

**NEWCASTLE-UNDER-LYME BOROUGH COUNCIL**

**EXECUTIVE MANAGEMENT TEAM'S  
REPORT TO**

**Cabinet**  
**13 October 2021**

**Report Title:** Energy Efficiency Programmes for Newcastle-under-Lyme

**Submitted by:** Executive Director - Commercial Development & Economic Growth

**Portfolios:** Community Safety and wellbeing

**Ward(s) affected:** All

**Purpose of the Report**

To update on the residential energy efficiency programmes being promoted in the borough and request permission for improvements to those activities.

**Recommendation**

**That**

1. The energy efficiency activities and funding are noted.
2. The statement of intent for the Energy Company Obligation is approved.
3. Agreement is given to fund Beat the Cold.

**Reasons**

Cold homes affect our health and lives in a multitude of ways. The Council is committed to supporting vulnerable household's access help; and works with a range of partners across Staffordshire to deliver energy efficiency schemes. The recommendations in the report seek to continue and enhance the Council's support to residents in maintaining a warm healthy home.

1. **Background**

- 1.1 The Council is committed to helping residents who are fuel poor, these being residents on low incomes living in homes that cannot be kept warm at a reasonable cost. The Council has worked in partnership with specialist organisations and neighbouring local authorities to ensure we are best placed to attract energy efficiency funding as and when it becomes available, thus ensuring help is available to residents that need it. The successful Staffordshire Warmer Homes partnership continues to secure energy efficiency funding to help approx. 12,000 vulnerable residents across Staffordshire.
- 1.2 The alleviation of fuel poverty is a central government aim. In February 2021, the Government published its Fuel Poverty Strategy; Sustainable Warmth Protecting Vulnerable Households in England. The national strategy sets out a number of objectives to help and support those who are experiencing fuel poverty:
  - Improving energy efficiency standards in fuel poor homes through schemes such as the Green Homes Grant - Local Authority Delivery Scheme (LADS), Energy Company Obligation (ECO) and Green Finance.

- Tackling the financial burden of energy bills for those on low incomes by providing financial support to specific households with particularly high energy bills or who are particularly vulnerable to the cold.
- Ensuring a fair and functioning energy market and encouraging households to switch suppliers to find the best deal and to choose the right supplier and tariff.

1.3 For a number of years, the Council has been involved in promoting, facilitating and funding energy efficiency measures in properties within the Borough. These programs achieve a number of objectives including improving housing conditions, alleviating fuel poverty, reducing associated ill health and excess seasonal deaths and reducing carbon emissions.

1.4 There are three key strands to our fuel poverty approach.

1. Energy Company Obligation
2. Staffordshire Warmer Homes
3. Beat the Cold

## 2. Issues

### 2.1 Energy Company Obligation

The Government's main approach for delivering energy efficiency measures has been through the Energy Company Obligation (ECO) scheme; where medium to large energy suppliers are obligated to fund energy measures for eligible householders. Eligibility is determined by OFGEM, who have specified that households on certain benefits and relevant income thresholds can apply. There is scope for local authorities to extend eligibility for households it considers to be living in, or at risk of fuel poverty and those households vulnerable to the effect of cold homes, by way of adopting a Statement of Intent.

The Council is actively engaged with ECO adopting and publishing a Statement of Intent which identifies who is eligible for help. The Council's current Statement of Intent was published in March 2020.

There has been a renewed focus by Central Government on energy efficiency programmes. This has been cited as a pathway to economic recovery post Covid19. In this regard, the Government has also made money available for energy efficiency measures via the Local Authority Delivery Scheme (LADS). The eligibility criteria for LADS is different to ECO, particularly the income thresholds. This has created a disconnect between the published government eligibility and the current published Statement of Intent.

Furthermore, we are part of Staffordshire Warmer Homes, a collaborative scheme managed by Staffordshire County Council with participation from all Staffordshire local authorities and Beat the Cold, a local charity. Currently, each local authority has a Statement of Intent that has a slightly different eligibility criteria. It is proposed that the eligibility criteria across the Staffordshire local authorities are made consistent.

The proposal is to update the Statement of Intent, to realign these differences, and to have a single and a consistent criterion that can be used across the Staffordshire area. An updated Statement of Intent is attached at Appendix A for approval.

### 2.2 Staffordshire Warmer Homes

We are a member of Staffordshire Warmer Homes a collaborative scheme managed by Staffordshire County Council with participation from all Staffordshire local authorities. At the inception of this scheme, in May 2019, funding of £ 3.7 million was secured for energy efficiency measures. Provided jointly by Affordable Warmth Solutions, through the award of Warm Homes Fund and EON. It has and continues to deliver fully funded gas connection central heating installations, insulation measures and air source heat pumps to both private and social sector residents as well as income maximisation and energy saving services for to up to 12,000 vulnerable residents.

Staffordshire Warmer Homes have also been instrumental in bidding for further schemes to be delivered in the county including LADS.

### **2.2.1 Local Authority Delivery Schemes (LADS)**

LADS have been released in phases; phase 1A, phase 2 and phase 3. Funding for Phase 1A was a competitive bidding process whereby local authorities had to apply. The bid for phase 1A was a collaborative one by Staffordshire warmer Homes and was successful.

Under Phase 1A, an allocation of £1.04 million was been awarded; to improve the thermal efficiency of 110 homes within Staffordshire. This funding seeks to install a mix of measures; external wall insulation, loft insulation, air source heat pumps and solar PV.

