



Cabinet

Wednesday, 7 October 2020

Report Title:	Green Homes Grants Scheme
Cabinet Portfolio	Cabinet Member - Safer, Stronger Communities
Cabinet Member	Councillor Jeanie Bell
Exempt Report	No
Reason for Exemption	Open
Key Decision	Yes
Public Notice issued	8 September 2020
Wards Affected	All
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Borough priorities	Ensure children and young people have a positive start in life	X
	Promote good health, independence and care across our communities	X
	Create safe and strong communities for our residents	
	Support a strong, diverse and well-connected local economy	X
	Create a green, thriving and vibrant place to be proud of	X
	Be a modern, efficient and effective Council	

1. **Summary**

- 1.1 In July 2020, the Government announced plans to invest £2 billion to improve home energy efficiency in England through a voucher scheme - the Green Homes Grant (GHG) Scheme. The aims of the scheme is to reduce fuel poverty by targeting grants to low income households living in the least energy efficient homes, to support the phasing out of the use of high carbon fossil fuel heating systems and contribute to the UK's commitment to net zero carbon emissions by 2050. It is anticipated that these actions will support economic resilience and a green recovery in response to the economic impacts of Covid 19 through the installation and supply chains.
- 1.2 Of the £2bn funding available through the GHG scheme, £1.5bn will be delivered direct to eligible households through a voucher scheme. The remaining £500m will be allocated to local authority delivery partners through the Local Authority Delivery (LAD) scheme specifically to help fuel poor households. Local authorities will be required to submit bids for this funding. Of the funding available through the LAD scheme, £200m will be allocated in 2020/21 and £300m will be allocated to Local Energy Hubs to be spent by March 2022.
- 1.3 This report highlights the eligibility criteria that has been adopted for accessing the Voucher Scheme and the Local Authority Delivery Scheme and the types of energy efficiency works that can be funded through the GHG scheme. The report identifies proposals to promote local take up of the voucher scheme and to offer support to vulnerable residents to access the on-line application system. The report also recommends taking an area-based approach targeting properties in the Parr area for the Local Authority Delivery Scheme.
- 1.4 It is recommended that the Council take note of the Government's Green Homes Grant Scheme and that support is provided to homes owners within the St Helens Borough as follows:
- through a package of advice / signposting to assist owners to access the online voucher scheme
 - by linking into a future consortium bid for grant funding as appropriate.

2. **Recommendations for Decision**

Cabinet is recommended to:

- i) **Approve the proposed approach to promoting the Green Homes Grant Voucher Scheme.**

- ii) **Approve the proposed approach to the Green Homes Grant - Local Authority Delivery scheme using existing delivery mechanisms to maximise outputs in the second phase 2021/22.**

3. Purpose of Report

- 3.1 To identify the opportunities the GHG scheme provides to improve the energy efficiency of homes in the Borough which will contribute to reducing carbon emissions, reducing the impact of fuel poverty on low income households, delivering wider health and well-being outcomes by making homes warmer and healthier places to live and supporting the local green economy.
- 3.2 To propose recommendations as to how the Council can promote and deliver the scheme locally ensuring that we maximise the opportunities available for each of the different elements of the GHG including the £5,000 & £10,000 voucher schemes and the Local Authority Delivery (LAD) competition.

4. Background

4.1 Green Homes Grant – Government Proposals

On the 8 July 2020, the Government confirmed it would invest £2bn to improve home energy efficiency in England through a new funding route - the Green Homes Grant (GHG). £1.5 bn will be available through a voucher scheme and a further £500m will go to local authorities over the next two years specifically to help fuel poor households. Local Authorities will compete for this money through an application process.

Homeowners, including landlords will be able to apply for two thirds of the cost of home improvements with grants capped at £5,000. Low income households will qualify for grants worth up to £10,000 to support energy efficiency upgrades. Low income households will not be required to meet any of the costs of energy efficiency works up to the value of £10,000.

The Government has stated it expects the scheme to deliver improvements for over 600,000 households, while creating an estimated 100,000 jobs in green construction.

The different elements of the GHG scheme are summarised below. The details about the GHG scheme in this report are based on the current information available and further detail is expected to be announced or clarified by the Government.

4.2 Green Homes Grant (GHG) Voucher Scheme

4.2.1 There are two elements of the voucher scheme:

- **£5,000 voucher**

- The Government will provide eligible homeowners and landlords a grant of at least two thirds of the cost of energy saving improvements up to a maximum of £5k. The remaining costs must be met by the homeowner or landlord.
- It is available to all owner-occupied homes (including long-leaseholders, shared ownership), landlords of private rented properties, landlords of social sector properties (including LA owned homes) and park homeowners.
- New-build domestic properties and non-domestic properties are not eligible.

