  |                                  |   |                          |
|  | All Households | Fuel Poor Households | Percent Fuel Poor | Percentage of Lancashire's Fuel poor households | Funds divided by number of fuel poor households assuming total fund £500,000 p.a | <b>PAYMENT 1<br/>60% upfront</b> | When 50% of total amount spent can claim 2nd payment.<br><b>50% is:</b> | <b>PAYMENT 2<br/>40%</b> |
| Burnley  | 38195          | 5147                 | 13.5              | 9.3   | £46,613  | £27,968                          | £23,306   | £18,645                  |
| Chorley  | 45691          | 3968                 | 8.7               | 7.2   | £35,936  | £21,561                          | £17,968   | £14,374                  |
| Fylde  | 35470          | 3115                 | 8.8               | 5.6   | £28,210  | £16,926                          | £14,105   | £11,284                  |
| Hyndburn   | 34927          | 4544                 | 13.0              | 8.2   | £41,152  | £24,691                          | £20,576   | £16,461                  |
| Lancaster  | 58846          | 6970                 | 11.8              | 12.6  | £63,123  | £37,874                          | £31,561   | £25,249                  |
| Pendle   | 37985          | 5324                 | 14.0              | 9.6   | £48,216  | £28,930                          | £24,108   | £19,286                  |
| Preston  | 58542          | 7276                 | 12.4              | 13.2  | £65,894  | £39,536                          | £32,947   | £26,358                  |
| Ribble Valley  | 24481          | 2830                 | 11.6              | 5.1   | £25,629  | £15,378                          | £12,815   | £10,252                  |
| Rossendale   | 29549          | 3284                 | 11.1              | 5.9   | £29,741  | £17,845                          | £14,870   | £11,896                  |
| South Ribble   | 46904          | 3659                 | 7.8               | 6.6   | £33,137  | £19,882                          | £16,569   | £13,255                  |
| West Lancashire  | 46166          | 4607                 | 10.0              | 8.3   | £41,723  | £25,034                          | £20,861   | £16,689                  |
| Wyre   | 48092          | 4486                 | 9.3               | 8.1   | £40,627  | £24,376                          | £20,313   | £16,251                  |
|  | 504,848        | 55,210               |                   | 100   | £500,000.00  | £300,000                         | £250,000.0  | £200,000.00              |

Document two:

## Lancashire Affordable Warmth Funding 2016-17

|                                    |   |
|------------------------------------|---|
| <b>Name of Local Authority</b>     | Fylde Council   |
| <b>Contact Name</b>                | Tom Birtwistle. Principal Housing Services Officer                  |
| <b>Address</b>                     | Housing Services, Town Hall, St. Anne's on sea, Lancashire, FY8 1LW |
| <b>Telephone Number of contact</b> | 01253 658691  |
| <b>Email address of contact</b>    | Tom.Birtwistle@fylde.gov.uk   |

| <b>Detail of the activity / intervention to be provided</b> | <b>Estimate of Proportion of budget (£)</b> | <b>Why is this needed?</b>                           | <b>Who will deliver it? (identify partners)</b>   | <b>Please outline <u>how</u> you will target the groups listed in the guidance</b>                             |
|---|---|--|---|--|
| Boiler replacements   | £15,000                                     | To replace any defective or dangerous heating system | <p>Firefly Energi to determine any ECO contribution. Then a PAS2030 registered installer in line with the requirements for ECO funding.</p> <p>Contractors determined by the client or home owner. These will be checked to ensure they have current insurance certificates. Works will be checked to</p> | <p>Direct referrals</p> <p>From existing holding lists</p> <p>Persons previously identified as vulnerable.</p> |

|  |        |   |                               |    |
|--|--------|---|-------------------------------|----|
|  |        |   | ensure prices are reasonable. |    |
| Boiler Repairs   | £5,000 | To remedy any defective heating systems identified from boiler inspection       | “”                            | “” |
| Double glazing (to replace single glazing only to habitable rooms) | £4,000 | To ensure thermal efficiency to habitable rooms such as bedroom and living room | “”                            | “” |
| Loft insulation (top up)   | £4,210 | Low cost measure with high energy saving impact                                 | “”                            | “” |

**Total funding requested (up to the amount shown): £28,210 in two payments as arrange by LCC**