

 WEST OXFORDSHIRE DISTRICT COUNCIL	WEST OXFORDSHIRE DISTRICT COUNCIL
Name and date of Committee	CABINET – 22nd JUNE 2022
Report Number	Agenda Item 9
Subject	SUSTAINABLE WARMTH - LOCAL AUTHORITY DELIVERY (LAD) PHASE 3 AND HOME UPGRADE GRANT (HUG)
Wards affected	All
Accountable member	Cllr Andrew Prosser, Cabinet Member for Climate Change Email: andrew.prosser@westoxon.gov.uk
Accountable officer	Ness Scott, Climate Change Manager Email: Vanessa.Scott@publicagroup.uk
Summary/Purpose	<ul style="list-style-type: none"> ● To provide an overview of the Local Authority Delivery (LAD) 3 Sustainable Warmth and Home Upgrade Grants due to be made available to West Oxfordshire residents in 2022/23 via funding secured from BEIS through the Greater SouthEast Net Zero Hub; ● To request delegated authority for the Head of Paid Service to enter into the Inter Authority Agreement (IAA) on behalf of West Oxfordshire District Council and as a “Participating Authority” in the scheme.
Annexes	Annex 1: Sustainable Warmth Briefing
Recommendation/s	<p><i>a)</i> Note the briefing provided on Sustainable Warmth in Annex 1.</p> <p><i>b)</i> Agree delegated authority be given to the Head of Paid Service to enter into the Inter Authority Agreement (IAA) on behalf of West Oxfordshire District Council and as a “Participating Authority” in the LAD 3 scheme.</p>
Corporate priorities	The Council Plan 2020-2024 has: a vision to support West Oxfordshire to be fit for the future through delivery of the following priorities. <ol style="list-style-type: none"> 1. Climate Action: Leading the way in protecting and enhancing the environment by taking action locally on climate change and biodiversity. 2. Healthy Towns and Villages: Facilitating healthy lifestyles and better wellbeing for everyone.
Key Decision	YES
Exempt	NO
Consultees/ Consultation	

1. BACKGROUND

This report has been prepared:

1.1. To provide an overview of the Local Authority Delivery (LAD) 3 Sustainable Warmth and Home Upgrade Grants due to be made available to West Oxfordshire residents in 2022/23 via funding secured from BEIS through the Greater SouthEast Net Zero Hub;

1.2 To request delegated authority for the Head of Paid Service to enter into the Inter Authority Agreement (IAA) on behalf of West Oxfordshire District Council and as a “Participating Authority” in the scheme.

2. MAIN POINTS

2.1 Sustainable Warmth builds on Phase 1 and 2 of LAD (Local Authority Delivery) schemes, with the majority of eligibility rules staying consistent with the earlier phases. The most prominent change to these previous phases is refining the scope to mains-gas fuelled homes only. In addition, £150m has been made available to support low-income households off the gas grid through the Home Upgrade Grant (HUG) Phase 1. Both these fuel poverty categories have now been brought into a single funding delivery for Local Authorities. The two schemes that make up the Sustainable Warmth funding have a shared goal to:

- a. Tackle fuel poverty by increasing low-income homes’ energy efficiency rating while reducing their energy bills.
- b. Deliver cost effective carbon savings to carbon budgets and progress towards the UK’s target for net zero by 2050.
- c. Support clean growth and ensure homes are thermally comfortable, efficient, and well-adapted to climate change.
- d. Support economic resilience and a green recovery in response to the economic impacts of Covid19.

2.2 Via the GSE Net Zero Hub, WODC submitted as part of a SE regional application to BEIS, an additional £1million funding allocation under the scheme for specific take up by homeowners in West Oxfordshire. Owing to the fact the Home Upgrade Grant, Phase 1, is targeted towards rural areas and householders off gas, added capacity and funding to deliver energy retrofit and decarbonisation for householders in fuel poverty was viewed as beneficial.

2.3 The funding was subsequently awarded by BEIS to GSE Net Zero Hub to deliver Sustainable Warmth in the financial year 2022/23, which includes the £1million allocation made to West Oxfordshire. Warm Works went on to be commissioned by the Lead Authority as Managing Agent responsible for the roll-out of energy retrofit across the South East.

2.4 Under the scheme, WODC have requested and will be given £10,000 of “capacity and capability grant funding” from the GSEEH as contribution towards the marketing and promotions of Sustainable Warmth to West Oxfordshire’s residents. This amount is the only funding through the scheme that the Council will be directly responsible for.

2.5 The Council is not required to contribute any money towards the Sustainable Warmth programme; its in-kind contribution will be in the form of staff time spent carrying out a

targeted communications campaign and direct marketing to householders in areas of fuel poverty and off-gas areas who are eligible for the grant funding.

2.6 An Inter Authority Agreement (IAA) has recently been shared with all participating Local Authorities across the South East, which has been reviewed by the Council's legal services team to ensure there are no major concerns in terms of content and obligations.

2.7 The Council has previously submitted to GSE Net Zero Hub its details confirming that there is no resource to implement energy retrofit in-house. The Council has signposted the existing National Energy Foundation-run, Better Housing Better Health service in Oxfordshire that delivers the Council's ECOFlex obligations, carries out warm and well assessments and already coordinates local energy improvements through their pre-existing local installers network. In delivering Sustainable Warmth, Warm Works would need to liaise with the NEF to coordinate on, and maximise, their reach across the District.

2.8 There is no funding requirement from the Council towards the project, only in-kind support in the form of staff time from the Climate and Communications teams. There is also no policy decision to be taken. The risk to the Council is primarily reputational, i.e. the Council logo will be on the Managing Agent's - Warm Works' - correspondence to householders advertising the available funding to those eligible. In effect, if the energy retrofit works were for any reason carried out badly, the Council may in some way be associated with this.