- **£10,000 voucher (for low income households)**

- The poorest and most vulnerable households will be able to access grants up to £10k and will not be required to make any financial contribution to the costs of the works.
- Low income households must be in receipt of certain benefits to qualify for this funding, for example, Universal Credit, Housing Benefit, Carers Allowance.
- This grant is available to owner-occupied properties and park homes only.

4.2.2 For both voucher schemes households will need to install at least one of the primary measures to qualify for funding. These include:

- **Insulation:** Solid wall, cavity wall, under-floor, loft, flat roof, room in roof, park home.
- **Low carbon heat:** Air source heat pump, ground source heat pump, solar thermal “**Top ups**” are allowed for example, additional loft insulation up to the recommended level or solid or wall insulation for other walls where a wall has been previously insulated, but replacements of existing are not included.

As long as there is at least one primary measure in the package of works, households will also be able to install secondary measures. Secondary measures can only be subsidised up to the amount of subsidy provided for primary measures so that if a household receives £1,000 for primary measures, they can only receive a maximum of £1,000 towards secondary measures.

4.2.3 The secondary measures that qualify are:

- **Draught proofing**
- **Windows and doors:** Double/triple glazing where this is replacing single glazing, secondary glazing where this is in addition to single glazing and upgrading to energy efficient doors where this is replacing doors installed prior to 2002.
- **Heating controls and insulation:** appliance thermostats, hot water tank thermostats, hot water tank insulation, smart heating controls, zone controls, delayed start thermostat and thermostatic radiator valves

For low-carbon heating to be installed, households will need to have adequate insulation for example, wall and loft, where applicable. These can be installed as part of a package.

4.2.4 Homeowners and landlords will only be able to apply for Green Homes Grants on-line. There will be online advice provision for homeowners and landlords through the Simple Energy Advice (SEA) service who will provide advice on which home energy improvements are eligible for grant and will offer a list of accredited suppliers in the local area to carry out the energy efficiency works. Installers providing energy efficiency measures under the scheme will need to be either Trustmark or Microgeneration Certification Scheme (MCS) accredited. None of the GHG schemes allow for the installation of fossil fuel heating, for example, boilers.

4.2.5 **£5,000 & £10,000 Voucher Schemes – Anticipated Take -Up**

It is anticipated that the measure most likely to be installed in the Borough via these schemes will be solid wall insulation (SWI). The average cost of SWI is approximately £7,000 - £10,000 depending on property type and size. This measure is also likely to provide the biggest impact on reducing carbon emissions, reducing the impact of fuel poverty, and making homes warmer and healthier.

The low carbon heat measures would generally not be suitable options for most of the stock in the Borough, and would only be worth considering if heating systems were due for renewal:

The other primary measures available; cavity wall, under-floor, loft, flat roof, room in roof are generally lower cost measures ranging from £400 to over £1,000. Many of these measures have been available through Energy Company schemes for many years and although there are still properties requiring this work, high take up of these measures is not expected. Depending on how much energy can be saved from the measure it may be more cost effective to use Energy Company Obligation (ECO) funding for these types of works.

4.2.3 **Proposed local delivery – GHG Voucher Schemes**

The Government intends that the voucher schemes will operate locally without any involvement of local authorities. The level of take up locally would then be driven by both the demand of residents who know about the scheme and the amount of independent promotion undertaken by installers based locally or from further afield.

However, in order to maximise the number of properties accessing the vouchers and to encourage the use of local installers it is proposed that the Council:

- Promote the scheme using all Council social media channels and local publications;
- Use public health funding allocated to reduce excess winter deaths to distribute information through a winter warmer calendar in a targeted mail out to approximately 10,000 properties;
- Undertake further targeted mailouts to areas likely to benefit most from energy efficiency improvements;
- Undertake a mailout to private rented properties, landlords and letting agents to advise of MEES, and the availability of the scheme to allow the improvement of F and G rated properties that will not be meeting the MEES regulations;
- Assisting and support those residents who do not have online access in order to apply for vouchers;
- Utilise the Council's existing Affordable Warmth / ECO partner, Rhea Projects Ltd, currently the Council's managing agent for heating and standard insulation measures, to assist household applicants with a wide range of support and advice, including additional financial support through existing Council Housing Financial Assistance for qualifying households;
- Explore the option to promote the opportunities to local installers who provide eligible measures and advise them of the process for registering for the scheme (they would need to be Trustmarked or MCS (Microgeneration Certification Scheme) accreditation; and
- Explore with local installers their ability to provide apprenticeships.

