

Cabinet Meeting on Wednesday 20 September 2023

Staffordshire Warmer Homes – Approval of the Spend plans for the Home Upgrade Grant Phase 2



Councillor Julia Jessel, Cabinet Member for Health and Care said,

"Lifting people out of fuel poverty and helping households with energy bills is a public health priority in Staffordshire. We are proud of our success to date, saving £1.5m in total for thousands of households.

"Our work in linking Government grants with those in need of support is a vital step towards improving health and well-being in the county. The Home Upgrade Grant Phase 2 will benefit predominantly rural areas as eligibility is focused on off-grid homes with low energy performance ratings in the most deprived areas."



Councillor Simon Tagg, Cabinet Member for Environment, Infrastructure and Climate Change said,

"We are on a mission to make Staffordshire more sustainable. A quarter of carbon emissions in our county come from residential homes.

"Staffordshire Warmer Homes is helping cut carbon emissions by reducing the amount of energy needed to heat properties. The Home Upgrade Grant Phase 2 will build on our success allowing another 530 homes to improve insulation and heating, and creating local jobs."

Report Summary:

Staffordshire County Council has been awarded £10.5m from the Government Green Homes Grant Home Upgrade Grant Phase 2.

This report seeks Cabinet approval for expenditure of the Home Upgrade Grant Phase 2 and the subsequent procurements to secure providers for

services to make thermal improvements to people's homes, in line with the conditions of the Grant. The programme is scheduled to commence from 01 October 2023, and to end 31 March 2025.

Recommendations

It is recommended that Cabinet:

- a. Note the award to the Council of the Home Upgrade Grant Phase 2 of £10.5m.
- b. Approve expenditure of the Home Upgrade Grant Phase 2 as set out in paragraph 7 of this report.
- c. Delegate authority to the Director of Health and Care to complete a compliant procurement process and appoint providers to oversee and install thermal efficiency measures in people's homes, in-line with the Grant conditions and approved expenditure.



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Staffordshire Warmer Homes: Home Upgrade Grant Phase 2

Recommendations of the Cabinet Member for Health and Care and the Cabinet Member for Environment, Infrastructure and Climate Change

It is recommended that Cabinet:

- a. Note the award to the Council of the Home Upgrade Grant Phase 2 of £10.5m.
- b. Approve expenditure of the Home Upgrade Grant Phase 2 as set out in paragraph 7 of this report.
- c. Delegate authority to the Director of Health and Care to complete a compliant procurement process and appoint providers to oversee and install thermal efficiency measures in people's homes, in-line with the Grant conditions and approved expenditure.

Local Member Interest:

N/A

Report of the Director for Health and Care

Background

1. The Government Green Homes Grant is aimed at tackling fuel poverty, meeting the 2050 Carbon Net Zero targets and re-energising local economies in the wake of the Covid pandemic. Currently 25% of the carbon tonnes emitted in Staffordshire comes from residential houses. Thus, this Grant contributes to increasing energy efficiency of homes, lowering carbon dioxide emissions and reducing the impact on the climate. The Council has already secured Green Homes Grant funding as part of the Local Authority Delivery Scheme Phase 1a (£1.04m in October 2020), Phase 2 (£4.2m in March 2021) and the Sustainable Warmth Competition (£5.9m in January 2022, which included the Home Upgrade Grant Phase 1.
2. The Home Upgrade Grant Phase 2 is the fourth phase of the Green Homes Grant. It provides people living in homes with low energy performance ratings (Energy Performance Certificates D to G) with free installation of measures to improve thermal efficiency. The measures include loft

insulation, cavity wall insulation, external wall insulation and air source heat pumps, as well as solar photovoltaic panels with battery storage, solar thermal panels, and underfloor insulation, adapting homes to the impact of climate change again contributing towards lowering Staffordshire’s carbon dioxide emissions.

3. In Staffordshire, Government Green Homes Grant funding has been managed by Staffordshire Warmer Homes, a partnership including the County Council, District and Borough Councils, Staffordshire Fire and Rescue Service, Staffordshire and Stoke on Trent Integrated Care Board and Midlands Partnership University Foundation NHS Trust.
4. Staffordshire Warmer Homes has managed a range of programmes since 2019. Over 900 Staffordshire households have benefited from the installation of over 1,200 thermal efficiency measures. More than 90% of these homes improved their energy rating by at least one point; residents will save around £1.5m annually in energy costs; carbon dioxide emissions have been reduced by at least 500 tonnes since 2019.
5. The Council has been awarded £10.5m for the Home Upgrade Grant Phase 2. This follows a costed proposal submitted to the Midlands Energy Hub in March 2023 and approved by the Government (Department of Energy, Security and Net Zero) on July 10th, 2023. Acceptance of the Grant was made via Delegated Cabinet Member Decision in August 2023.

