
REPORT TO:	HOUSING AND COMMUNITY SERVICES COMMITTEE	AGENDA ITEM: 7
DATE OF MEETING:	3rd JUNE 2021	CATEGORY: RECOMMENDED
REPORT FROM:	STRATEGIC DIRECTOR - SERVICE DELIVERY	EXEMPT PARAGRAPH NO: Not Exempt
MEMBERS' CONTACT POINT:	MATT HOLFORD – HEAD OF ENVIRONMENTAL SERVICES	DOC:
SUBJECT:	GREEN HOMES GRANT – LOCAL AUTHORITY DELIVERY PHASE 2	REF:
WARD(S) AFFECTED:	ALL	TERMS OF REFERENCE: HCS02

1. Recommendations

- 1.1 That the Committee endorses the bid made to the Midlands Energy Hub for £425,000 for the Green Homes Grant – Local Authority Delivery Scheme Phase 2.

2. Purpose of Report

- 2.1 To advise the Committee of the content of a bid made to the Midland Energy Hub to invest in the housing stock in South Derbyshire under the Green Homes Grant – Local Authority Delivery Scheme Phase 2 (GHG – LAD Phase 2) and the proposed next steps.

3. Background

- 3.1 The GHG – LAD Scheme was launched in September 2020 by the Department for Business, Energy & Industrial Strategy (BEIS) to save households money, cut carbon and create green jobs. GHG – LAD Phase 1 allocated £200million to local authorities to co-ordinate improvements to both privately owned and local authority owned housing.
- 3.2 In December 2020, with the approval of this Committee, South Derbyshire District Council submitted a bid for £586,500 under the GHG – LAD Phase 1b.
- 3.3 In February 2020, the Council was informed that this bid had been successful. The Council has now initiated a project to deliver thermal insulation improvements to an estimated 220 properties in accordance with the terms of the approved bid. GHG – LAD Phase 1b must be completed by 30 September 2021.
- 3.4 A further £300million has now been made available to local authorities administered through the eight regional energy hubs through a scheme called Green Homes Grant – Local Authority Delivery Phase 2.
- 3.5 Under GHG – LAD Phase 2, the Midlands Energy Hub (MEH) has provisionally allocated funding to each local authority on a pro rata basis in accordance with the

relative overall Energy Performance Certificate (EPC) ratings of the entire housing stock in each Council area.

- 3.6 South Derbyshire District Council has been notified by MEH that a total of £425,000 has been allocated to the area of South Derbyshire.
- 3.7 It is a decision for each Council as to whether they have the capacity and willingness to accept the allocation and to deliver the GHG LAD Phase 2 project.
- 3.8 In order to receive the GHG LAD Phase 2 funding, the Council was required to sign and return a Grant Acceptance Letter by the 15 April 2021 and then submit detailed proposals about the intended delivery of the scheme by 24 May 2021.
- 3.9 The scheme must be 50% completed by 30th September 2021 and 100% completed and paid for by 31 December 2021.
- 3.10 If targets are not met in these timescales there are no penalties. Within reason, there may be flexibility and any underspend must be returned to MEH.
- 3.11 Following approval by the Council's Senior Leadership Team, the Council submitted an Approval Letter and detailed proposals of a project to secure the release of the allocated £425,000 of GHG – LAD to Phase 2 funding.
- 3.12 At the request of MEH, the Council has also indicated a willingness and potential capacity to deliver an additional £815,000 of domestic property insulation work in the event of any underspent allocations elsewhere in the midlands.

4. GHG – LAD Phase 2 Scheme Details

- 4.1 Homes that qualify for funding assistance under the Scheme must meet the following criteria;
 - They must have an Energy Performance Certificate (EPC) rating of D to G, although the scheme will favour those rated E to G.
 - Qualifying households must have a combined household less than £30,000.
 - The scheme favours interventions in properties which are 'off-gas' (i.e. not on the gas network).
- 4.2 The Scheme offers the following funding;
 - The eligible measures are any energy efficiency and / or heating measures compatible with the government's Standard Assessment Procedure (SAP) for energy performance. This includes but is not limited to wall, loft and floor insulation, low carbon technologies such as air and ground source heat pumps and solar photovoltaics. Fossil fuel heating systems are not permitted.
 - The work must bring the property up to an EPC of C.
 - The funding will provide up to £10,000 per owner occupied property (taken as an average of all interventions). For private rented or social rented properties, the funding is up to £5,000 per property with the expectation that the landlord contributes a third of the cost.

