

## **CABINET**

<b>DATE</b>	07/04/2021
<b>REPORT OF</b>	Councillor Philip Jackson, Leader of the Council
<b>RESPONSIBLE OFFICER</b>	Sharon Wroot Executive Director for Environment, Economy and Resources
<b>SUBJECT</b>	Green Homes Grant funding Bid, Local Authority Delivery Scheme Phase 2
<b>STATUS</b>	Open
<b>FORWARD PLAN REF NO.</b>	CB 02/21/11

### **CONTRIBUTION TO OUR AIMS**

The recommendations in this report will contribute towards building both a stronger economy and a stronger community. The report supports the Council's commitment to "Climate Local" by driving down carbon emissions, whilst providing warmer homes, reducing fuel poverty, and enabling residents to enjoy improved health and wellbeing.

The recommendations also contribute to delivering two of the Council's strategic outcomes;

- All people in NEL feel safe and are safe
- All people in NEL enjoy good health and wellbeing

### **EXECUTIVE SUMMARY**

This report seeks Cabinet approval to accept funding from Midlands Energy Hub (MEH). The grant funding of £850,000 will be prioritised and used to improve energy efficiency in approximately 63 homes, for those residents, who currently live-in fuel poverty or experience lower household incomes. Improvement works to the properties may include external wall insulation, cavity loft insulation, replacement external doors and windows. The proposal supports the Council's "Climate Local" ambitions.

### **RECOMMENDATIONS**

It is recommended that Cabinet:

1. Authorises the Executive Director for Environment, Economy and Resources in consultation with The Leader of the Council to accept the grant funding on behalf of the Council.
2. Delegates to the Executive Director for Environment, Economy and Resources in consultation with the Leader of the Council, the authority to deal with all matters arising from and ancillary to the above including negotiation with the funder, implementation and award of resultant contracts and works.
3. Delegates to the Assistant Director Law, Governance and Assets the responsibility to execute all documentation arising.

## REASONS FOR DECISION

Accepting the funding from Midlands Energy Hub (MEH) will help deliver energy efficiency improvements to approximately 63 homes, to households who are currently living in fuel poverty and potentially experiencing lower incomes.

### 1.0 BACKGROUND AND ISSUES

- 1.1 In July 2020, the Chancellor announced £2 billion of support through the Green Homes Grant (GHG). The GHG set aside £500m of support to be allocated to Local Authority (LA) delivery partners, through the Local Authority Delivery (LAD) scheme. The GHG LAD scheme aims to improve the worst-quality homes in England by installing Eligible Measures, to households living in fuel poverty with an Energy Performance Certificate (EPC) of E and below, to eligible households on a low income.
- 1.2 An initial competition (Phase 1A) was launched in August 2020 whereby Department for Business, Energy, and Industrial Strategy (BEIS) allocated £76m of funding to 57 Council projects. The Midlands Energy Hub (MEH) are already in receipt of £59.95m of LAD funding as part of Phase 2. £780,000 has been allocated to North East Lincolnshire. This funding relates to Phase 2 of the funding.
- 1.3 Qualifying owner occupiers can receive up to £10,000 in grant funding. Landlords must contribute 1/3 to the cost of upgrades, with the average subsidy cost not to exceed £5,000 per property. Landlords and Owner Occupiers can access energy repayment loans through the Council, to help fund any shortfall. The scheme can be targeted at landlords to improve the energy efficiency of their homes and achieve future legislative minimum energy efficiency standards.
- 1.4 The project will provide a 'whole house' approach, to maximise insulating the property. This can include loft insulation, external wall insulation windows, doors, to around 63 solid wall properties in the boroughs most deprived wards. This will ensure the overall thermal envelope of each property is improved. In some cases, eligible households will be referred to other Council schemes for example, grants, energy efficiency or Home Appreciation Loans, detailed in the current NEL's Housing Assistance Policy. This may include the replacement of electric storage heaters and boilers or installing first time Central Heating.
- 1.5 The proposal will target neighbourhoods with the highest number of properties, with solid wall construction, the highest level of fuel poverty and the lower income households. If insufficient households sign up for the scheme within these designated areas, neighbourhoods with similar fuel poverty and properties of solid brick construction will then be prioritised.
- 1.6 Eligible households must have an Energy performance Certificate (EPC) Band rating of D, E, F, or G, and have the potential to improve towards an EPC rating of Band C or above.
- 1.8 If all the measures are installed (approximately 63 properties) the predicted combined total savings to energy bills are expected to be £11,818 PA for

residents and 38,808 kg of Co2 savings.

