

READING BOROUGH COUNCIL

REPORT BY THE DIRECTOR OF ENVIRONMENT AND NEIGHBOURHOOD SERVICES

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| TO: | HOUSING, NEIGHBOURHOODS AND LEISURE COMMITTEE | | |
| DATE: | 13 MARCH 2019 | | |
| TITLE: | AWARD OF GRANT FUNDING FROM WARM HOMES FUND | | |
| LEAD COUNCILLOR: | CLLR JOHN ENNIS | PORTFOLIO: | HOUSING |
| SERVICE: | HOUSING | WARDS: | ALL |
| LEAD OFFICER: | SARAH GEE | TEL: | 0118 937 2973 |
| JOB TITLE: | HEAD OF HOUSING AND NEIGHBOURHOODS | E-MAIL: | sarah.gee@reading.gov.uk |

1. PURPOSE OF REPORT AND EXECUTIVE SUMMARY

- 1.1 Affordable Warmth Solutions (AWS) is a Community Interest Group set up in 2008 by the National Grid with the aim of addressing some of the issues caused by increasing energy prices and the growth of Fuel Poverty in the UK. Their aim is threefold: to help to reduce bills; make fuel poor households warmer; and improve the health of people suffering the most severe levels of fuel poverty.
- 1.2 AWS established a £150m Warm Homes Fund designed to support local authorities, registered social landlords and other organisations in reducing fuel poverty amongst some of the most deprived neighbourhoods. In February 2018 Reading Borough Council submitted a bid for £337,860 of grant funding to support new gas central heating installations in approximately 100 Council tenanted flats and 50 privately owned leasehold flats currently heated by older, less efficient and more expensive electric storage heaters.
- 1.3 In November 2018 AWS confirmed the award of the full amount of £337,860. The award was accepted by the Head of Housing and Neighbourhoods in consultation with the Head of Finance and the Lead Councillor for Housing, Cllr John Ennis.
- 1.4 The Warm Homes Fund grant will be matched by £300,000 from other sources, including £40,000 grant funding already offered by Yes Energy Solutions and up to £180,000 from SGN (the gas network provider for South East England). The balance of funding will come from the 2019/20 Housing Revenue Account heating upgrade budget.
- 1.5 This report summarises the successful bid and proposed programme of works.

2. RECOMMENDED ACTION

- 2.1 That Housing, Neighbourhoods and Leisure Committee note the award of £337,860 grant funding from the Warm Homes Fund to help tackle fuel poverty by connecting and installing new gas central heating systems in approximately 100 Council tenanted flats and 50 privately owned flats or houses across Reading.

3. POLICY CONTEXT

- 3.1 Achieving high levels of energy efficiency in existing homes is increasingly important to safeguard residents against rising fuel prices and the risk of fuel poverty and also contributes to reducing carbon dioxide emissions and the associated impact on the environment. Further, if residents turn off their heating in an attempt to save money this can also contribute to problems associated with condensation and mould.
- 3.2 Reading Borough Council are committed to tackling fuel poverty and have a rolling programme of works to improve energy efficiency across our housing stock as well as providing residents with advice and support to help reduce their fuel bills whilst staying warm. The targeted programme has 3 main objectives:
- Upgrading inefficient heating facilities and connecting homes to the mains gas network
 - Ensuring that all properties are EPC (Energy Performance Certificate) Band D or above
 - Giving residents the tools and support they need to reduce their fuel bills.
- 3.3 The approach to an energy strategy for Reading's Council owned housing has been to secure the maximum energy saving or return for the investment made. In effect this means placing a strong emphasis on providing high levels of insulation and modern efficient heating systems within homes.
- 3.4 Electricity is more expensive than gas or oil, and is a relatively carbon intensive heating fuel. Whilst gas central heating will be more expensive to fit than many electric systems, it is cheaper to run. Since 2016 the Council has facilitated 124 gas connections in many blocks of flats and maisonettes which were previously supplied with older, more expensive and inefficient electric heating. There are now circa 700 Council homes remaining which have electric storage heating of our total circa 6,900 properties. The funded programme proposed will reduce this to circa 600.
- 3.4 To upgrade the remaining electric storage heating systems, circa 600, will cost in the region of £2,650,000. The majority of old storage heaters will be replaced with new gas central heating systems. Where the tenant's choice is not to have a gas heating system, modern storage heaters will be installed which approach the efficiency of a gas system. The replacement of these heating systems will be phased over a 3-5 year period with completion by 2024/25.