For Phase 2, funding has been awarded with no requirement to competitively bid. An allocation has been made to each local authority, calculated on the number of F&G Energy Performance Certificate (EPC) rated properties within each local authority. For the Borough, an allocation of £535,000 has been made; of which £485,850 is capital funding.

This will look to increase the scale and the scope of the project parameters of phase 1A; to improve the thermal efficiency of 445 homes within Staffordshire by installing a range of measures; external wall insulation, loft insulation, air source heat pumps, solar PV, solar thermal projects.

It has been intimated that that further funding will be made available to local authorities, as Phase 3 Local Authority Delivery. This is to be managed by the regional energy hubs and it has been tentatively indicated that £781,000 may be allocated to the Borough for energy efficiency measures.

The approach taken by Newcastle under Lyme Council with LADS has been to work with the Staffordshire Warmer Homes. The County has led the scheme and since May 2019 has established and maintained the 'infrastructure' to attract funding, publicise the scheme to householders, assess eligibility and to successfully deliver the measures.

Officers of the local authority are in regular contact with the County and attend the Staffordshire Warmer Homes Partnership Meeting, which are held to discuss the progress of these schemes.

### **2.3 Beat the Cold**

Beat the Cold are a local independent charity working to reduce the incidence of cold related illness and fuel poverty. For a number of years, Beat the Cold have been providing a telephone advice service and where appropriate have carried out support visits

They have helped households to access funding schemes to improve their homes, identify any appropriate financial help and to engage with the energy market to find the best

suppliers and tariffs. Unlike other Staffordshire authorities Newcastle-under-Lyme does not directly fund Beat the Cold.

## 2.4 Continuation of Beat the Cold

Beat the Cold are seeing unprecedented levels of demand for their services and are to focus their efforts and resources in the districts and boroughs that fund their work; Lichfield, Tamworth, South Staffordshire, Staffordshire Moorlands and Stafford Borough.

Officers have been in discussion with Beat the Cold, who have submitted a fee proposal. The Provision of Free Phone Advice Line will cost £4,000 per annum. There is a suite of additional services, which have been priced individually and can be subject to agreement when and if they are required.

### 3. Proposal

That

1. The energy efficiency activities and funding are noted.
2. The statement of intent for the Energy Company Obligation is approved.
3. Agreement is given to fund Beat the Cold.

### 4. Reasons for Proposed Solution

- 4.1 Cold homes affect our health and lives in a multitude of ways. The proposals are designed to support residents in maintaining a warm healthy home.

### 5. Options Considered

- 5.1 Options relating to the Statement of Intent are different eligibility criteria that would allow either fewer or more people access to the funding. The proposal aims to strike a balance between targeting those who will benefit the most from the available funding, consistency with other grant schemes and consistency throughout Staffordshire. For this reason no other options have been presented.
- 5.2 Options relating to the funding of Beat the Cold are essentially to either not fund the service or to identify funding. With 18.1% of residents identified as being in fuel poverty it is highly desirable to have a knowledgeable experienced agency to offer advice, support and signposting to funding. Through their dedicated function the agency can keep up to date with changes in funding streams and technologies in order to offer the best advice. As the only authority in Staffordshire not funding the service it is desirable to identify funding.
- 5.3 Consideration has been given to how this funding can be achieved. In Housing Services small incomes are generated from repayment of grants and loans, HMO licence fees and recharged costs from carrying out enforcement work. Fee incomes are used to offset the revenue budget for the service. All are uncontrollable and vary from year to year. It is proposed to use grant repayment money to cover the cost of the Beat the Cold basic telephone service and to then review the effectiveness of this. As the service is currently unfunded we have no usage figures provided. The original purpose of the grant money was investment in housing for health and well-being so it is fitting it is reinvested to further these aims.

### 6. Legal and Statutory Implications

6.1 Energy efficiency activities and funding are carried out in accordance with central government strategies and there are no legal implications arising from them.

## 7. Equality Impact Assessment

7.1 The proposals are intended to have a positive impact on residents who have a low income and a cold home by offering support to improve energy efficiency and reduce household bills.

7.2 No negative equality impacts have been identified.

## 8. Financial and Resource Implications

8.1 There is a proposal is to fund Beat the Cold an agency working in Staffordshire to offer detailed energy efficiency advice and facilitate access to funding. The cost of this is £4,000 per annum.

8.2 It is proposed to fund this through grant repayments to the borough. Currently some Disabled Facility Grants (DFG) and historically some repairs grants had repayment conditions attached if the property is sold within certain timescales. This was originally central government money for DFGs and capital funding for repairs grants. In both cases the money has been invested in homes in the borough for health and wellbeing. The proposal therefore seeks to reinvest some repayment money into supporting this invaluable scheme.

## 9. Major Risks

9.1 There are no major risks associated with approving the recommendations.

## 10. UN Sustainable Development Goals (UNSDG)

10.1 As the recommendations relate to improving housing conditions, alleviating fuel poverty, reducing associated ill health and excess seasonal deaths and reducing carbon emissions they will impact a number of UN Sustainable Development Goals (UNSDG). These are:-

- End poverty in all its forms everywhere
- Ensure healthy lives and promote well-being for all at all ages
- Ensure access to affordable, reliable, sustainable and modern energy for all
- Take urgent action to combat climate change and its impacts





11. **Key Decision Information**

11.1 These are not key decisions as the costs arising directly out of them will not exceed the Key Decision threshold.

12. **Earlier Cabinet/Committee Resolutions**

12.1 None

13. **List of Appendices**

13.1 Statement of Intent

14. **Background Papers**

14.1 None