

## Motion to Council – Energy Efficiency

Report of the Housing and Environmental Health Portfolio Holder

### Recommended:

**That delegated authority be given to the Head of Housing & Environmental Health, in consultation with the Portfolio Holder for Housing & Environmental Health to respond to the Call for Evidence, highlighting a range of challenges facing local government in achieving decarbonisation, including the challenges associated with the current funding schemes and resourcing the necessary work streams.**

#### SUMMARY:

- On 7<sup>th</sup> September 2022, Council considered a motion from Councillor G Cooper and seconded by Councillor Parker regarding the financial pressures faced by households in Test Valley as a result of the increasing energy bills, and calling for the government to do more to support low income households.
- There are a number of schemes aimed at low income households which can provide grants for energy efficiency improvement work for residents of Test Valley.
- The Council can also assist low income households to upgrade the energy efficiency of their property by offering Home Improvement Grants and Loans in some circumstances, in accordance with the Council's Private Sector Housing Renewal Policy.
- Councillor G Cooper's motion recommended that the Council write to the government to seek further investment in the Sustainable Warmth scheme, and to increase the income threshold to £50,000. Due to the issues affecting implementation of this scheme across a large part of the South East of England, and the short timescale that the scheme is open, it is likely that lobbying government on that topic will not alter the outcome for residents in Test Valley.
- It is, however, considered there is merit in the Council writing to government to highlight the challenges being faced by local government in achieving decarbonisation, including highlighting the challenges associated with resourcing work to support our communities to reduce their carbon emissions.
- Coincidentally, the BEIS Secretary of State has commissioned an independent review of the government's approach to delivering its net zero target and has launched a 'Call for Evidence' to provide a range of stakeholders with an opportunity to give their views on the transition to net zero, with some specific questions aimed at local authorities. The 'Call for Evidence' is open until 27<sup>th</sup> October 2022 and would give Test Valley Borough Council the opportunity to present its views through that official channel.

## **1 Introduction**

- 1.1 When it met on 7<sup>th</sup> September 2022, Council considered the following motion, which was moved by Councillor G Cooper and seconded by Councillor Parker:

*'In an attempt to both ease the cost pressures for our lowest income residents and in a step to helping our residents to lower their impact on the environment, Test Valley Borough Council will:-*

- a) Call upon the Government to do more to support low income households by dramatically improving the Local Authority Delivery Scheme, by doubling the funds available to the lowest income households and expanding the threshold of household income to £50,000 pa.*
- b) Urgently investigate the availability of other schemes which have already benefitted the residents of other councils in the Hampshire area.*
- c) Communicate with our residents as to what options and opportunities are available for improving their homes' heating and energy efficiencies.*
- d) Urgently and immediately seek to assist our lowest income families with financial support packages aimed at insulating their homes.'*

- 1.2 The matter stood referred to Cabinet.

## **2 Background**

- 2.1 The Council motion was set out in four specific elements.

- 2.2 a) *'Call upon the Government to do more to support low income households by dramatically improving the Local Authority Delivery Scheme, by doubling the funds available to the lowest income households and expanding the threshold of household income to £50,000 pa.'*

- 2.3 The Local Authority Delivery (LAD3) Scheme is part of a wider Sustainable Warmth programme (under the banner of Green Homes Grant), which includes the LAD3 scheme for 'on gas grid' properties, and the Home Upgrade Grant (HUG) for 'off gas grid' properties. The schemes are intended to provide grants to residents with a household income of less than £30,000 to enable them to have improvements carried out to increase the energy efficiency of their homes.

- 2.4 The government's intention of the scheme is clear in its aim to target households on lower incomes, who live in homes that have Energy Performance Certificate (EPC) ratings of E, F and G, (which makes them most at risk of fuel poverty).

- 2.5 The current financial threshold of £30,000 is designed to benefit a large number of households across the country. As some parts of Test Valley have an average household income which is above that threshold, it is likely that less households will benefit from the scheme in this area when compared to more deprived parts of the country.