4.3. **Local Authority Delivery (LAD) Scheme**

4.3.1 The LAD scheme targets low-income and low EPC rated homes (those in band E, F or G) including those living in the worst quality off-gas grid homes.

Funding must be targeted at households with a combined household annual low-income of no more than £30,000. Funding is available for all tenure types (including landlords and social landlords) but must support the retrofit of existing domestic properties only.

Local authority applications are subject to a minimum bid of £500,000. Consortium bids are allowed, and a lead LA should submit the proposal on behalf of the consortium. £500m has been allocated to the LAD scheme, in two phases:

- Phase one consists of £200m to support low income households. Delivery agents and installers and products for eligible measures will need to be procured as per the scheme guidelines and installed by the end of March 2021.
- Phase two consists of £300m of funding to be allocated through Local Energy Hubs in 2020/21, to be released in due course for delivery by March 2022.

Local Authorities may use up to 15% of grant funding to administer and deliver the scheme including preparation of properties to facilitate energy efficiency upgrades. As part of the monitoring and evaluation, local authorities will be required to keep records of housing stock EPC ratings prior to and post-installation. The Local Authority Delivery scheme cannot be combined with Green Homes Grant vouchers or blended with other government schemes such as Renewable Heat Incentive (RHI) or Energy Company Obligation (ECO) funding for the same individual measure.

4.3.2 LAD Scheme – Anticipated Local Delivery

In order to maximise impact and as the scheme must be targeted at E, F and G rated properties with an annual household income less than £30,000 it is proposed to undertake area-based scheme in an area of higher rates of deprivation and a large number of properties with poor thermal efficiency.

The measures available via the GHG would be any that are recommended on Energy Performance Certificates, which properties will need to have before works can be undertaken. SWI would again provide the biggest impact on reducing carbon emissions, reducing the impact of fuel poverty, and making homes warmer and healthier. The ideal areas to target for area-based roll out would be the areas in the Borough where there are concentrations of properties of non-standard construction.

The Council's energy efficiency database in conjunction with the recent BRE stock modelling data will allow us to target assistance for SWI very accurately. The data however does not allow for predictions with certainty about what other measures may be appropriate for properties targeted for SWI. As all tenures are included there is the opportunity to maximise the funding as landlords of rented properties would be expected to provide at least a third of the costs and can also only access £5,000 of the GHG funding.

Table1. Uninsulated Non-Standard Construction Type and Number of properties in the St Helens Borough.

Construction types	Number Uninsulated
Airey	17
BISF	35
Dennis Wilde	84
Gregory	0
Kencast	5
No Fines	703
Parkinson Frame	1
Shepard	0

The No Fines properties make up the largest proportion of non-traditional properties in the Borough. These are concentrated in two main areas of the borough, Parr and Blackbrook with the largest concentration in one area of Parr. Based on numbers of properties to target,

deprivation levels, and tenure breakdown where landlords could be supported to comply Minimum Energy Efficiency Standards (MEES), the preferred option would be to target Parr.

Table 2. Uninsulated No Fines properties by area and tenure

Area	No. of Properties		Area	No. of Properties
Parr	574		Frodsham Drive	129
Owner Occupied	304		Owner Occupied	101
Private Rented	219		Private Rented	28
Registered Provider	51		Registered Provider	0

4.3.3 Proposed Local Delivery – GHG LAD Scheme

Due to the restrictive delivery timescales and the lack of engagement from landlords and contractors it has not proved possible for the Council to apply as an individual or consortium to the first phase of the LAD scheme. The risk to the Council on delivering a scheme in the timescales was considered too great. There was a risk of financial claw back and a subsequent reputation damage. It was anticipated that this may have impacted on the Council's ability to access funding for future schemes. There was also a risk that it would also damage relationships with residents if we were not able to deliver in the timescales.

Officers recommend that the Council join a LAD Phase 2 consortium bid, and if successful target assistance to the Parr ward. This area contains a high number of properties owned by Onward Homes who have expressed an interest in improving the properties via a phase 2 LAD scheme. This would give the Council and its consortium partners the time to develop a robust and value for money scheme, with increased capacity when funding becomes available in 2021-22.

This approach minimizes risks as:

- Procurement issues would be reduced as the Council and consortium partners will have time to ensure value for money.
- Longer timescales available for install would:
 - minimise the risk of poor performance (gives time for the contractor to offer resolution);
 - Ensure better resident engagement;
 - Mitigate impact of any poor weather conditions.

