

REPORT FROM: HEAD OF HOUSING AND ENVIRONMENTAL HEALTH

TO: EXECUTIVE

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HOME ENERGY EFFICIENCY UPDATE

PURPOSE OF REPORT

To update the Executive on the current domestic energy efficiency projects in Pendle.

To commit to examining the current domestic energy efficiency projects and funding streams available in Overview and Scrutiny and reporting back all findings and recommendations to the Executive by October 2023.

RECOMMENDATIONS

- (1) That the Executive notes the current energy efficiency projects in Pendle, including the availability of external funding.
- (2) That the Executive notes that the greater part of this work will be done through Overview and Scrutiny.

REASONS FOR RECOMMENDATIONS

- (1) To keep the Executive informed on the Council's action taken in respect of home energy efficiency projects in Pendle.
- (2) That the Executive receive a further report following an Overview and Scrutiny review.
- (3) To ensure that the home energy efficiency is managed and improved.

1.0 Home Update Grant 2 (HUG2)

1.1 The Government's latest national Home Energy support scheme is known as the Home Upgrade Grant (HUG2). In September 2022 a package of support was announced worth £700m nationally to provide energy efficiency upgrades and low-carbon heating to low-income households living in the worst quality, off-gas grid homes in England. This is to tackle fuel poverty and make

progress towards Net Zero by 2050. The HUG2 scheme followed on from HUG1, which ran until March 2023, during which period £218m was allocated to 42 projects nationally.

1.2 Pendle Council is directly involved wherever possible through a local authority partnership known as CHiL (Cosy Homes in Lancashire). The 'Cosy Homes in Lancashire' (CHiL) scheme is a countywide energy efficiency and affordable warmth initiative. It offers an accessible and straightforward means of accessing grants from energy companies and other sources to fund new heating measures, insulation, and renewable technologies in domestic properties.

1.3 The HUG2 proposal was submitted by Blackpool Council as the lead authority on behalf of all Lancashire Authorities. The proposal for the consortium members received funding of £41.4m which seeks to deliver the following energy measures from April 2023 to March 2025 to improve the EPC ratings (Energy performance of a property's running costs on an A-G scale) for residents. Through this scheme the following works are available:

- air source heat pumps,
- solid wall and floor insulation
- loft insulation, room in roof insulation
- double glazing
- replacement external doors
- solar voltaic cells

1.4 The HUG2 scheme focuses on the low-income households living in properties with the worst EPC rated (D-G) off-gas grid homes and homes without gas central heating. The scheme aims to deliver the following:

- progress towards the statutory fuel poverty target for England, (to ensure that as many fuel poor homes as is reasonably practicable achieve a minimum energy efficiency of Band C (EPC rating) by 2030)
- progress towards the phasing out of the installation of high carbon fossil fuel heating systems and reducing air quality emissions
- helping to contribute towards the UK's target to be carbon net zero by 2050.

1.5 Parts of Lancashire rank amongst the highest in England for rates of fuel poverty and this initiative is an extension of the affordable warmth work that local authorities and partner agencies have been doing for many years. The measures are targeted towards both rural and non-rural areas.

1.6 In Pendle, addressing poorly insulated housing is often a problem due to the nature of our housing stock as retrofitting of energy efficiency measures is particularly expensive and difficult in properties built before 1919, as they have solid walls as opposed to cavity walls which makes them the most challenging and expensive properties to insulate. There are also major challenges in delivery of the HUG2 scheme in Pendle as so many properties that are off grid making are occupied by those who are not eligible for financial assistance.

1.7 Within the HUG2 scheme, to be eligible, low-income households are considered households with a combined annual income of less than £31,000 or where residents are on predetermined, qualifying benefits. It is also important to recognise that private homeowners are eligible for grants together with those in rental properties, social or private, which broadens the opportunity for people to access support for home energy improvements.

1.8 Under this project Blackpool Council as the accountable authority have gone through the procurement process and have appointed RHEA projects, who are boiler and central heating installers to administer the grant on behalf of CHiL. The grant proposals are now live and are actively promoted by each individual authority in Lancashire. At the time of writing this report CHiL have not completed any works in Lancashire and to date there have been no households in

Pendle confirmed as meeting the eligible criteria. There are however 13 cases in Pendle that are waiting on a survey/quote. Unfortunately, numbers are low this is despite the large amount of publicity that this project has been given both through ChiL and through Pendle Council's own publicity.

2.0 Connected for Warmth Scheme

2.1 There is a smaller national scheme called the Connected for Warmth scheme run by Agility Eco in partnership with Affordable Warmth Solutions which uses funding from the national grid. There is £10m available nationally for loft or cavity wall insulation (where suitable) for properties that are A-D council tax rated and have no or very little loft insulation (less than 200mm). This is regardless of household income.

2.2 This funding became available in February 2023 and as such at the time of writing this report it was not possible to provide information as to how many households in the Pendle area may benefit from this scheme.

