

Warm Homes Programme Update

Report Author(s): Karen Strandoo
Warm Homes Programme Manager
01603 430102
Karen.Strandoo@southnorfolkandbroadland.gov.uk

Portfolio: Environmental Excellence

Ward(s) Affected: All

Purpose of the Report:

This report provides the Panel with an overview of activities and outputs delivered by the Norfolk Warm Homes Programme lead by Broadland District Council (the Council) working in partnership with Norfolk Authorities, Clarion Housing and Saffron Housing Trust. Opportunities for further grant funding are also highlighted.

Recommendation:

1. Panel to note and support the ongoing activities of the Norfolk Warm Homes Programme with the aim of supporting residents living in fuel poverty through grant assisted improvements to increase thermal efficiency and provide renewable heating solutions to homes.

1. Summary

- 1.1 This report provides an update of the outputs of the grant funded schemes delivered by the Warm Homes Programme and follows on from the report presented to the Committee on 14th April 2022.

1.2 The opportunity to apply for further government grant schemes aimed at improving the thermal efficiency and installing low carbon heating in low income households is also presented.

2. Background

2.1 The recent cost of living crisis, specifically the enormous rise in the costs of energy, has resulted in increasing numbers of people struggling to afford to keep their homes warm in winter. National Energy Action has reported that with average household energy bills reaching over £3,000 a year a predicted 8.2 million UK households will be in fuel poverty.

2.2 Data from the Government's published fuel poverty statistics reports that in 2020 an estimated 6,700 Broadland households were living in fuel poverty. In the context of increasing energy costs, rising inflation and wage stagnation this figure is predicated to significantly increase this winter to over 11,000 households rising still further into 2023 in line with national projections. See Figure 1

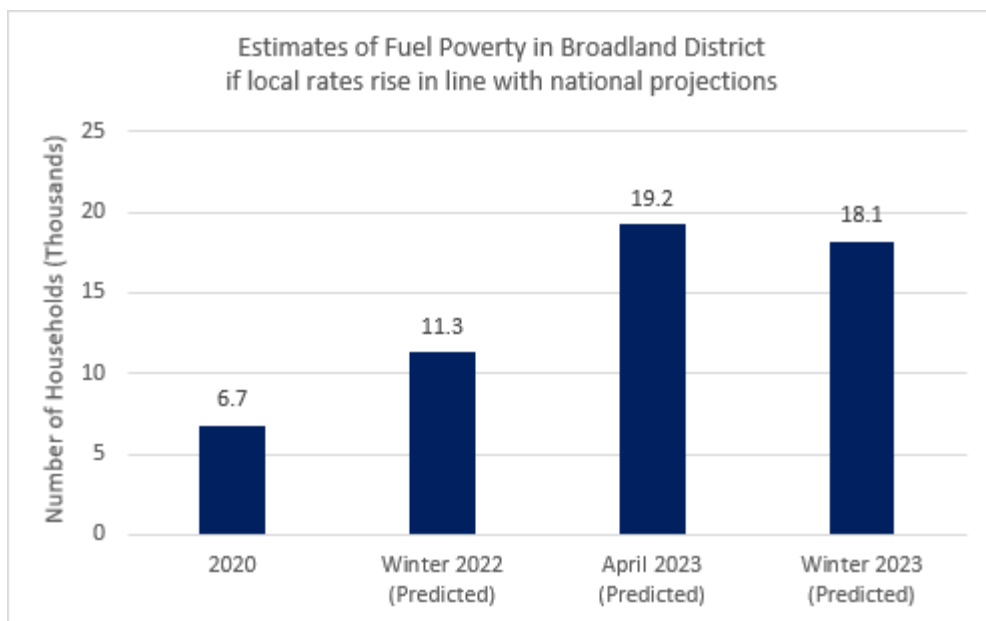


Figure 1 Estimates of fuel poverty

2.3 Living in cold homes can cause and worsen respiratory conditions, cardiovascular disease and dementia, as well as contribute to poor mental health and increased risk of hypothermia (Institute of Health Equity, 2022). Older people are particularly at risk and as 26% of Broadland residents are aged 65 or over, which is higher than average at both county and national levels (ONS, 2021) this cohort is likely to present increased risks from cold or damp homes, especially since and 9 out of 10 COPD-related deaths fall into this age category (British Lung Foundation, 2012).

2.4 The Building Research Establishment has estimated that the detrimental health effects of living in a cold homes costs the NHS over £857 million annually. (BRE *The Cost of Poor Housing in England*, November 2021).

