

RIBBLE VALLEY BOROUGH COUNCIL REPORT TO HEALTH & HOUSING COMMITTEE

Agenda Item No. 5

meeting date: THURSDAY, 22 OCTOBER 2015
title: COSY HOMES IN LANCASHIRE (CHiL) PROJECT
submitted by: MARSHAL SCOTT – CHIEF EXECUTIVE
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1 PURPOSE

- 1.1 To request approval to make a £4,000 contribution towards delivery of the Cosy Homes in Lancashire (CHiL) scheme.
- 1.2 Relevance to the Council's ambitions and priorities:
 - Community Objectives – Investment in energy efficiency and affordable warmth keeps vulnerable people out of hospital.
 - Corporate Priorities – None.
 - Other Considerations – None.

2 BACKGROUND

- 2.1 The 'Cosy Homes in Lancashire' (CHiL) scheme is a countywide energy efficiency and affordable warmth initiative. It offers an accessible and straightforward means of accessing grants from energy companies and other sources to fund new heating measures, insulation and renewable technologies in domestic properties.
- 2.2 On behalf of all the local authorities in Lancashire, Blackpool Council has entered into a contract with Scottish and Southern Energy (SSE) for around £3.5 million worth of energy efficiency measures. It has also engaged with other companies to manage and deliver the scheme as a pilot running from September 2015 to August 2016. At a meeting of the Lancashire Chief Finance Officers in September, each of the 15 local authorities were asked to contribute £4000 to the staffing, marketing and administration costs for this pilot.
- 2.3 Lancashire has also been successful in securing £2.2 million from the Department of Energy and Climate Change (DECC)'s Central Heating Fund (CHF). Blackburn with Darwen Council is entering into the contract with DECC on Lancashire's behalf.
- 2.4 The total funding available for Lancashire is now over £6 million and if utilised the outcome of the scheme will be a significant reduction in energy bills and an increase in the 'thermal comfort' of homes, leading to a reduction in cold-related illnesses and associated GP and hospital visits.

3 BACKGROUND

- 3.1 Parts of Lancashire rank amongst the highest in England for rates of fuel poverty and this initiative is an extension of the affordable warmth work that local authorities and partner agencies have been doing for many years.

- 3.2 The pilot scheme has been developed following recommendations made in a report commissioned by the Lancashire Directors of Public Health into how best to engage with the Coalition Government's flagship Green Deal and ECO (Energy Company Obligation) schemes. There is increasing evidence around the positive health impacts of warm homes and the potential savings to households and public services. The pilot is also drawing on lessons learned during a trial scheme during 2014/15.
- 3.3 At the moment the private market for energy efficiency work is complex and difficult to navigate for the ordinary householder. This is compounded by the high number of 'hard-to-treat' period properties in Lancashire that require expensive measures to improve them. The eligibility criteria for accessing grants directly from energy companies can be arbitrary and the quality of work done by private contractors can vary significantly. Sadly there are even some rogue contractors using the 'government scheme' label to scam vulnerable households.

