

**BROMSGROVE ENERGY EFFICIENCY FUND AND SCHEME**

Relevant Portfolio Holder	Councillor Kit Taylor
Portfolio Holder Consulted	Yes
Relevant Head of Service	Judith Willis
Wards Affected	All
Ward Councillor Consulted	No
Key Decision	Yes

**1. SUMMARY OF PROPOSALS**

- 1.1 This report summarises proposals to launch an Energy Efficiency Fund and Scheme to help home-owners in Bromsgrove heat their homes more affordably and reliably by assisting them with heating system improvements and other cost effective energy efficiency measures.
- 1.2 The scheme will be delivered by Act on Energy, the Council's energy efficiency advice partner. Along with other local councils, including all Worcestershire councils, we have a longstanding partnership with Act on Energy, which has included the delivery of several energy efficiency projects.
- 1.3 Background

Cold homes contribute to poor health and wellbeing. Living in a cold home brings increased risk of cardiovascular disease, respiratory illness and stroke (King's Fund, 2013). Cold homes also increase the likelihood of falls (Department of Health Factsheet on Health and Winter Warmth, 2007). Both strokes and falls are areas of concern for Bromsgrove in the March 2016 Worcestershire Health and Wellbeing Board (HWB) Joint Strategic Needs Assessment (JSNA) profile for Bromsgrove.

Excess winter deaths are the number of additional deaths occurring in winter above the number of deaths in the non-winter period. The Worcestershire JSNA Briefing on Fuel Poverty states that there is strong evidence that a large number of these deaths are preventable and that elderly people are vulnerable. The excess winter death index for Bromsgrove is 26.5%, higher than the Worcestershire average at 25.6%. It is not adjusted for age, so the older age profile in Bromsgrove is likely to be a strong factor in this. Although people over the age of 60 are significantly less likely to be fuel poor than the national average, those who are fuel poor within this group may be particularly at risk of severe morbidity and mortality compared to other groups.

The JSNA profile for Bromsgrove adds that 'for younger age groups, cold housing can have significant negative effects for: • childrens' health in terms of infant weight gain, hospital admission rates, developmental status, and asthma. • adolescent mental health • adult physical health, wellbeing and self-assessed general health particularly for vulnerable adults and those with existing health conditions'.

Fuel poverty increases the likelihood of cold homes and occurs when low income households face high costs of keeping warm. As well as health impacts due to cold, other

effects can include anxiety about financial issues, using less rooms in order to reduce heating costs (with potential for overcrowding and psychological effects) and educational underperformance of children. It is driven by three main factors: income, current cost of energy and energy efficiency of the home (Public Health England, 2014). 3507 of 38675 households in Bromsgrove (9.1%) are estimated to be in fuel poverty.

Act on Energy already work with the Council and other partners to address these issues for Bromsgrove residents, for example by running a Freephone advice line and energy advice surgeries. They signpost people to funding for energy efficiency measures, help people to reduce their current cost of energy by assisting them to switch to better energy tariffs and liaise with the Council's financial inclusion team and Age UK to help people maximise their income. However, current funding for energy efficiency measures (primarily from energy companies) has constraints in terms of scope of works, eligibility and ability to respond promptly. That there is demand for more flexible funding to complement the existing funding has been demonstrated by the current Warmer Worcestershire partnership 'boilers on prescription' pilot, involving Public Health, Worcestershire County Council and district councils. This scheme helps low income owner occupiers with cold-related health conditions to replace energy inefficient boilers and install first time central heating systems. It was fully subscribed in Bromsgrove as soon as it opened.

## **2. RECOMMENDATIONS**

### **2.1 Cabinet is asked to RESOLVE that:**

- 1) An Energy Efficiency Fund and associated Scheme for homeowners in Bromsgrove be launched and delivered from autumn 2016 – 2019.**
- 2) That authority be delegated to the Head of Community Services to finalise details of the approved scheme and, in consultation with the Portfolio Holders for Housing, to make minor amendments to the scheme and review the scheme as required.**
- 3) That authority be delegated to the Head of Community Services to agree a legal contract with Act on Energy to deliver the scheme.**

### **2.2 The Committee is asked to RECOMMEND:**

- 1) That authorisation is given for £100,000 capital budget previously allocated to disabled facilities grants to be transferred to a capital budget for funding installation of energy efficiency measures, split over 3 years as follows:**

**2016/17 £34k, 2017/18 £33k and 2018/19 £33k.**

**KEY ISSUES**

**Financial Implications**

3.1 It is proposed to create an Energy Efficiency Fund (EEF) to provide a scheme comprising three complementary categories of assistance that will subsidise cost effective measures:

- (i) fuel poverty alleviation
- (ii) incentivising replacement of energy inefficient heating systems
- (iii) funding boiler repairs and servicing for vulnerable homeowners

(Please see Appendix 1 for more detail.)

The proposal is to run the scheme over three years to give continuity and stability, with any underspends being carried forward where appropriate.