- 2.5 As well as having detrimental effects on health and wellbeing cold leaky homes contribute to our carbon emissions through poor insulation and energy inefficient heating. About 30 million buildings in the UK are responsible for around 30% of our national emissions and the vast majority of these emissions result from heating. In 2019, the UK government set out a target to achieve net zero greenhouse gas emissions across the whole UK by 2050 and decarbonising buildings is central to that challenge and in order to support reaching our national targets we must look to insulating our homes and installing low carbon heating.
- 2.6 Initial grant funding from National Grid (Warm Homes Fund) enabled the Council to establish the Warm Homes Programme working in partnership with Norfolk Councils, to deliver insulation and first-time central heating (oil, LPG, gas and Air source heat pumps) to fuel poor Norfolk residents with no central heating. The funding also enabled the Council to provide one to one support to vulnerable households to help with income maximisation, fuel debt advice and information on saving energy and money.
- 2.7 Building on the establishment of the Warm Homes Programme, the Council, on behalf of Norfolk Councils, has been successful in securing three new tranches of grant funding through the Local Authority Delivery (LAD 1a and 1b) and the Sustainable Warmth (SW) Competition from Government. The aim of the funding is to deliver insulation and renewable heating solutions (Air Source Heat Pumps) to improve the energy efficiency of homes of low-income households, helping to reduce fuel poverty, phase out high carbon fossil fuel heating, and deliver progress towards the UK's commitment to net zero by 2050.

3. Current position/findings

- 2.8 The Warm Homes Fund grant from National Grid ended in August 2022 with a total of 591 first time central heating systems installed with £2,230,491 of grant funding and an additional contributions of £2,524,196 from social housing partners, landlord contributions, local authority discretionary funds, Energy Company Obligation funds and charity contributions. The total amount of investment was £4,754,687. In addition a separate hardship grant of £165,000 was awarded to 80 low income private sector residents for boiler and central heating repairs and replacements.
- 2.9 At the end of August 2022, as part of the one to one support funded by National Grid, the Council has realised over £2m of financial benefits and savings to support over 600 low income/fuel poor households. In total the Council assisted over 2,800 households with heating, insulation, financial and energy saving advice and support.
- 2.10 A breakdown of the distribution of first time central heating across Norfolk local authorities is presented in Figures 1 and 2, Appendix 1.
- 2.11 Unlike National Grid funding which could support individuals on benefits, grant funding through the government funded schemes can only be awarded to households evidencing a total household income (gross) of less than £30,000 and

is focused on the poorest energy efficient household's with an Energy Performance Rating of D, E, F or G with the objective of raising the EPC by 2 bands. Therefore, in order to be eligible for grant funding the household must meet the income criteria and the fabric of the house has to be suitable for the measures.

- 2.12 The focus of both the LAD and the SW schemes is a fabric first approach meaning that homes must be suitably insulated before renewable heating solutions can be installed and so multiple measures for every home is often required to meet the grant criteria which also includes a cost cap per household.
- 2.13 The LAD 1a and 1b schemes have now closed with 188 measures, including loft, cavity wall and external wall insulation, high retention storage heaters and air source heat pumps being installed in 166 Norfolk homes. In total £1,228,590 of grant funding was awarded. This has prevented 300 tonnes of carbon emissions being emitted into the atmosphere which equates to 180 return flights from London to New York.
- 2.14 The Council is still delivering energy efficiency measures through the Sustainable Warmth scheme that is due to end on 31st March 2023. At the end of October 2022, £169,251 of grant funding has been spent for the installation of retrofit energy efficient measures in 40 homes.
- 2.15 In addition to the grant streams described above the Council, is working in partnership with Saffron Housing, to deliver £1.9m of grant funding through the Social Housing Decarbonisation Fund SHDF to install insulation and air source heat pumps in 126 social houses. The project started in February 2022 and will end March 2023.
- 2.16 The delivery of the short term Government grants has proved challenging with constraints in the supply of materials for insulation and renewable heating units and shortages of skilled labour. The Council has sought to mitigate these problems by accessing more installers through national and local frameworks.
- 2.17 In total across all funding streams, the Council has invested over £6.1 m in improving 795 residents' homes of which £1.6m has been invested in 106 private sector homes in Broadland. See below:

Total Spend Across All Funding Streams (All Districts)	
Warm Homes	£4,754,687
LAD 1a & 1b	£1,228,590
Sustainable Warmth	£169,251
Total	£6,152,528

4. Future Activity

- 2.18 The Government has recognised the need for longer term more sustainable funding in order to accelerate the rate of improving the energy efficiency of our homes. As a result the government has recently announced a new wave of Home Upgrade Grant (HUG) funding for off gas properties with delivery running from April 2023 until March 2025. Two application windows have been announced with deadlines of 18th November 2022 and 27th January 2023.
- 2.19 Key policy changes have also been made to the grant compared with previous Government schemes. The major changes are:
- Transition of grant allocation model from a competition to a challenge fund
 - Ring fencing 60% of funding for rural Local Authorities
 - Introduction of additional resident eligibility criteria
 - Introduction of a space heating demand consideration
 - Introduction of 2 assessment rounds –November and January
 - Government will approve the measures per property in batches prior to install and release of funds.
- 4.3 The additional requirement for the Government to approve the measures to be installed in each house prior to release of funds and installation may further delay the process for residents which currently is about 3-4 months from application to completed install.
- 4.4 We are planning to submit a request for further grant funding to meet the January 2023 window. All Norfolk Councils except for Great Yarmouth Borough Council have agreed to join as a consortium to continue to support the Warm Homes Programme.

