

Report of the Director

Warm Home funding opportunity

1 Purpose of report

This report seeks an approval to deliver a successful Warm Homes Fund (WHF) bid to install first time gas central heating (FTCH) to fuel poor homes.

2 Executive summary

This project will connect and install gas central heating to wholly electrically heated homes in order to help fuel poor private residents in Wellingborough.

Appendices

None

3 Proposed action:

4.1 The committee is invited to RESOLVE to:

- (i) support a successful warm homes fund bid to first time gas central heating to fuel poor homes in the borough;**
- (ii) note a supplementary funding request of £25,000 to support this bid, subject to resources committee approval.**

4 Background

4.1 The outcome of this project will be to connect and install gas central heating to wholly electrically heated public and private sector homes in order to help fuel poor private residents in the borough and across the county.

4.2 Corby has led on a countywide bid with the Northants Warm Homes Partnership (NWHP) across the seven district and boroughs. NWHP is collaboration between the districts, boroughs and the county council and aims to help residents reduce their energy bills, alleviate fuel poverty and lower their carbon emissions.

4.3 Since the 1990's the group has undertaken many successful projects across Northamptonshire in partnership with fuel utility providers and installers. These have included; boiler replacement schemes, renewable energy schemes, home energy advice and insulation schemes.

5 Discussion

- 5.1 Last year the National Grid, now Cadent, and Affordable Warmth Solutions launched a £150m Warm Home Fund designed to support local authorities, registered social landlords and other organisations working in partnership, to address some of the issues affecting fuel poor households, in particular homes not connected to the national gas network.
- 5.2 Latest data show that 10.4% of households in the Northamptonshire area are classified under the low income high cost definition as 'fuel poor'. In Wellingborough this breaks down as 11.1%. (Data source: Department of Business Energy Industry Strategy - BEIS).
- 5.3 Connecting and installing gas central heating will save an average 3 bed semi £1,400 per year off their heating costs. This is based on a standard electricity rate of £1,950 and an average cost of £550 for gas heating. (Data source: Department of Business Energy Industry Strategy - BEIS).
- 5.4 Taking Experian data via Energy Saving Trust for the whole of the county. If you extract the likely hood of a property having 75% electrically heated as the main source of heating, then separate social and private homes; Wellingborough is found to have 455 private homes that fall under this category. With a 25% success rate of signing these homes up in this project could help an estimated 100 to 150 homes in Wellingborough.
- 5.5 Corby Borough Council has successfully led a cross tenure Northants Warm Homes consortium with representative from NWHP, Spire Homes, Northampton Partnership Homes, Surefire Management Services (SMS) and Agility Eco. Following a consortium presentation to the funding panel, the WHF have confirmed that they are willing to fund the installation of approximately 1,400 FTCH. This project requires contribution from consortium members and support from energy company obligation grants called 'Help to Heat' ECO3.

6 Legal powers

Corby Borough Council has undertaken an initial evaluation of the framework package provided by SMS Walsall Housing and are satisfied that for the purposes of this project, it would satisfy the procurement procedures. Contracts would need to be drawn between SMS and individual local authorities and Housing Associations.

7 Financial and value for money implications

- 7.1 Following a consortium presentation to the funding panel, the WHF have confirmed that they are willing to fund £3,997,625 for the installation of approximately 1,400 FTCH at a cost of £5,891,905 over a three year period. The average installation cost of a FTCH system is approximately £3,861.
- 7.2 This project requires contribution from consortium members and support from energy company obligation grants.

7.3 The council's intention is to use some of the existing renovation grant budget to fund the £75,000 contribution required to support this bid. Approximately £50,000 of the budget could be made available in 2019/2020 and a supplementary funding request to resources committee for £25,000 will be submitted to be made available for 2020/2021.

8 Risk analysis

The risk of not utilising this funding opportunity, a number for residents across the borough will remain fuel poor. If funding from other local authorities cannot be met under the terms of a successful bid, then renegotiation of the terms of the funding agreement will be undertaken.

9 Implications for resources

Officer resource has been identified to undertake the identification of properties that will benefit from this funding. No additional officer resource will be required.

10 Implications for stronger, safer communities and equalities

This project will support fuel poor homes and install cheaper ways to heat replacing electricity with a gas supp. Fuel poverty is particularly prevalent in homes where there are under 5's and over 65's and homes where there are people with particular health needs. An EqIA has been completed by Corby BC and no further action is required.

11 Author and contact officer

Vicki Jessop, Assistant Director

12 Consultees

Senior Management Team
Andrew Miles, Technical Officer
Julie O'Connell, Finance Manager

13 Background papers

None