

<b>Meeting:</b>	<b>Cabinet member housing, regulatory services, and community safety</b>
<b>Meeting date:</b>	<b>Tuesday, 12 May 2020</b>
<b>Title of report:</b>	<b>Further Warm Homes Funding- Shropshire Council led project</b>
<b>Report by:</b>	<b>Marches Sustainable Energy Project Manager</b>

## **Classification**

Open

## **Decision type**

Key

This is a key decision because it is likely to result in the council incurring expenditure which is, or the making of savings which are, significant having regard to the council's budget for the service or function concerned. A threshold of £500,000 is regarded as significant.

Notice has been served in accordance with Part 3, Section 9 (Publicity in Connection with Key Decisions) of the Local Authorities (Executive Arrangements) (Meetings and Access to Information) (England) Regulations 2012.

## **Wards affected**

(All Wards);

## **Purpose**

This report seeks approval for the council to participate in an extension to the current Warm Homes Fund project which will support an additional 200 plus fuel poor households in Herefordshire to access funding for first time central heating systems and energy advice through the project.

The original decision, made in December 2018, can be found [here](#) and approved the proposals for Herefordshire to act as accountable body and add the relevant funding to the capital programme, define eligibility as per 3 and 4 below and for the Acting Assistant Director for Regulatory, Environment and Waste Services to take operational decisions necessary to implement the project.

As the additional funding offer requires a change to the current delivery model, this report also seeks authority to vary our current agreement with the Warm Homes Fund and to establish a collaborative governance structure with Shropshire Council who will act as the accountable body.

## **Recommendation(s)**

**That:**

- (a) Herefordshire Council participates in the Shropshire Council led category 1 (Urban) and category 3 (Energy efficiency and Health related solutions) Warm Homes Fund projects and accepts the grants via the signing of a Memorandum of Understanding;**
- (b) The Acting Assistant Director for Regulation, Environment & Waste Services be authorised to take all operational decisions necessary to enable the project; , such as signing off the project Memorandum of Understanding (MoU) and any relevant targeting activity;**
- (c) Herefordshire Council agrees to end its current, direct Category 1 agreement with Warm Homes Fund provider, Affordable Warmth Solutions, by means of a variation in the agreement, in order to access the further and higher level of funding provision.**

## **Alternative options**

- 1. Herefordshire Council choose not to take part in the Shropshire Council led projects, this would likely lead to us being required to continue delivering under our current agreement and is not recommended as the funding is at a lower level, i.e. less households are set to benefit and would also require some re-negotiation with the funder for the Shropshire element of the project for which we are currently responsible.

## **Key considerations**

- 2. Fuel poverty remains a significant issue in Herefordshire, with an estimated 9,990 households (12.2%) thought to suffer from fuel poverty in the county, which is above the national average of 10.9%.
- 3. Households across both Herefordshire and Shropshire are defined as fuel poor and eligible for support through their respective statements of intent (Appendix 2) if they are either:
  - a. Low Income and Vulnerable;
  - b. Low Income High Cost
- 4. Households will also qualify through the national (Energy Company Obligation, ECO) funding scheme, as part of the 'Help to Heat' group, this is for those that are in receipt of a qualifying benefit and satisfy the relevant income requirements, where applicable.
- 5. The Warm Homes Fund is designed to support councils, registered social landlords and relevant partner organisations to address some of the issues affecting fuel poor households. This fund is administered by National Grid and the Community Interest Company, Affordable Warmth Solutions.