- 2.6 There have been some challenges in delivering the Sustainable Warmth scheme in Test Valley and these have been beyond the council's control. TVBC is part of a consortium led by the Greater South East Energy Hub which aims to deliver the programme through a managing agent. The council originally signed up to the Hub for the delivery of the previous LAD2 scheme, and for the purposes of continuity, remained with that Hub for the new Sustainable Warmth scheme.
- 2.7 There have been significant delays experienced by the Greater South East Energy Hub in procuring a managing agent to co-ordinate and progress the referrals that will be made, and as a result we are now 6 months into the scheme with the managing agent having only just been procured, and agreements signed. The scheme ends on 31<sup>st</sup> March 2023, and referrals will need to be made by 31<sup>st</sup> December 2022, to enable time for properties to be surveyed, and work to be undertaken.
- 2.8 Test Valley had been nominally allocated £1.1M funding for improvements to homes in the borough. Due to the delays in implementing the scheme we have been advised that realistically only up to 50% of that allocation will be available/spent, resulting in less households being able to benefit from the scheme.
- 2.9 As mentioned, the scheme parameters are very clear, with the requirement to target funding specifically at those earning less than £30K per annum. At this stage, it is unlikely the Council will be able to influence the national scheme criteria. Indeed, the Council's officers have previously written to the government Department for Business, Energy and Industrial Strategy, highlighting concerns with the LAD schemes more generally, and were advised that no changes would be made.
- 2.10 *b) 'Urgently investigate the availability of other schemes which have already benefitted the residents of other councils in the Hampshire area.'*
- 2.11 This is already happening with officers actively speaking to colleagues across Hampshire to share experiences and identify opportunities, however, it has not resulted in immediate benefits or a route into a more rapidly mobilising Sustainable Warmth Scheme. In the context of LAD3, TVBC are effectively 'locked in' with our funding at this relatively late stage, to a consortium, as one of 65 local authorities.
- 2.12 It is worth noting that all 65 partner councils have also been affected by the delays experienced with the Greater South East Energy Hub. This provides a clear indication of the scale of the issue affecting the delivery of the scheme in the region.
- 2.13 The Council has access to the same schemes that other Hampshire local authorities have access to, and officers are in dialogue with colleagues across the county as a matter of course. Five other Hampshire local authorities fell under the Greater South East Energy Hub for the previous LAD2 scheme,

alongside Test Valley. TVBC remained with the GSEEH for LAD3 to support transitioning people who had sought to engage with the LAD2 scheme across to LAD3, and anticipating that previous issues would be resolved and the scheme would deliver (only for further unforeseen issues to arise that have caused subsequent delay). Some of the Hampshire districts who worked with GSEEH under LAD2 were in a position to join a separate consortium under LAD3, and that consortium, led by Portsmouth City Council, did not suffer the same delay under LAD3. Test Valley and our 64 partner authorities continue to work with GSEEH to try and deliver as much benefit as we can out of the LAD3 scheme, which is now moving ahead with a managing agent now in place.

- 2.14 Within current resources, officers continue to look for opportunities that may benefit residents of Test Valley. In this sense, this aspect of the motion has already been happening and remains on ongoing work in progress.
- 2.15 *c) 'Communicate with our residents as to what options and opportunities are available for improving their homes' heating and energy efficiencies.'*
- 2.16 The Council's website includes a range of information around energy efficiency measures, which has recently been linked to the new Cost of Living Support webpage to make it easily accessible.
- 2.17 As part of the work on the Sustainable Warmth programme, and now that a managing agent has been procured, the Council will be identifying households who are likely to qualify for assistance under the Sustainable Warmth scheme, and writing to them to invite them to apply for assistance.
- 2.18 The scheme will also be publicised on social media, as well as leaflets and posters being made available in public areas. The next edition of Test Valley News will also promote energy efficiency schemes as part of our cost of living response.
- 2.19 This aspect of the Council motion is already happening and will continue, working closely with the communications team.
- 2.20 *d) 'Urgently and immediately seek to assist our lowest income families with financial support packages aimed at insulation their homes.'*
- 2.21 In addition to the above, at its meeting on 29<sup>th</sup> September 2022, Cabinet approved a grants scheme designed to support local agencies to assist our communities, where residents are identified who are struggling with cost of living related issues. Further, a group of key partner agencies, including the CAB and Food Banks, are now regularly coming together with TVBC officers to review pressures and emerging priorities locally.
- 2.22 Whilst the recently approved grants scheme, and the partnership group mentioned, are not specific to energy efficiency and fuel poverty, they are part of a wider Test Valley Partnership commitment to trying to mitigate the most significant local impacts of the cost of living crisis on our communities.