5. Issues and risks

- 2.20 **Resource Implications** – Resources for the delivery of activities under Norfolk Warm Homes are covered by external grant funding. However current grant funding streams are due to end 31st March 2023. Further applications for funding will be made in January 2023 and if successful will enable to continuation of the Warm Homes Programme.
- 2.21 **Legal Implications** – None
- 2.22 **Equality Implications** – The activities contained within this report are designed to have a positive impact on the community including for those who may have one, or more, of the protected characteristics under the Equality Act 2010.
- 2.23 **Environmental Impact** – In improving heating systems and insulating cold homes the council is supporting the UK Government climate change targets by cutting carbon emissions by 80% by 2050 compared to 1990 levels.

2.24 **Crime and Disorder – NA**

3. Conclusion

- 3.1 With the recent announcement in the autumn statement that the Energy Price Guarantee will reduce at the end of April it is expected that the number of households facing fuel poverty will significantly increase. Therefore, the ability to support households that are eligible through these government grant-assisted programmes becomes more imperative. As well as reducing energy costs, the installation of energy efficiency measures will also contribute to the UK's carbon reduction targets.
- 3.2 The Warm Homes Programme will be applying for future grant funding in January 2023 in order to continue to deliver energy efficiency measures and heating to low income households.

4. Recommendations

- 4.1 Panel to note and support the ongoing activities of the Warm Homes Programme with the aim of supporting residents living in fuel poverty through grant assisted improvements to increase thermal efficiency and provide renewable heating solutions to homes.

Appendix 1

Figure 1: First Time Gas Installations by Local Authority

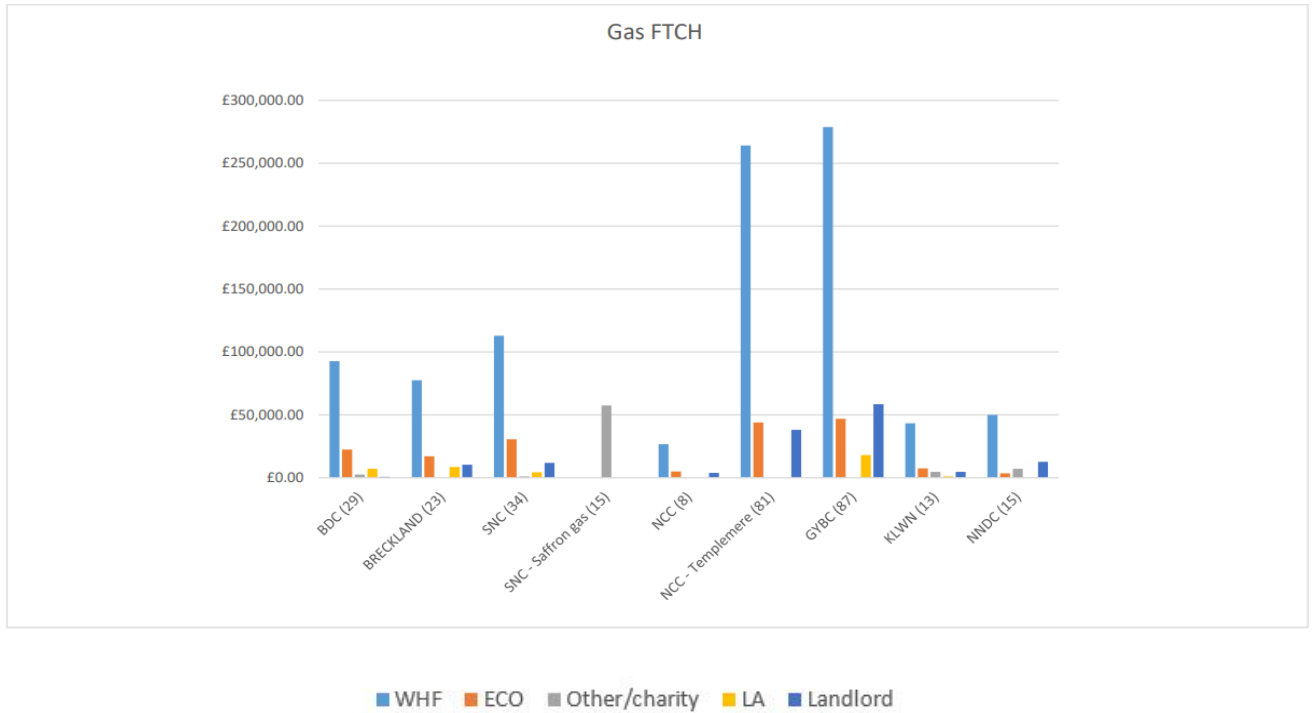


Figure 2: First Time Oil/LPG Installations by Local Authority