4. PROPOSED PROGRAMME

- 4.1 Affordable Warmth Solutions has awarded Reading Borough Council £337,860 of grant funding from the Warm Homes Fund. This will be matched by £300,000 from other sources as detailed below in section 9.
- 4.3 The funding is to be used towards the connection and installation of new efficient gas central heating systems with digital thermostatic controls in 100 Council tenanted flats and 50 privately owned leasehold flats - at no cost to either the tenant or home owner. These systems are easier to use, cheaper, and more flexible than the electric storage heaters they will replace, allowing residents to programme the systems to meet their needs rather than wait for heaters to charge and then release their heat at set times.
- 4.4 In line with the relevant delegated authority the award was accepted by the Head of Housing and Neighbourhoods in consultation with the Head of Finance and the Lead Councillor for Housing, Cllr John Ennis. A copy of the Award Letter and recipient Agreement are attached as appendices to this report.

- 4.5 In determining the selection of properties that are included in the project, the Housing Service will seek to maximise the grant that each property attracts; will target those properties which are least energy efficient; and will target properties in areas of greatest deprivation. Specifically, the financial contribution from SGN is maximised where there is no live gas connection currently in place. The final schedule and basis of targeting properties will be agreed with the Head of Service and Lead Councillor.

5. CONTRIBUTION TO STRATEGIC AIMS

- 5.1 To develop Reading as a Green City with a sustainable environment and economy at the heart of the Thames Valley: as noted above the programme will improve the thermal efficiency of properties and will reduce fuel costs for tenants and leaseholders.

6. COMMUNITY ENGAGEMENT AND INFORMATION

- 6.1 Officers will make contact with tenants and leaseholders in targeted blocks to explain the scheme benefits. Visits to vulnerable householders will be arranged where necessary. Information about the programme and the criteria for identifying and prioritising properties will be fed back to tenants more widely through Housing News which is distributed to all tenants.

7. EQUALITY IMPACT ASSESSMENT

- 7.1 *Under the Equality Act 2010, Section 149, a public authority must, in the exercise of its functions, have due regard to the need to–*
- eliminate discrimination, harassment, victimisation and any other conduct that is prohibited by or under this Act;*
 - advance equality of opportunity between persons who share a relevant protected characteristic and persons who do not share it;*
 - foster good relations between persons who share a relevant protected characteristic and persons who do not share it.*
- 7.2 There is no requirement for an Equality Impact Assessment; however, the scheme proposed will positively benefit those on low incomes including vulnerable households. Criteria for selection of properties will be clear and transparent.

8. LEGAL IMPLICATIONS

- 8.1 In line with the relevant delegated authority the grant award was accepted by the Head of Housing and Neighbourhoods in consultation with the Head of Finance and the Housing Lead Councillor, Cllr John Ennis, and the Council entered into the Recipient Agreement for the provision of funds from the Warm Homes Fund. A copy of the Award Letter and Recipient Agreement are attached as appendices to this report.
- 8.2 It will be necessary for the Council to comply with the funding terms in the Recipient Agreement.

9. FINANCIAL IMPLICATIONS

- 9.1 As set out in Section 4 above, Affordable Warmth Solutions has awarded Reading Borough Council £337,860 of grant funding from the Warm Homes Fund. This will be matched by up to £300,000 from other sources, including £40,000 grant funding

already offered by Yes Energy Solutions and between £120,000 and £180,000 from SGN. The level of SGN funding is dependent on residents meeting certain additional criteria.

- 9.2 The balance of funding for the Council tenanted flats, between £80,000 and £140,000, will be met from the 2019/20 heating upgrade budget of £200,000 in the Housing Revenue Account planned maintenance programme.

10. BACKGROUND PAPERS

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