- 2.23 In the context of energy efficiency and fuel poverty, in addition to the Sustainable Warmth programme (which is based around household income), there are also other schemes which are available nationally, to a wider range of households, and which are not income based. Those schemes include the Boiler Upgrade Scheme, Solar Together, and Green Deal Loans. There is information available on the Council's website relating to all of those schemes.
- 2.24 TVBC is also able to offer Home Improvement Grants and Home Improvement Loans in some circumstances as set out in the Council's Private Sector Housing Renewal Policy, which can be used to assist with improving the energy efficiency of a property. Those initiatives are aimed at those on low incomes only.
- 2.25 It is possible that some schemes can be combined in order to deliver necessary measures for low income households. For example, a qualifying household may be able to benefit from energy efficiency upgrades through the Sustainable Warmth Programme, and also apply for a top up of funding through a Home Improvement grant or loan from TVBC.
- 2.26 The Council's Private Sector Housing team is currently analysing data to identify households to target under the Sustainable Warmth scheme and will be writing to residents shortly, as well as working with the communications team to publicise the scheme across the borough. The website has been updated to include up to date information on all available schemes.
- 2.27 The Call for Evidence is seeking views from a range of stakeholders, including members of the public, businesses, local authorities, communities, and other organisations delivering net zero. Amongst the questions for local authorities, there is a broad question relevant to the motion:
- "How can the design of net zero policies, programmes and funding streams be improved to make it easier to deliver in your area?"*
- 2.28 It would be appropriate for the Council to contribute to the Call for Evidence in order to express the challenges associated with energy efficiency schemes such as LAD3; including that the current criteria may be restrictive on who can access the support in less deprived areas and the extent of the support available.

### **3 Corporate Objectives and Priorities**

- 3.1 The Council's Corporate Plan 2019-2023 includes four strategic aims for the Council. One of the four strategic priorities is "Growing the potential of people". Within that theme the Council sets out its priorities in addressing a range of housing needs.
- 3.2 The Council's Climate Emergency Action Plan includes a number of actions to improve housing conditions in the private sector, including actions to improve energy efficiency. Ongoing work to review and revise the Climate Emergency Action Plan will be important in the context of carefully targeting any additional, available resources to assist Test Valley to decarbonise in future.

## **4 Consultations/Communications**

- 4.1 Operational staff have been engaged in the local approach to promoting and delivering energy efficiency measures, and the council's communications team are actively engaged in supporting the promotion of these measures including through the forthcoming edition of Test Valley News.
- 4.2 Council has discussed the motion and it has been duly referred to Cabinet for further consideration.

## **5 Options**

- 5.1 The motion set out 4 key elements. In the context of "urgently investigate the availability of other schemes which have already benefitted the residents of other councils in the Hampshire area", the housing team have reached out to colleagues in other parts of the county, however, we remain in the current consortium and this represents our best chance of achieving any delivery under the LAD3 scheme. Officers are always mindful of opportunities in other areas, not only within Hampshire, and so this is something that happens as a matter of course in the course of our day to day work.
- 5.2 Communication with residents is already happening with more planned, and there are direct links to the cost of living work that is happening including across partnerships. This aspect of the motion is in hand.
- 5.3 The motion also addresses "urgently and immediately seek to assist our lowest income families with financial support packages aimed at insulating their homes" and this is a constant work in progress. There are national schemes and local measures available as described in this report. To do more at a local level would require additional resources and there is presently no budget available to increase the number of grants or loans the Council can provide. The motion itself does not suggest how the Council might go about funding new local initiatives.
- 5.4 In the above context, the key aspect of the motion for Cabinet to consider is set out in the options appraisal below.
- 5.5 **Option 1** – to participate in the national Call for Evidence which will enable TVBC to provide feedback on the policies, programmes and funding schemes in relation to delivering net zero, and to highlight the challenges encountered by local authorities.
- 5.6 **Option 2** – to lobby government to increase the funds available under the LAD3 (Sustainable Warmth) scheme, and to increase the household income threshold.

