

## Report of the Deputy Chief Executive

**FUNDING STREAM AVAILABILITY FOR HOUSING ENERGY EFFICIENCY IMPROVEMENTS**1. Purpose of report

To provide the Committee with the latest updates on funding stream availability for housing energy efficiency improvements.

2. Background and Detail

Information on the Energy Company Obligation (ECO) and Renewable Heat Incentive (RHI) schemes was given in a previous report to this committee on 23 November 2020.

This report focuses on the Green Homes Grant Local Authority Delivery (LAD) scheme and the Social Housing Decarbonisation Fund (SHDF) in relation to the council's own housing stock. Further details are given in the appendix.

In addition, the government published the Heat and Buildings Strategy on 19 October. This includes £3.9 billion of new funding for decarbonising heat and buildings, including £450m for a Boiler Upgrade Scheme that will fund 90,000 heat pumps over the next three years.

[https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment\\_data/file/1026507/heat-buildings-strategy.pdf](https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/1026507/heat-buildings-strategy.pdf)

3. Financial Implications

There are no immediate financial implications resulting from this report.

In the case of successful bids for funding it is permitted to charge capital fees as a proportion of them. This allows cost recovery of detailed design work and site supervision etc. However, the preparation costs of formulating bids, whether using in house staff or external consultants, must be absorbed within existing revenue budgets.

Personnel Committee and Finance and Resources Committee have approved the creation of a post to help make such bids, and recruitment is currently underway.

**Recommendation**

**The Committee is asked to NOTE this report.**

Background papers

Nil

## APPENDIX

Green Homes Grant Local Authority Delivery

The Council was unable to participate in the application and delivery deadlines for **Phase 1** because the deadlines were so tight. Those councils that were able to apply were those who were scaling up existing programmes rather than creating new schemes. Unsurprisingly therefore Phase 1 (£200m) was significantly underspent.

However, in relation to **Phase 2** the Council was allocated £724,850 of funding through the Midland Energy Hub and is seeking to spend that funding before the (recently extended) completion date of 31 March 2022. The proposed schemes include: -

- External wall insulation to 32 houses and 24 blocks of flats
- Energy efficient electric heating

A number of issues have been encountered during delivery including: tenant/leaseholder refusal of measures, presence of asbestos, the need for prior bat surveys, the presence of bats in some cases, rejection of some detailed designs by the funding gate-keepers working on behalf of BEIS, insistence by the funding gate-keepers on additional expensive measures (such as up to £600,000 of roof upgrades) in order to obtain the full grant release, and delays with key material supplies (such as glass and external rendering).

At this stage it is anticipated that the funding allocation will be significantly but not fully spent due to these issues. The contractor working on behalf of Broxtowe Borough Council has reported that other local authorities are also facing similar challenges.

Social Housing Decarbonisation Fund

Up to £160 million was made available by Government in the 2021/22 financial year, with delivery running to January 2023. Successful applicants will be notified by the end of December 2021. The emphasis of the funding criteria was “fabric first” with government primarily looking for insulation measures that would lift the EPC banding of social housing properties which are currently D and below.

Broxtowe Borough Council made a bid for £530,000 to top up loft insulation at the remaining 513 properties to the latest standards. The bid may seem relatively low but Broxtowe Borough Council has a long history of undertaking energy efficiency measures to its housing stock as detailed below, and the funding criteria were clear that bids involving mass installation of heat pumps would not be considered ahead of bids involving insulation.

Measures previously undertaken by Broxtowe Borough Council to its own stock**Hard to treat properties**

Since 2016 the Council has retro-fitted external wall insulation to a total of 506 properties. This work took advantage of the ECO funding schemes.

Prior to this, retro-fit work was also completed to an additional 246 properties.

**Loft & Cavity work**

In the past the Council has taken advantage of the original CERT funding schemes (approximately 20 years ago) and insulated most of the cavity walls, and improved a large proportion of lofts. Since then the Council has also upgraded a further 632 properties with cavity wall insulation and loft insulation.

**Heating systems**

The majority of the housing stock is gas supplied (approximately 4100 units), and now benefits from modern condensing gas boilers, including modern radiators, programmers, room thermostats, and thermostatic radiator valves. Less than 1% of the gas stock has yet to be improved and this is largely due to refusals. As boilers become older and beyond their serviceable life the Council has continued to upgrade using the most efficient models.

Approximately 300 dwellings are electric only and these heating systems are in the process of being upgraded to the latest high heat retention technology. So far 110 have been improved, and the Council continues to target the rest.

**Windows**

The whole of the stock has double glazing. The plan is to replace the much older units with more energy efficient double glazing on a rolling programme.

**Renewable technology fitted to date**

18 Solar thermal hot water drain back systems

26 Solar PV systems to properties

5 large communal solar PV systems

9 Ground source heat pump systems

2 Air source heat pump systems

**Future Bids**

It is fully expected that there will be future Government funding schemes for housing energy efficiency improvements. The appointment of a bidding post will assist with all such bids, and the completion of the Council's Asset Management Strategy (currently underway) will assist with bids relating to the Council's own housing stock.