

NORTH LINCOLNSHIRE COUNCIL

Housing and Strategic Planning Cabinet Member

COMMUNITY ENERGY SAVING PROGRAMME

1. OBJECT AND KEY POINTS IN THIS REPORT

- 1.1 This report outlines the impact of the Community Energy Saving Programme (CESP) which is currently underway within the Frodingham ward of Scunthorpe.
- 1.2 Approval is sought to use a portion of the 2010/2011 capital money allocated for discretionary home assistance to help fund energy efficiency measures within this target area.

2. BACKGROUND INFORMATION

- 2.1 The Community Energy Saving Programme (CESP) has been created as part of the government's Home Energy Saving Programme. It requires gas and electricity suppliers to deliver energy saving measures to domestic consumers in specific low income areas of Great Britain. CESP has been designed to promote a 'whole house' approach and to treat as many properties as possible in defined areas.
- 2.2 CESP is contributing to the government's Fuel Poverty Strategy by requiring actions to be delivered in geographical areas selected using the Income Domain of the Indices of Multiple Deprivation (IMD). In England, the lowest 10% of areas ranked in IMD qualify.
- 2.3 There are a number of IMD areas within the North Lincolnshire area that would qualify for CESP by virtue of being within the lowest 10%.
- 2.4 CESP is most effective where a significant proportion of the properties are owned by social housing providers. This is because the amount of funding received from the appropriate energy provider to fund the measures increases according to the area coverage achieved and the installation of multiple measures within properties.

- 2.5 North Lincolnshire Council and North Lincolnshire Homes have been part of a consortium, which includes a number of other local authorities and social housing providers from Yorkshire and the Humber area, Yorkshire Forward, The University of Sheffield and Yorkshire Energy Services. A bid was made for ERDF (European Regional Development Fund) funding for the installation of energy efficiency measures within a number of specific locations. For some of the areas targeted, there is also CESP funding available and this is the case for the area known as IMD E01013311, located within the Frodingham ward of Scunthorpe and incorporating part of Queensway, Warley Road, Anderson Road and Healey Road. A map of the area is attached with in the appendix of this report.
- 2.6 North Lincolnshire Homes is the primary partner in the ERDF programme and has instigated a significant programme of work within this area to its own housing stock. This work including the provision of external cladding to a number of blocks of flats of 'Wimpey no fines concrete' constructed flats, and iron and steel federation properties.
- 2.7 Yorkshire Energy Services, as partners within the ERDF project, have undertaken a significant amount of door knocking of privately owned properties in the area to assess the level of possible uptake of energy efficiency measures. It has been possible to detail what measures could be installed and what funding could be secured from CESP. Consequently, 30 properties have been identified for free loft insulation top ups and 40 properties for cavity wall insulation. This work is to be undertaken free of charge to the householder.
- 2.8 From the doorstep assessments 73 properties have been identified as having very inefficient boilers ("G" rated) and would benefit from the provision of new efficient "A" rated boilers. The installation of such boilers can, on average, save the householder a total of £225 a year on heating costs and reduce their carbon emissions by 1,100 kg of CO2 per year (these figures are from the Energy Saving Trust website and based on an average 3 bedroom home).
- 2.9 Of the 73 identified properties, 7 are privately rented and the remainder are owner occupied.
- 2.10 The CESP funding available to finance the replacement of an inefficient boiler would be, on average, £700 per property and the average cost of providing an "A" rated boiler is £1600.
- 2.11 Therefore to replace the boilers within the 73 identified properties would cost approximately £120,000. CESP funding would provide around £51,000 and there would therefore be a short fall of approximately £70,000.
- 2.12 £40,000 of the capital allocated for 2010/2011 for energy efficiency measures has already been set aside to help fund measures within the

CESP area. In addition, money has been secured from the LSP for energy efficiency improvements in the private rented sector. It would therefore be possible to look at funding the 7 privately rented properties through this allocation.

3. OPTIONS FOR CONSIDERATION

- 3.1 Option one – take no further action in relation to the 73 identified properties.
- 3.2 Option two – in partnership with Yorkshire Energy Services through the “Big Energy Upgrade” contact all 73 householders and owners with a view to funding the installation of “A” rated boilers thus maximising the CESP funding available. In addition, money secured through a bid to the LSP to fund energy efficiency measures in privately rented accommodation, where the landlord is accredited, could also be used to help match fund seven of the properties. In summary this option will cost, assuming a 100% take up, approximately an additional £30,000 from the current years capital programme which is available from under spends on other housing programmes.
- 3.3 Option three – provide the gap funding for householders to cover the CESP contribution towards the boiler replacement but require the householder to make up the difference, which will be approximately £900 per property.

4. ANALYSIS OF OPTIONS

- 4.1 Option one – whilst this would still achieve energy efficiency improvements through the provision of free loft and cavity insulation, it would not make the most of the funding which is currently on offer in this area, nor would it achieve the improvements in carbon emissions or fuel costs that replacing the inefficient boilers would achieve.
- 4.2 Option two – this would result in an average of £700 CESP funding per property, which overall is additional funding of over £50,000 coming into an area of multiple deprivation. It could result in an average saving of £225 per property on heating bills and result in a carbon reduction of 1,100 kg CO₂ per year. Working on a 70% uptake of measures, this would produce an annual saving of £11,475 on heating costs and reduce carbon emissions by 56,100 kg CO₂ per year.
- 4.3 Option three – this option could prove counter productive. Whilst it is expected that not all householders will take up the option of funding, requiring the householder to fund the remainder would undoubtedly prove to be a disincentive to the householder and be problematic when it comes to the contractor doing the work if they have to chase individual homeowners for payment.

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

5.1 Financial implications – £40,000 has already been set aside to fund energy efficiency measures within this CESP. A further under spend on the home assistance capital sum has been identified which could be used to fund the short fall.

5.2 Staffing implications – there are no additional staff implications. Yorkshire Energy Services are partners in the “Big Energy Upgrade” and has already undertaken all the assessment work and will assist further in contacting householders. Contractors are currently on site for North Lincolnshire Homes undertaking boiler replacements along with a number of other works. The intention is to use their EU procured contractor since the procurement meets the requirements of the ERDF funding and EU rules

6. OTHER IMPLICATIONS (STATUTORY, ENVIRONMENTAL, DIVERSITY, SECTION 17 - CRIME AND DISORDER, RISK AND OTHER)

6.2 Environmental implications – the Community Energy Saving Programme aims to reduce energy usage and thus carbon emissions, thereby contributing to the carbon reduction targets set by Central Government. This is particularly important for domestic properties which overall contribute over 20% of the total carbon emissions

6.3 Diversity implications - there are no diversity implications since the funding is available for all.

7. OUTCOMES OF CONSULTATION

7.1 The Environment Team, Legal and Democratic Services and Finance have had an opportunity to comment on this report. No comments have been received.

8. RECOMMENDATIONS


8.1 That the Cabinet Member approve Option two and the use of capital funding to target energy efficiency improvements, in particular the upgrade of inefficient boilers, thus maximising the level of CESP funding available.

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Background Papers used in the preparation of this report - None




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Drawing Title: Lower Super Ouput Area E01013311
Drawn by: Pete Hewson **Date:** 25th Nov 2009
Scale: NTS



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