## **2.0 RISKS AND OPPORTUNITIES**

- 2.1 Accepting the funding will provide the Council with a wider range of options to tackle poorly insulated properties and reduce CO2 emissions within the Borough.
- 2.2 Residents will be supported to ensure a 'whole house' approach is taken, reviewing all energy efficient improvements, ensuring residents maximise their income and address any fuel debt.
- 2.3 If insufficient residents/landlords sign up for the scheme there is the opportunity to work with the funders to agree how the Authority will spend any unspent Grant funding in line with the expected outcomes. If this cannot be achieved the Authority will repay any unspent Grant funding.
- 2.4 There is a risk that the project may not meet timelines set by the funders, due to lack of materials through Brexit and COVID-19. This risk has been identified during the project development and plans are in place to mitigate this, through the funder direct.

## **3.0 OTHER OPTIONS CONSIDERED**

- 3.1 **Do Nothing** – To do nothing would mean that the Council will depend on existing funded schemes, which do not include external wall insulation.
- 3.2 **Use North East Lincolnshire Council Funding** - NELC could use capital funding to external insulation, to support regeneration and provide a 'whole house' approach to delivering energy efficiency.
- 3.3 **Accept the Funding** This is the preferred option, delivering the scheme outlined in the report. This is the preferred option as other funded schemes, do not provide the same level of support for low-income families or external wall insulation.

## **4.0 REPUTATION AND COMMUNICATIONS CONSIDERATIONS**

- 4.1 Accepting the grant funding will generate positive reputational and communications benefits for the Council, as it will support 63 households in fuel poverty and reduce CO2 emissions.
- 4.2 A communication plan will be in place to ensure residents and landlords are aware of the scheme and furthermore will be supported throughout the project. The scheme provides a positive message to support improving the external appearance of properties in some of our most deprived streets.

## **5.0 FINANCIAL CONSIDERATIONS**

- 5.1 To achieve the proposed energy efficiency improvements within the Borough, by securing £850,000 grant funding. No match funding is required by the Council.

## **6.0 CLIMATE CHANGE AND ENVIRONMENTAL IMPLICATIONS**

- 6.1 This proposal will make an overall positive contribution to the Council's published commitments on climate change and the environment by reducing CO2 in the Borough and supporting the delivery of a low carbon future for North East Lincolnshire.

## **7.0 CONSULTATION WITH SCRUTINY**

- 7.1 There has been no consultation with Scrutiny.

## **8.0 FINANCIAL IMPLICATIONS**

- 8.1 The recommendation to accept the grant funding will generate additional funding for the Council to deliver its objectives without the need for match funding. Whilst the Council is the accountable body, the receipt of the funding does not bring any significant financial risk.

## **9.0 LEGAL IMPLICATIONS**

- 9.1 Colleagues in Legal Services are available to advise on and support the completion and signature of any funding contract and ensure that risk to the Council is fully understood and mitigated through appropriate governance. Further, they will offer support in the delivery of the project as and when required by the anticipated project team.
- 9.1 Any procurement exercise will be conducted so as to comply with the Council's policy and legal obligations, specifically in compliance with the Council's Contract Procedure Rules and the Public Contracts Regulations 2015 and supported by relevant officers.
- 9.2 The delegations sought are consistent with an exercise of this nature.

## **10.0 HUMAN RESOURCES IMPLICATIONS**

- 10.1 There are no direct HR implications arising from the contents of this report.

## **11. WARD IMPLICATIONS**

- 11.1 The policy will affect all wards in North East Lincolnshire

## **12.0 BACKGROUND PAPERS**

None

**13. CONTACT OFFICER(S)**

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**COUNCILLOR PHILIP JACKSON**  
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