3.2 Funding for capital elements of the scheme, 3.1 (i) and (ii), has been identified from the capital budget previously allocated to disabled facility grants. A recent increase in central government funding for disabled facilities has resulted in funding being available for other projects in the District to support residents in 2016-17. This is explained in more detail in Appendix 2.

3.3 Funding for revenue elements of the scheme, 3.1 (i) energy performance certificates and (iii), has been identified from existing revenue resources.

3.4 The cost of delivering the scheme is already covered within the existing Service Level Agreement (SLA) that Bromsgrove District Council have with Act on Energy.

3.5 Where residents could benefit from existing ECO or other funding streams, Act on Energy will help them to access such assistance. The Council's energy efficiency scheme would provide support only when other funding streams were not appropriate, to fill gaps in funding provision.

3.6 A household financial contribution of £250 would apply towards the costs of works for the fuel poverty alleviation group. Introducing a financial contribution requirement to the scheme would ensure that the Council's scheme mirrors the approach undertaken within the Affordable Warmth element of the Energy Company Obligation (ECO), where a minimum £250 contribution is currently required for broken boilers. The Head of Community Services would have discretion to consider applications which fell outside of the normal criteria where 'exceptional circumstances' applied.

3.7 Act on Energy will pay the contractor on behalf of the householder, on receipt of an invoice from the contractor with proof of completion of works. This will be from an annual lump sum transferred to the energy advice service and ring-fenced for this purpose. See also section 3.10.

3.8 Through helping people at risk of cold exacerbated health conditions to keep their house at a healthier temperature, cost savings may be achieved for health and social care services.

The district council could negotiate as to whether they may consider using some of this saving to fund actions which will produce savings for the district council.

**Legal Implications**

- 3.9 Although the Council is not legally obliged to provide an Energy Efficiency Fund it does have a broader agenda around improving energy efficiency, especially for households on low incomes, and around reducing carbon emissions under international agreements, EU Law and the Climate Change Act. The general power of competence in s1 of the Localism Act 2011 empowers the council to undertake such a project.
- 3.10 Bromsgrove District Council has an existing SLA with Act on Energy to deliver energy advice services, including delivering special projects such as community schemes. Delegation is sought for the Head of Community Services to agree a legal contract with Act on Energy on behalf of the council regarding details of the scheme including financial arrangements.

**Service / Operational Implications**

- 3.11 Energy efficiency links to the following council purposes;
- Help me to be financially independent
  - Help me to live my life independently
- 3.12 Act on Energy will be the point of contact to access the scheme, and will undertake administration including grant payments. In addition to administering the application process, they will also provide home visits and referrals to other agencies where appropriate.
- 3.13 For the fuel poverty alleviation group, Act on Energy will complete energy performance certificates after work is complete, to better quantify the energy efficiency improvement achieved; this also gives an opportunity for issues to be identified and advice to be given about using the new installations.
- 3.14 Critically, Act on Energy will undertake follow-up arrangements one year after work is completed, to offer further advice and encourage regular servicing of the heating system. Encouraging regular servicing is a core objective as it improves boiler lifetime, efficiency and safety.
- 3.15 The benefits of delivery by Act on Energy include:
- minimising the Council officer time required to undertake these activities
  - Act on Energy have experience in taking a holistic approach, particularly in relation to vulnerable residents, which can help the council and partners to deliver a joined up, more effective service for those residents.

**Customer / Equalities and Diversity Implications**

- 3.16 Energy efficiency plays a role in good mental and physical health. Cold homes are detrimental to health, especially for those with cold related health conditions. Worry about

energy bills can also have an impact. The Energy Efficiency Fund aims to have a preventative impact, by focussing on helping to prevent a crisis as well as assisting when difficulties do occur.

- 3.17 Act on Energy will assist the applicant with the process as required, aiming for equality of access. The aim is also to inform and empower applicants regarding maintenance, repair and replacement of heating and managing their energy usage and bills.

**4. RISK MANAGEMENT**

- 4.1 Some of the measures available within the fund must be undertaken by suitably qualified tradespersons – for example, the installation, servicing and repair of boilers. The proposed scheme has safeguards to ensure this is adhered to at all times. Any application for grant monies will only be accepted after the contractor provides evidence of appropriate accreditation and current public liability insurance.
- 4.2 Any liability regarding the contract remains between the homeowner and the contractor, but the energy advice agency will advise the homeowner if issues arise.
- 4.3 Act on Energy will collect data to enable auditing of the effectiveness of the programme, including home and health benefits to the resident from the intervention. The scheme will be monitored by the Council's Climate Change and Energy Efficiency Officer. Act on Energy will liaise for advice regarding any cases that are not straightforward, as well as providing regular reports on the scheme.

**5. APPENDICES**

**Appendix 1 Energy Efficiency Funding**  
**Appendix 2 Disabled Facility Grants Funding**

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