6. The council previously approved a decision to implement a similar partnership project as the lead authority but at a lower funding level, part of which aimed to help 150 Category 1 (urban) homes out of fuel poverty across both counties by installing first time central heating systems in order to replace old and inefficient electric and solid fuel heated properties.
7. The Shropshire led Category 1 (Urban) project will allow a further 425 homes to benefit across both counties, with them also taking responsibility for the 150 homes from the original scheme, totalling 575 in total.
8. The Category 3 project will provide further funding in Herefordshire to deliver energy advice, benefits realisation and links to health.
9. Herefordshire Council will continue to lead on the previously approved Category 2 (Rural) project, which seeks to assist a further 150 fuel poor households with first time central heating systems across Herefordshire and Shropshire.
10. The new projects are planned to commence delivery in March 2020 and run until May 2022.
11. The combined grant offer to Shropshire Council from the Warm Homes Fund totals £1,534,788 with a total project value of £3,055,568 due to match funding brought into the project through delivery partner E.On.
12. Shropshire Council have signed a Recipient Agreement with administering organisation, Affordable Warmth Solutions (AWS) for delivery of the project in line with the designated terms and conditions.
13. The project will utilise existing service links provided by Severn Wye Energy Agency (SWEA) through Keep Herefordshire Warm, which will effectively provide the householder route into the project through their established advice line channels as well as providing energy advice and benefits realisation outputs for the category 3 element of the project in Herefordshire. SWEA will work with householders to check their eligibility for support before referring them onto project delivery partner E.On.
14. Project marketing and communications are planned by Keep Herefordshire Warm and the council in conjunction with lead partners Shropshire Council and E.On via direct mail-out targeting in areas identified as likely to generate leads, web-site presence and lead capture (Keep Herefordshire Warm and E.On), utilisation of existing networks, for example Herefordshire Affordable Warmth Network (HAWN) as well as further awareness raising of the projects through press releases, social media and events. Resource is available through the project for these activities but also as part of the Keep Herefordshire Warm SLA.
15. The projects will enable more fuel poor households to be supported through both direct intervention but also through wider energy advice and referrals via the Keep Herefordshire Warm scheme. This will involve promoting the scheme through presence at events, social media and press releases, engaging with residents to determine eligibility and facilitate referrals, identifying and targeting of potential households, home visits and referrals for benefits checks.
16. Project monitoring, performance and overall fuel poverty outcomes reporting will be through the corporate performance framework.

## Community impact

17. This project will contribute towards the following local and regional strategic priorities, legislation and corporate strategies:
- Herefordshire Council County Plan (2020-24)
    - i. Environment- Protect and enhance our environment and keep Herefordshire a great place to live
      - Improve the energy efficiency of homes;
    - ii. Community- Strengthen communities to ensure that everyone lives well and safely together;
      - Reduce the number of households living in fuel poverty.
  - Herefordshire Health & Wellbeing Strategy
    - i. Priority three - For older people (quality of life, social isolation, fuel poverty);
    - ii. Priority four - Impact of housing (fuel poverty and poverty and the impact on health & wellbeing).
  - Executive Response to the Climate Emergency
  - Air Quality Strategy for Herefordshire and Worcestershire
18. Understanding Herefordshire reports that being off the mains gas grid significantly increases the risk of a household being in fuel poverty, as the fuel options for off-grid homes are often more expensive and less energy efficient than gas. Furthermore, in Herefordshire, there is also the possibility that households are more likely to be living in older and less thermally efficient dwellings, and to have a lower than average household income.

## Equality duty

Under section 149 of the Equality Act 2010, the 'general duty' on public authorities is set out as follows:

A public authority must, in the exercise of its functions, have due regard to the need to -

- (a) eliminate discrimination, harassment, victimisation and any other conduct that is prohibited by or under this Act;
  - (b) advance equality of opportunity between persons who share a relevant protected characteristic and persons who do not share it;
  - (c) foster good relations between persons who share a relevant protected characteristic and persons who do not share it.
19. The public sector equality duty (specific duty) requires us to consider how we can positively contribute to the advancement of equality and good relations, and demonstrate that we are paying 'due regard' in our decision making in the design of policies and in the delivery of services. Our providers will be made aware of their contractual requirements in regards to equality legislation.

20. The Equality Act 2010 established a positive obligation on local authorities to promote equality and to reduce discrimination in relation to any of the nine 'protected characteristics' (age; disability; gender reassignment; pregnancy and maternity; marriage and civil partnership; race; religion or belief; sex; and sexual orientation). In particular, the council must have 'due regard' to the public sector equality duty when taking any decisions on service changes. By adopting the proposal the council is being proactive in discharging its equality duty as the scheme will target fuel poor households, many of which will share a protected characteristic for example elderly and/or disabled residents. The proposal will also ensure that householders are treated equally when seeking to access the scheme.

## Resource implications

21. Resource implications to the council will be met through existing officer time. There is no capital match contribution required from the council, this will be provided from the Warm Homes Fund and other sources as outlined above.