2.9 The IAA requires a signature on behalf of the Council to enter into the Sustainable Warmth scheme and ensure the allocated funding remains within the District. This has been requested from all the Participating Authorities.

3. FINANCIAL IMPLICATIONS

3.1 There are no financial implications to the Council in signing an IAA, and no funding requirement from the Council.

4. LEGAL IMPLICATIONS

4.1 Through a legal review, no significant legal risks to the Council are identified through the IAA.

5. RISK ASSESSMENT

5.1 The primary risk to the Council is reputational.

6. ECOLOGICAL AND CLIMATE EMERGENCY IMPLICATIONS

6.1 Sustainable Warmth will positively contribute towards the Council's strategic objectives under Theme 2: Energy of the West Oxfordshire Climate Change Strategy by:

- a. Tackling fuel poverty by increasing low-income homes' energy efficiency rating while reducing their energy bills.
- b. Delivering cost effective carbon savings to carbon budgets, progressing towards the UK's target for net zero by 2050.

- c. Supporting clean growth and ensuring homes are thermally comfortable, efficient, and well-adapted to climate change.
- d. Supporting economic resilience and a green recovery in response to the economic impacts of Covid19.

7. ALTERNATIVE OPTIONS

7.1 The alternative option is to not enter in the IAA and allow the GSE Net Zero Hub to reallocate the grant funding to another local authority area within the South East.

DRAFT



Sustainable Warmth – Local Authority Delivery Phase 3 and Home Upgrade Grant (for LA CEO and Lead Members only)

For many years our poorest and most vulnerable households have been affected by fuel poverty but now many households are choosing to use their heating less due to imminent rise in fuel bills and other cost of living.

We understand the pressures that Councils are in to resource energy schemes and we are committed to help you meet fuel poverty and net zero targets.

Your Council is one of many in the South East area that have been successful through our bid for Sustainable Warmth through the Department for Business, Energy and Industrial Strategy (BEIS).

The Greater South East Energy Hub (GSEEH) has on behalf of 66 Local Authorities, secured funding for:

LAD Phase 3 £84,335,893
HUG Phase 1 £34,053,132

Who are we?

The Greater South East Energy Hub is a public body hosted by the Cambridgeshire and Peterborough Combined Authority and funded by the Department for Business, Energy and Industrial Strategy (BEIS). We provide support to 64 local authorities across the South East of England to administer the Sustainable Warmth scheme.

We are continually sourcing installers for retrofit works from our Dynamic Purchasing System (DPS) – this is suitable for all Trustmark accredited businesses, whether large or small.

The scheme overview

In March 2021, the Government announced £200m for low-income households heated by mains gas through a third phase of Local Authority Delivery (LAD) funding. This funding builds on Phase 1 and 2 of LAD, with the majority of eligibility rules staying consistent with the earlier phases –with the most prominent change refining the scope to mains gas fuelled homes only.

Also, £150m available to support for low-income households off the gas grid through the Home Upgrade Grant (HUG) Phase 1.

Sustainable Warmth brings together both these fuel poverty into a single funding delivery for Local Authorities.

The two schemes that make up the Sustainable Warmth funding have a shared goal to:

- a. Tackle fuel poverty by increasing low-income homes' energy efficiency rating while reducing their energy bills –a key principle of the Sustainable Warmth: Protecting Vulnerable Households in England Strategy 2021.
- b. Deliver cost effective carbon savings to carbon budgets and progress towards the UK's target for net zero by 2050.
- c. Support clean growth and ensure homes are thermally comfortable, efficient, and well-adapted to climate change.

- d. Support economic resilience and a green recovery in response to the economic impacts of Covid-19.

Sustainable Warmth funding have to be completed by the delivery deadline of 31 March 2023.

Our Managing Agent, Warm Works will oversee the customer journey and installation process.

Grant eligibility

The primary focus of both the LAD Phase 3 and HUG Phase 1 schemes is to upgrade privately owned housing occupied by low-income households. Some social housing is permitted as tenure "in-fill" when part of area-based schemes

For LAD3 owner occupiers, the grant is up to £10,000 to help pay for the cost of installing insulation upgrades, low carbon heating or renewables.

For LAD3 privately rented properties, the grant is up to £5000. In order to qualify the tenant must meet the income eligibility and the landlord will need to contribute one third towards the cost of the upgrades.

Properties will need to have an EPC rating of band D (30% cap), E, F and G homes.

For HUG1: Rented properties (either with a private or social landlord), maximum subsidy will be £5000 with the landlord funding one third of the overall costs.

Owner Occupiers	F & G	E	D
Electric	£20,000	£15,000	£10,000
	F & G	E	D
Off-Gas Grid Fossil Fuel (oil, LPG, coal)	£25,000	£20,000	£15,000
Park Homes (off the mains agas grid)	£15,000		

Implications for your authority

We will continue to work with your officers to promote, support and deliver the scheme in collaboration with you. GSEEH are the lead authority so will oversee the contractual and delivery tasks.

The aim is to also ensure we focus on capacity and capability building on each local authority and bridge gaps where required. We have found that Local authorities can add significant value to the programme by engaging with the comms to promote the scheme locally. A data sharing agreement may be required to get the best out of marketing and to drive referrals of eligible households. We would welcome working with you and your officers on this basis to make the scheme success.

It is equally important to ensure that your Planning Policy meets the requirement under the Council's Net Zero commitments. This can have significant impact when delivering whole house retrofit scheme.

For further information, please email the team: lad2@energyhub.org.uk



Department for
Business, Energy
& Industrial Strategy