2.3 Unfortunately, none of this funding is ringfenced specifically for Pendle or even Lancashire. Referrals are being made to this scheme by RHEA projects and the Communications Team at Pendle are actively promoting this scheme to try to raise awareness with our residents to get as much funding as possible into the Borough.

3.0 Affordable Warmth Scheme

3.1 Lancashire County Council made funding available to district councils to deliver high impact affordable warmth interventions to individuals who are the most vulnerable to harm from cold or damp homes. The funding sought to reduce illness, hospital admissions and demand for social care services. £1m was made available across all 12 District Councils who were given a figure based on the Department for Energy Security and Net Zero (DESNZ) Low Income Low Energy Efficiency fuel poverty figures (published 28th April 2022). Pendle was successful in its bid and received £91,239 in 2022 and received a further payment of £40,046 earlier this year.

3.2 This scheme has enabled Pendle Council to carry out the following measures:

- To provide whole house heating systems
- To provide servicing and repairs to replacement boilers and radiators
- Provide top up funding for insulation.
- Draught proofing measures
- Advice on fuel poverty
- Emergency heating

3.3 This funding has enabled us to fund works at 35 households so far, with 10 others due for completion soon.

3.4 Presently there has not been an announcement on whether funding is available for 2023-2024.

4.0 UKSPF

4.1 Newground Together, a charitable division of Together Housing, were successful in their bid for the UK Shared Prosperity Fund, part of which was for Community measures to reduce the cost of living, including the following measures:

- Improving the green life skills of people in Pendle so they have the knowledge, ability, values, and commitment needed to live in, develop and support a sustainable and resource-efficient society. Activities include:
 - Reduce, Reuse, recycle green skills sessions.

- Practical green cleaning skills for home (& work)
- Digital and engaging carbon literacy resources
- Showcasing the practical application of new 'green' technologies for the home; building resident confidence in the technologies, demonstrating energy savings benefits and ultimately encouraging take up of energy efficiency measures.
- Practical support to residents to reduce the cost of living, improve energy efficiency, and combat fuel poverty. Activities include
 - One to one support for vulnerable households to provide advice on reducing energy consumption through simple techniques and understanding tech: SMART Meters etc.
 - Support on household budgeting, reducing waste, benefits advice, financial support & advice.
 - Advice on simple home improvements to combat fuel poverty & increase energy efficiency.

4.2 Newground Together have committed to delivering this over 3 years 22/23, 23/24 and 24/25 and as part of this aim to reach 750 people and increase the uptake of energy efficiency measures by 365 households in Pendle.

5.0 Social Housing Decarbonisation Fund

5.1 In March 2023 Together Housing Association announced that they have been successful in their bid with funding through the Social Housing Decarbonisation Fund (SHDF Wave 2.1) and have announced that they will use this funding to support fabric insulation upgrades (loft insulation, cavity wall insulation, underfloor insulation).

5.2 This is positive news for Pendle and Together Housing have confirmed that they have around 243 properties in the Nelson and Colne area where they are looking to complete retrofit insulation upgrades (loft insulation, cavity wall insulation, and underfloor insulation if applicable). Together Housing also intend to install Air Source Heat Pumps on the estates below, dependent on the age and condition of the existing heating systems:

- Lansbury Place, Nelson
- Marsden, Nelson
- Hollins, Nelson
- Mansfield, Nelson
- Southfield, Nelson
- Foulridge, Colne
- Trawden, Colne
- St Pauls, Nelson
- Reedley, Colne
- Central Colne
- Waterside, Colne
- Horsfield, Colne
- Ellesmere, Colne

6.0 Conclusions

6.1 Pendle is involved and actively promoting the uptake of all funding streams available. There are some major challenges in retrofitting in Pendle due to the high cost involved in the fabric first approach required. There are also some major concerns over the strict eligibility that has been set by DESNZ (Department for Energy Security and Net Zero) for HUG2, which may impact upon delivery.

6.2 Presently there are no other forms of external funding available for home energy efficiency, however we will continue to play an active role to try to secure as much external funding for the borough as possible.

6.3 The current domestic energy efficiency projects, funding streams and delivery is scheduled to be reviewed by Overview and Scrutiny and reported on by 14th September 2023.

IMPLICATIONS

Policy: This report supports corporate priority CP23 1.04 – the investigation of the feasibility of retrofitting the Borough’s housing stock by commissioning a housing stock condition survey

Financial: Currently all home energy projects in Pendle are reliant on external funding. For delivery

Legal: None arising from this report

Risk Management: None arising from this report

Health and Safety: There are no direct health and safety issues arising from this report, however energy and insulation improvements to the housing stock in our borough will address fuel poverty and as a result have a positive impact upon the health of our residents

Sustainability: Improvements in the energy efficiency of the housing stock of the district will reduce fuel use and reduce carbon dioxide emissions.

Community Safety: None arising from this report

Equality and Diversity: None arising from this report

APPENDICES

None

LIST OF BACKGROUND PAPERS

None