5. Community Impact Assessment

The Community Impact Assessment identified the following key implications

- the fund will allow an opportunity to recruit local installers and manufacturers and maximise local social value.
- The fund will help the Council mitigate the Borough's carbon emissions therefore helping us to tackle the climate emergency.
- It will help to address health inequalities by reducing fuel poverty.
- It will be targeted to those in most need and will be targeted to those households at risk of cold related illnesses.

6 Consideration of Alternatives

- 6.1 None. The Council is required to be aware of current Government initiatives and can provide advice and signposting assistance, building on existing Affordable Warmth Unit services. The Council will not meet the criteria for an individual LAD scheme delivery. However, the option to link in with a future consortium bid provides the Council with flexibility to deliver additional energy efficiency related improvements should suitable households be identified.

7 Conclusions

- 7.1 The report recommends that the Council provides additional support to residents to access the Government's GHG Voucher Schemes through the provision of advice and promotional activity. The report also recommends the development of a Phase 2 Application as part of a consortium and become a named partner to support area based retrofit opportunities.

8. Implications

8.1 Legal Implications

- 8.1.1 No implications

8.2 Community Impact Assessment (CIA) Implications

8.2.1 Social Value

- 8.2.1.1 Within any GHG promotion undertaken, residents will be encouraged to use local installers where available and capacity exists. Consideration will be given to promoting the GHG scheme to local installers encouraging them to pursue required standards in order to work on the scheme this could also include endorsing the use of apprenticeships.

8.2.1.2 Local Job Opportunities

Existing partnership arrangements with Rhea Ltd enables procurement of local companies for the delivery of ECO / energy retrofit schemes.

The opportunity exists for the Council's Growth Team to work to maximise local job opportunities available through the GHG Voucher scheme and the Local Authority Delivery scheme.

8.2.2 Sustainability and Environment

All the measures available through the GHG will result in a reduction of CO₂ emissions through improvements in energy efficiency. This assists with the Governments 2050 net zero emissions target to mitigate the impact of climate change. A system is in place which will allow the carbon reduction impact of any measures through the LAD Scheme to be identified.

8.2.3 Health and Wellbeing

- 8.2.3.1 The available measures will make homes warmer and/or reduce energy consumption. This will reduce the impact of fuel poverty and makes homes warmer and healthier places to live. The scheme will also help tackle health inequalities as the proposed targeted promotion in areas of

low energy efficiency and high deprivation will help improve life expectancy through safer warmer homes.

8.2.4 Equality and Human Rights

8.2.4.1 The GHG voucher scheme provides a higher amount of funding to those households in receipt of income related benefits or disability benefits, such as DLA and PIP. This further encourages support to those households who are more at risk of cold related illness.

8.3 Customers and Resident

8.3.1 The Government's Green Homes Grant proposals have been publicised at a national level however it would be helpful to local residents if the Council was able to provide advice and signposting information in order to maximise take up locally and therefore deriving the most local benefits for the Borough. This proposal will enable the Affordable Warmth Unit to maximise assistance provided to the most vulnerable clients in the Borough and those at high risk of fuel poverty.

8.4 Asset and Property

8.4.1 The Council is not a housing stock owning authority therefore there will be no implications on Council owned assets or property.

8.5 Staffing and Human Resource

8.5.1 The recommendations put forward utilise existing resources within the Housing team. However, there is likely to be increased demand for advice and support taking up officer time, the extent of which will be dependent on demand.

8.6 Risks

8.6.1 Risks will be mitigated through utilising a consortium bid for future LAD scheme. This will enable the high number of properties to be targeted across several LA areas, in order to meet the bid criteria.

8.7 Finance

8.7.1 There are no direct financial implications. Support and information regarding the voucher schemes can be delivered from within existing Affordable Warmth Service budgets. This proposal recommends linking into a future consortium bid for the LAD scheme with no requirement to match fund or commit existing capital resources. The Council's Affordable Warmth Unit has a track record of successfully accessing consortium bids and of using our Managing Agent partner to procure contractors meeting ECO / other energy efficiency and sustainability related requirements. Should a future LAD scheme bid be successful, up to 15% of the grant allocation can be utilised to administer and deliver the scheme.

8.8 Policy Framework Implications

8.8.1 In line with existing Fuel Poverty Strategy and Home Energy Conservation Act (HECA) report actions.

9. Background papers

- BEIS – GHG Voucher Scheme Information

- BEIS – LAD Scheme guidance
- BEIS – LAD FAQ's
- <https://www.gov.uk/government/news/quality-assurance-at-heart-of-new-2-billion-green-homes-grants>

10. Appendices

None