## **6 Option Appraisal**

- 6.1 Option 1 is the recommended option. This will highlight the challenges being faced by local authorities in implementing schemes that are highly complex, resource intensive, and often managed by external stakeholders over which the Council has no control. This is likely to coincide with a letter recently sent by the Chair of the Climate Change Committee to the Department of Business and Industrial Strategy (BEIS) calling upon government to:

- Develop a long term strategy to provide clarity to households around energy efficiency targets and to compel action;
- increase public awareness;
- provide access to trusted energy advice, delivering further incentives to encourage homeowners to upgrade the energy efficiency of their homes;
- ensure there is a supply of well trained and reliable installers.

6.2 Option 2 would not improve the current situation with the LAD3 (Sustainable Warmth) scheme as it would not resolve the issues already experienced regarding the delay to implementation of the scheme, which will be the most significant factor in the number of homes which will benefit from the scheme before it ends in March 2023. Officers have written to BEIS colleagues previously regarding concerns affecting the LAD schemes, but in response, BEIS have simply reiterated the criteria for scheme delivery without suggestion there may be any consideration to adjusting how those schemes may be delivered in future.

## **7 Risk Management**

7.1 A risk assessment has been completed in accordance with the Council's Risk Management Methodology. An evaluation of the risks indicate that the existing controls in place mean that no significant risks have been identified at this time.

## **8 Resource Implications**

8.1 The recommendation to participate in the Call for Evidence can be managed within existing resources.

8.2 The current initiatives to assist with energy efficiency measures are resource intensive. These initiatives are taking up an increased amount of staff time which is primarily allocated for dealing with the council's statutory obligations around the provision of adaptation works through Disabled Facilities Grants, and enforcement work associated with poor housing conditions in the rented sector.

8.3 Introducing additional or revised energy efficiency initiatives would have financial implications and there is no current budgetary provision to support that. The motion itself did not identify how the council should resource the suggestions it included. This report has therefore focused on the current work that is happening, including reflecting on the cost of living crisis work that is being undertaken, and on those aspects of the motion that can be delivered within existing resources.

## **9 Legal Implications**

9.1 There are no legal implications of the recommended option.

## **10 Equality Issues**

- 10.1 It is likely that the recommendation and the wider scope of the proposed contribution to the Call for Evidence would, if implemented and resulted in a successful outcome, benefit more residents with lower incomes. It may also be that a greater proportion of those with certain protected characteristics may fall into that category.

## **11 Other Issues**

- 11.1 Community Safety - None
- 11.2 Environmental Health Issues – any action that can be taken to improve the energy efficiency of homes in the borough will improve the overall condition of homes, and will increase the wellbeing of residents.
- 11.3 Sustainability and Addressing a Changing Climate – in line with the Council's Climate Emergency Action Plan, the Council aims to promote and deliver schemes which can improve the energy efficiency of homes to contribute towards the net zero target for 2050.
- 11.4 Property Issues - None
- 11.5 Wards/Communities Affected - All

## **12 Conclusion and reasons for recommendation**

- 12.1 The motion sets out four key elements. Against those four elements, a range of work is already happening, and we should be mindful of the Council's ongoing work in partnership with a range of agencies, including with the Test Valley Partnership.
- 12.2 It is apparent that time and resources are already being put towards supporting residents to access available assistance. In the context of LAD3, it is unfortunate that the delivery through the consortium has been fraught with delays. Officers have already written to BEIS and the GSEEH to express concerns, and it is unlikely that government will consider making a significant upward financial adjustment to a budgeted national scheme at this stage.
- 12.3 In terms of providing financial support packages, there is already work happening and the Council has made resources available for which budgetary provision has been made. The motion did not identify any new or additional sources of funding or capacity.
- 12.4 The Council is committed to achieving net zero carbon and to assisting residents to access funding to improve the energy efficiency of their homes, and to improve their wellbeing. There is an opportunity to highlight to government the challenges the council and its communities face in delivering net zero through participation in the national Call for Evidence.

Background Papers (Local Government Act 1972 Section 100D)

Sustainable Warmth Inter-Authority Agreement

Confidentiality

It is considered that this report does not contain exempt information within the meaning of Schedule 12A of the Local Government Act 1972, as amended, and can be made public.

No of Annexes:	0	File Ref:	N/A
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(Portfolio: Housing and Environmental Health) Councillor T Tasker

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Report to:	Cabinet	Date:	26 October 2022
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