5. South Derbyshire GHG – LAD Phase 2 proposals

- 5.1 South Derbyshire District Council completed a comprehensive, desktop housing stock condition survey in 2019 which obtained property level data of all 44,210 properties on the District.
- 5.2 This dataset identified that 23,723 properties in South Derbyshire (53.7%) have a current EPC rating. A total of 4,288 (18.1%) of current EPC ratings are in the range E to G of which 67.6% are owner occupied (2,900), 26.1% are rented (1,119), 6.3% are social housing (269).
- 5.3 Of the 4,019 owner-occupied and rented properties with an EPC rating of E to G, 877 owner-occupied and 444 private rented are in locations which are categorised as falling within an IMD deprivation decile 1 to 5. 125 of these properties are assessed as being 'likely' to 'extremely likely' to contain a category 1 hazard for excess cold under the Housing Health and Safety Rating Scheme.
- 5.4 The highest numbers of properties with an EPC rating of E to G and in deprivation decile 1 to 5 are in the following postcode areas:
- DE11 0SQ – Parliament Street, Newhall
 - DE11 7DX – Station Road, Woodville
 - DE11 8DQ – Moira Rd, Woodville
 - DE11 9EG – Swadlincote Lane, Church Gresley
 - DE11 9NB – Oxford Street, Church Gresley
 - DE12 6RF – Coton Park, Linton
- 5.5 22.5% of the housing stock in South Derbyshire is defined as 'off-gas' including high numbers in the four wards within which the six postcode areas above are located.
- 5.6 The District also contains a relatively high number of park homes, many of which are occupied by low income households in off-gas locations. The Council does not have metrics of the existing EPC ratings or probable Category 1 excess cold hazards in this cohort or properties, but officers' experience of this group suggests a probable high level of fuel poverty.
- 5.7 The GHG – LAD Phase 1b bid submission was based on delivering the following improvements within the private sector stock:
- 30 External Wall Insulation installations
 - 80 Cavity Wall Insulation installations
 - 100 Loft Insulation installations.
- 5.8 This Committee has already approved a GHG – LAD Phase 1b Allocations Policy. The purpose of this Policy is to enable all residents of South Derbyshire to bid for Phase 1b funding to improve their properties, but to ensure that properties meeting the criteria described in sections 4.1, 4.2 and 5.4 of this report are prioritised.
- 5.9 The GHG – LAD Phase 2 allocation is based on virtually identical criteria to the GHG – LAD Phase 1b allocation.
- 5.10 The GHG – LAD Phase 2 submission aims to deliver the following improvements within the housing stock:
- 10 Park Home insulations,
 - 10 External Wall Insulation installations,
 - 40 Loft Insulation installations.

5.11 Unlike the Phase 1b allocation, Phase 2 funding can be used to improve the Council's own stock provided that the Council, as landlord, contributes a third of the cost. Given that the vast majority of Council-owned housing stock has an EPC rating of C or better it is likely that the Allocation Policy will result in the funding being spent on either owner occupied or private rented housing.

Targeting and Delivery

5.12 Potentially eligible households in the six postcode areas (namely parts of Linton, Church Gresley, Woodville and Newhall), plus park homes have already been targeted by letter during December 2020 and January 2021 to obtain expressions of interest. Ad hoc expressions of interest from other locations are also being registered.

5.13 A Project Co-ordinator has been appointed and a contractor with the relevant quality assurance qualifications required by the scheme has been appointed from the Efficiency East Midland procurement framework.

5.14 Expressions of Interest from over 70 property owners have already been received. Full applications for the funding are now being accepted and processed.

5.15 The predicted carbon savings expected to be achieved as a result of installed measures are:

- As a result of solid wall insulation, the annual carbon savings are projected to be 7.9 tonnes per annum.
- As a result of park home insulations, the annual carbon savings are projected to be 15.4 tonnes per annum.
- As a result of loft insulation, the annual carbon savings are projected to be 28 tonnes per annum.

6. Financial Implications

6.1 Major beneficial. The project will bring £425,000 of additional investment into South Derbyshire. When combined with the previous GHG – LAD Phase 1b bid, this represents an investment of £1,011,500 in the local housing stock.

6.2 This will represent a medium-term investment in the local energy retrofit market, thus boosting the green economy. It will also deliver a long-term investment in the local housing stock with the associated financial and carbon savings described earlier in the report.

7. Corporate Implications

7.1 Employment. A Project Co-ordinator has already been appointed to deliver the GHG – LAD Phase 1b project. GHG – LAD Phase 2 will enable this contract to be extended for at least a further three months.

7.2 Legal. The bid is the subject of a Memorandum of Understanding between Midlands Energy Hub and the Council. The MoU sets out a reporting framework which will need to be completed by the Project Coordinator in order to satisfy the Energy Hub that the project aims are being met.

7.3 Corporate Plan implications – The proposals align with the key Corporate Plan theme of 'Our Environment' as well as the two key aims of "Strive to make South Derbyshire

District Council carbon neutral by 2030” and “Work with residents, businesses and partners to reduce their carbon footprint”.

7.4 Risk impact - None

8. Community Implications

8.1 Beneficial.

9. Conclusion

9.1 The report seeks the Committee’s endorsement of the GHG – LAD Phase 2 bid and the proposed next steps.

10. References

10.1 H&CS Committee Item 28 January 2021.

10.2 GHG – LAD Phase 1b Allocation Policy December 2020.