Revenue or Capital cost of project (indicate R or C)	2019/20	2020/21	2021/22	Future Years	Total
Keep Herefordshire Warm additional activity (energy advice, benefits realisation and links to health) (R)	£0	£59,485	£59,485	£000	£118,970
<b>TOTAL</b>	<b>£0</b>	<b>£59,485</b>	<b>£59,485</b>	<b>£000</b>	<b>£118,970</b>

Funding streams (indicate whether base budget / external / grant / capital borrowing)	2019/20	2020/21	2021/22	Future Years	Total
Category 3 Warm Homes Fund (Energy efficiency and health related solutions)- Grant	£0	£59,485	£59,485	£000	£118,970
<b>TOTAL</b>	<b>£0</b>	<b>£59,485</b>	<b>£59,485</b>	<b>£000</b>	<b>£118,970</b>

## Legal implications

22. This is an Executive function under the Council's Constitution Part 3 Section 3 and is a key decision because it is likely to result in the council incurring expenditure which is, or the making or savings which are, significant having regard to the Council's budget for the service or function concerned.

23. The Cabinet member housing, regulatory services and community safety has been given delegated authority from Cabinet in exercise of its functions under Part 3 Section 3 of the constitution to approve the council's participation in the project and authorises the Acting Assistant Director for regulation, environment and waste services to approve operational decisions necessary in enabling the project .
24. The decision to bid for these grants was taken by \* in \* this was before the changes to the council's finance procedure rules.
25. The council has powers under sections 1-4 of the Localism Act 2011 to accept grant funding for this project and apply it to communities in Herefordshire and Shropshire as identified in this report. The council must defray the grant funding in accordance with any grant conditions attached to the funding, the council's general duty to secure best value set out in s3 of the Local Government Act 1999.
26. Shropshire Council will be responsible for administering the funding and has entered into the Affordable Warmth Solutions Recipient Agreement and the E.ON Grant Funding Agreement. The council will be working with Shropshire Council to deliver the outcomes of the funding under the terms of a memorandum of understanding.

## Risk management

27. Accepting this proposal will help to further mitigate fuel poverty in Herefordshire, this could have a wide variety of benefits to householders such as reduced fuel bills, warmer and healthier homes as well as showing leadership from the Council in this area and could lead to further opportunities to leverage funding.
28. If not accepted then Herefordshire Council and it's Keep Herefordshire Warm partner, Severn Wye Energy Agency, will continue to support fuel poor households through its current Warm Homes Funding arrangement, offering advice and access to national funding streams as well as exploring opportunities for additional funding for fuel poverty related activity and measures.

Risk / opportunity	Mitigation
Fuel Poverty- if decision is approved the project will help to reduce fuel poverty levels or conversely activity would proceed under 'business as usual'	Continued support for fuel poor households via: <ul style="list-style-type: none"> <li>- Keep Herefordshire Warm scheme (commissioned 2019-22)</li> <li>- Current Warm Homes Fund projects</li> <li>- Exploring and applying to further funding opportunities</li> </ul>
	-
Project delivery levels below target	Delivery levels and project pipeline to be reviewed by project delivery group/partners

	on monthly/quarterly basis. If low, promotional and targeting activity will be reviewed and revised accordingly.
More households identified through the project than available funding	Keep Herefordshire Warm partner to work with these households to identify if measures can be funded outside of the project. Additional funding may become available as the project develops either from Warm Homes Fund or alternative sources and all partners will work to access this where possible.

29. Risks will be managed at service and directorate level and entered into the appropriate risk registers.

## Consultees

30. Pre-report consultation has taken place with lead project partner Shropshire Council, Keep Herefordshire Warm partner Severn Wye Energy Agency as well as relevant Herefordshire Council officers from Environment & Place directorate management, commercial and legal services. External legal advice from Brown Jacobs has also been considered and actioned accordingly.
31. Political groups were consulted on this proposal and no comments were received.....
32. The Cabinet Member for housing, regulatory services and community safety as well as the Cabinet Member for Environment, Economy & Skills have been consulted and are supportive of the proposed recommendations.
33. Feedback will be provided to consultees via the report writing process but also, where external via project partner meetings, phone-calls and emails.

## Appendices

- Appendix 1: WHF- Shropshire Herefordshire MoU
- Appendix 2: Herefordshire ECO Flex Statement of Intent

## Background papers

- None