Benefits

6. The Home Upgrade Grant Phase 2 will support another 530 households that are currently in fuel poverty to have warmer homes; it will reduce carbon dioxide emissions by around 13,000 tonnes over the life of the installed measures; it will employ around 30 people. It should also reduce cold related illnesses, improve the health and well-being of some of the most vulnerable in the county, and reduce demand on health and social care services.
7. Planned expenditure of the Home Upgrade Grant Phase 2 is shown in Table 1.

Table 1: Planned expenditure for Home Upgrade Grant Phase 2

£M	Year 1, 2023/24	Year 2 2024/25	Whole Project
Grant funding allocated	4.200	6.300	10.500
Capital spend on thermal efficiency measures	3.818	5.727	9.545

£M	Year 1, 2023/24	Year 2 2024/25	Whole Project
Administration and ancillary (includes Council overheads, marketing and costs related to the installation - e.g. planning permission or changes to homes)	0.382	0.573	0.955
Number of homes to receive measures	211	319	530
Estimated spend on Grade A measures: loft insulation, cavity wall insulation, external wall insulation, air source heat pumps	2.291	3.436	5.727
Estimated spend on Grade B or C measures: solar photovoltaic panels, solar thermal panels, underfloor insulation	1.527	2.291	3.818

8. The Home Upgrade Grant Phase 2 will benefit predominantly rural areas as eligibility is focused on off-grid homes. We have data that identifies off grid homes with low energy performance ratings in the most deprived areas. We will use this information to target potential households through traditional and social media as well as letter drops, and parish and town councils will be able to promote the project.

Delivery of the Home Upgrade Grant Phase 2

9. Staffordshire County Council will lead, manage, and administer the Home Upgrade Grant Phase 2 on behalf of Staffordshire Warmer Homes.
10. The Home Upgrade Grant Phase 2 is scheduled between 01 October 2023 and 31 March 2025 with a target of 650 measures to be installed in the 530 homes by the end of March 2025.
11. Three separate contracts are required to deliver the programme:
 - a. Customer Journey Support Services: to identify eligible homes, carry out marketing, support residents through the application process, and manage the customer journey (currently EON), up to completion of works. Community Homes Solutions have been appointed by Midlands Net Zero Hub for Staffordshire and Stoke-on-Trent.

- b. Retrofit Co-ordination Services: an independent agency who will determine what thermal efficiency measures are required for each household, monitor the works carried out by the installer, and ensure compliance with relevant standards. They will be monitored and regularly audited for compliance purposes. The current provider is Broad Oak Properties Ltd.
 - c. An Installer of thermal efficiency measures - which will include external wall insulation, loft insulation, cavity wall insulation, air source heat pumps, solar photovoltaic panels among other measures.
12. To procure and deliver the Retrofit Co-ordination Services and Installer contracts quickly the intention is to use the Midlands Energy Hub Dynamic Purchasing System. This uses abbreviated compliant procurement processes (mini competitions) to tender, evaluate and appoint providers. This will allow contracting to be simplified compared to a full SCC procurement exercise and minimise the Council resource required to manage due to the pre-checks already completed by the funder Midlands Net Zero Hub. We will continue to monitor and report on the programme to the Midlands Net Zero Hub.
13. Our local voluntary sector partner, Beat the Cold, will continue to manage wrap around support for vulnerable residents and work with the Retrofit Coordination Services provider to ensure customer needs are being met.

Climate Change Implications

14. Currently 25% of the carbon tonnes emitted in Staffordshire comes from residential houses. Thus, this Grant contributes to increasing energy efficiency of homes, lowering carbon dioxide emissions, and reducing the impact on the climate.
15. Estimates from research suggest that improving by one EPC grade will result in a 30-40% reduction of the carbon footprint within a home. For example, a medium sized house will save around 2.2 carbon tonnes a year by improving by two EPC grades, see appendix 2.

Legal Implications

16. Procurement and legal advice have confirmed that Midlands Net Zero Hub Bespoke Dynamic Purchasing System is compliant with procurement regulations.
17. The risks identified are minimal. However, if the contract award is to new providers there is a risk to timely mobilisation of services.

Resource and Value for Money Implications

18. The Home Upgrade Grant Phase 2 will have benefits for residents in terms of reduced household expenditure, employment, reduction of carbon emissions, better health and well-being and reduced demand on health and care services. There will be no direct costs or savings for the Council.

Future plans

19. Green Homes Grant funding is expected to continue for the foreseeable future to support the Government's Carbon Net Zero targets up to 2030 and beyond. The Staffordshire Warmer Homes partnership puts the county in a strong position to win and deliver further bids.

20. Reducing fuel poverty, tackling climate change, and improving health and well-being remain a high priority for the Council. We are pursuing other opportunities or additional local funding with the NHS and District and Borough Councils.

List of Background Documents/Appendices:

Appendix 1 - Estimates of Carbon Savings

Community Impact Assessment

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