4 CHiL SCHEME OUTLINE

- 4.1 The funding provided by SSE is contingent on Lancashire delivering measures that help SSE meet its statutory obligations to help households in fuel poverty and to reduce domestic carbon emissions. Along with the DECC Central Heating Fund and Affordable Warmth Funding provided by Lancashire County Council, there is potentially over £6 million available, although in many cases the cost of measures will need to be 'topped-up' by the household or other source (see below). The CHiL scheme is maintaining a constant engagement with the ECO market in order to ensure the maximum available funding can be accessed.
- 4.2 Householders (or agencies supporting them) are invited to call the managing agents for the scheme, Firefly Energi Ltd, on 03306 061 488 or email info@chil.uk.com to find out more about the scheme. Firefly Energi will take them through an initial referral form and, if it looks as if their property could benefit from the measures available, they will book the household in for a free survey. A website for the scheme is currently in development, and once launched will be supported by social media activity.
- 4.3 Measures available under the scheme include new boilers and central heating systems for low income/vulnerable households, cavity wall insulation and loft insulation. The cost of these measures to households will vary – as many as possible will be done for free, but the grant funding available sometimes needs a top-up, which averages several hundred pounds. Firefly Energi will work with landlords, home improvement agencies, housing and energy officers and charitable trusts to try and source this contribution. If that doesn't work out the scheme will also be trialling a low-cost ethical loan option for households provided by local credit unions.
- 4.4 Some households who don't meet the grant criteria will need to pay full price if they want a new boiler or heating system – as the scheme is buying boilers in bulk it is possible for CHiL to offer a high quality product at a very competitive price and there have already been some customers taking this option up. This also provides a small surplus that goes into the CHiL 'pot' which will be built up over time and which will hopefully provide another source of funding to 'top up' jobs for households in need that would otherwise not be financially viable.
- 4.5 The measures will be installed by a range of local and regional installers who have been engaged through Firefly Energi.
- 4.6 Working across the county brings economies of scale, allowing high quality materials, such as boilers, to be bought in bulk and the savings passed on to households.

4.7 Surplus grant funding received for a property is returned to a 'pot' for reinvestment into other properties, rather than taken as profit. In this way 'CHiL' hopes to maximise the number of households supported. Private landlords and organisations working with clients who could benefit are also encouraged to get in touch.

4.8 Beyond the core work of heating and insulation measures, the scheme will also develop offers for households around renewable energy technologies and energy tariff switching.

5 GOVERNANCE AND DISTRICT AUTHORITY ENGAGEMENT

5.1 The scheme is overseen by a Programme Board with cross-authority representation, and operationally by officers from Blackpool, Blackburn and Preston Councils.

5.2 Officers from every authority are invited to attend a monthly 'Progress and Development' meeting to receive detailed feedback on performance, and to raise issues and suggestions.

5.3 Regular updates are also being provided to the Lancashire Leaders group and the Lancashire Chief Finance Officers meeting.

6 FUTURE OF CHiL BEYOND THE PILOT

6.1 If the pilot proves successful, there is the possibility to develop 'CHiL' further – perhaps into a standalone not-for-profit entity such as a Community Interest Company (CIC). However, the potential for continuation depends on the future of ECO or other energy efficiency scheme and the policy environment nationally is somewhat clouded, with the current government having made a commitment only to “*insulate a million more homes over the next five years*” which is a rate significantly below what has previously been delivered.

7 ISSUES

7.1 The key risks identified to the success of the CHiL Scheme are:

- Insufficient leads generated of suitable households that meet the ECO criteria
- Insufficient funding for measures – where a contribution is required for an installation to proceed but it's not available
- Lancashire local authorities don't fully engage with the scheme

7.2 The generation of leads is the responsibility of all partners and local authorities have engaged operationally through the Home Energy Group and through press and marketing activity by PR & Communications teams.

7.3 The 'topping-up' of jobs that do not attract sufficient grant funding is something that many local authorities have engaged directly in and has provided vital support for many households.

7.4 In terms of backing and engagement, Blackpool Council and the CHiL Board request that all authorities promote.

8 RISK ASSESSMENT

8.1 The approval of this report may have the following implications:

- Resources – The cost of joining the scheme will be funded by the affordable warmth grant monies.
- Technical, Environmental and Legal – There are TUPE implications identified in the contract, however there is no intention to transfer staff. There is also a termination clause which would put Ribble Valley Borough Council liable for its portion of any losses, should we withdraw from the scheme.
- Political – Fuel poverty is an issue that needs addressing in the borough.
- Reputation – Important to work with all Lancashire Authorities to share the staff resource to deliver the scheme.
- Equality & Diversity – Important vulnerable households have access to affordable warmth.

9 RECOMMENDED THAT COMMITTEE

9.1 Approve Ribble Valley Borough Council make a £4,000 contribution towards funding delivery of the CHiL pilot across all Lancashire Authorities.

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CHIEF EXECUTIVE

BACKGROUND PAPERS

(If any)

For further information please ask for Rachael Stott, extension 4567.

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