

NORTH LINCOLNSHIRE COUNCIL

**ASSET MANAGEMENT, CULTURE AND HOUSING
CABINET MEMBER**

EXTERNAL WALL INSULATION PROJECT

1. OBJECT AND KEY POINTS IN THIS REPORT

- 1.1 This report seeks approval to proceed with a small project to provide External Wall Insulation to a group of properties in Scunthorpe.

2. BACKGROUND INFORMATION

- 2.1 ECO (Energy Company Obligation) is a part of Green Deal that provides funding to treat homes that are hard to heat to address issues of poor energy efficiency and high carbon emissions. It targets vulnerable households and inefficient properties in certain areas. There is no payback element with ECO funded work, as some, or all, of the work is paid for by Energy Companies, to help offset the carbon created through the generation of energy.
- 2.2 There are three separate funding pots within ECO, which cover and address a wide range of properties and customers. The proposed project plans to use funds from the Carbon Saving Community Obligation (CSCO), which targets the lowest 15% of the most deprived areas to live in. The group of properties involved all fall within these criteria.
- 2.3 The group of properties consists of 16 semi detached bungalows with SAP ratings of below, 55 which following the external wall insulation, will be increased to at least 66.
- 2.4 The occupants of 6 of the properties are currently in receipt of a means tested benefit. As a consequence, they are likely to be in fuel poverty and eligible for top up 'Affordable Warmth Assistance' via the council's Home Assistance policy. The policy allows for grant assistance to install energy efficiency measures up to a maximum value of £10,000 if the household qualifies.

- 2.5 The remainder are aged over 60 and on low incomes. They do not qualify for assistance under the current Home Assistance Policy. It is proposed that an exception be made to the policy in advance of a planned review. The exception would allow these occupants access to a Home Appreciation Loan, which they will ultimately repay to the council.
- 2.6 The council plans to work with a local installer who has identified these properties and secured substantial ECO funding to provide external wall insulation. The council's contribution is just £2,500 (plus 5% VAT) per property. At this stage 6 occupiers qualify for Affordable Warmth Grants totalling £15,750. Further 10 occupants may access Home Appreciation Loans totalling £26,250.
- 2.7 A cost of £2,500 compares extremely favourably with previous energy efficiency work for external wall insulation. Typically the cost has been between £6,000 and £10,000 per property.
- 2.8 In summary the council will target the vulnerable and fuel poor in accordance with the spirit of the Home Assistance Policy. We will endeavour to ensure targets are met with regard to increasing the energy rating of dwellings to above SAP 55. Considerable savings to the council will accrue because of a targeted area approach together with maximising the funding from the utility company and using a local installer.

3. OPTIONS FOR CONSIDERATION

- 3.1 Option one – take the scheme no further.
- 3.2 Option two – agree to an exception to the existing policy and offer loan assistance to those households, which do not qualify for a grant.
- 3.6 Option three – only offer financial assistance to the households eligible for grant to cover the householder contribution.

4. ANALYSIS OF OPTIONS

- 4.1 Option one – this option does not address the issues of fuel poverty, hard to heat properties or carbon emissions or meet the Home Assistance Policy objectives.
- 4.2 Option two – this option gives assistance to all the vulnerable households. It provides an area approach and allows all householders to take advantage of the scheme and the lower costs, as well as addressing carbon emissions. **This is the preferred option.**

4.3 Option three – this option does not adequately address the issue of fuel poverty and hard to heat properties. The Government is specifically targeting areas like this through its carbon saving obligation. Those households who do not qualify for grant assistance are unable to find the funding on their own to take advantage of the scheme costs.

5. RESOURCE IMPLICATIONS (FINANCIAL, STAFFING, PROPERTY, IT)

5.1 Financial – funding is available through the discretionary assistance capital pot to meet the full cost of this scheme. It is perhaps pertinent to point out that the loan is repayable therefore funding is recycled.

5.2 Staffing – the partner organisation would project manage the scheme.

6. OUTCOMES OF INTEGRATED IMPACT ASSESSMENT (IF APPLICABLE)

6.1 An Integrated Impact Assessment is available.

7. OUTCOMES OF CONSULTATION

7.1 No comments have been received.

8. RECOMMENDATIONS

8.1 The Cabinet Member approves an exception to the current Home Assistance Policy to allow access to the Home Appreciation Loan scheme.

8.2 The Cabinet Member approves the scheme with the Council giving assistance through either grant or loan assistance as outlined by the Home Assistance Policy.

8.3 That a further report is submitted to formally approve improvements and amendments to the Housing Assistance Policy.

DIRECTOR OF PLACES

Civic Centre
Ashby Road
SCUNTHORPE
North Lincolnshire
DN16 1AB
Author: Linda Palmer
Date: 05 July 2013

Background Papers used in the preparation of this report - None