

BARNSELY METROPOLITAN BOROUGH COUNCIL

REPORT OF: EXECUTIVE DIRECTOR OF GROWTH & SUSTAINABILITY

TITLE: AFFORDABLE WARMTH PROGRAMME 2023-2026

REPORT TO:	CABINET
Date of Meeting	14 December 2022
Cabinet Member Portfolio	Regeneration & Culture
Key Decision	Yes
Public or Private	Public

Purpose of report

This report sets out the proposed Affordable Warmth Programme to 31st March 2025 to install heating and insulation in private sector properties where the residents are eligible for the support.

Council Plan priority

This report addresses the following Barnsley 2030 priorities.

Healthy Barnsley: Fewer people live in poverty

Growing Barnsley: People have a wide choice of quality, affordable and sustainable housing

Sustainable Barnsley: People live in communities with reduced carbon emissions

Recommendations

That Cabinet approves:-

1. The allocation of £3M to support the Affordable Warmth Programme until March 2026 as outlined in section 3 of the report;
2. The proposed definition of households in fuel poverty for Barnsley as outlined in section 2 of the report;
3. The proposed eligibility criteria for the Affordable Warmth Programme;
4. The additional Free Boiler scheme element of the programme and its eligibility criteria outlined in section 2 of the report;
5. The additional Energy Debt Support element of the programme and its eligibility criteria outlined in section 2; and
6. The launch of a competitive tender process and appointment of the successful contractor(s) to complete the heating and insulation works under the Affordable Warmth Programme with contract award delegated to Executive Director of Growth and Sustainability.

1. INTRODUCTION

- 1.1 The Council has been delivering a successful Affordable Warmth programme since 2019 for vulnerable residents in private sector housing who have needed financial assistance to keep their homes warm.
- 1.2 In 2019, the Government published its Fuel Poverty Strategy outlining how it will define and tackle fuel poverty across England.
- 1.3 In line with Government funding requirements, the Council currently defines households to be in fuel poverty if the total household income is £30,000 or less and the property has an EPC rating of E, F or G.
- 1.4 The Council also offers support to households with a total annual income of £30,000 or less and the property has an EPC rating of D if one or more of the residents also suffers from a health condition made worse by living in a cold home.
- 1.5 In February 2021, a review of the strategy took place and whilst it remained unchanged, the definition of fuel poverty was changed from Low Income High Cost (LIHC) to Low Income Low Energy Efficiency (LILEE).
- 1.6 The Government classifies households as being fuel poor if their property has an energy efficiency rating of EPC Band D or below and if the household's disposable income, after housing and fuel costs are deducted, is below the poverty line.
- 1.7 Each year the Office of National Statistics publishes the Households Below Average Income (HBAI) report which sets out what the current poverty line is, which is calculated as 60% of the UK's weekly median income.
- 1.8 In 2021, the poverty line figure was set at £324 per week therefore households with a disposable income of this amount or less are considered below the poverty line.
- 1.9 This report sets out the details of the proposed affordable warmth programme including the qualifying criteria for support for both the Household Support Grant element of the programme (the Free Boiler scheme) and the renewed Affordable Warmth Grant (with revised qualifying criteria and the addition of the debt support).

2. PROPOSAL

- 2.1 It is proposed that the Council's definition of fuel poverty is aligned with the Government's revised Low Income Low Energy Efficiency (LILEE) metric and the Affordable Warmth qualifying criteria is amended to the following:
 - **Low Income**
The total household residual income, after fuel costs, is below the poverty line (where residual income is defined as equivalised income less housing, tax and national insurance)

- **Low Energy Efficiency**

The EPC rating of the property is D, E, F, or G

- 2.2 The efficiency of gas boilers generally decreases after 8 years and so it is also proposed that where a property is rated EPC C, the boiler is 8 years old or over and at least one of the following conditions is met, the household will also be eligible for support (provided they meet the Low-Income definition above):
- i) Adult over 70
 - ii) Child under 16
 - iii) Health condition made worse by living in a cold home (according to NICE Guidance)
- 2.3 A Free Boiler scheme (utilising Household Support Grant (HSG) funding October 2022 - March 2023) is proposed to utilise the funding, for households with a boiler that is 8 years old or over and where at least one of the following conditions is met (this is in line with HSG criteria):
- i) Household in receipt of Housing Benefit only
 - ii) Household deemed as vulnerable by Council Officers, Health Care professionals, registered charities, or foodbanks
 - iii) Household with fuel costs that can't access the Government's Energy Bill Support Scheme
 - iv) Household in receipt of benefits
 - v) Household with a child under 16, or 19 and in full time education
- 2.4 A household with savings or capital above £14,250 will not be eligible for any support under the Affordable Warmth Programme.
- 2.5 An Energy Debt Support element will be introduced to the Programme whereby up to £1,000 of energy debt will be cleared for households already receiving support through any of the elements of the Affordable Warmth Programme. Payment of debt will be made directly to energy suppliers.
- 2.6 A proportion of the funding will be spent on marketing of the programme. Previously, officers have been unable to promote the scheme and have relied on referrals from front-line workers and partner organisations. The revised programme can now form part of a preventative approach to keeping residents well and warm in their homes and out of hospital.
- 2.7 A minimum of 349 properties will benefit from the programme over the 3-year period, assuming an average grant of £9,000 for heating and insulation works. Where possible, other forms of government funding will be utilised to carry out insulation works. This means that the average grant from the Affordable Warmth programme will be lower than £9,000, allowing us to complete works to an additional number of properties.
- 2.8 The same properties receiving insulation and heating works through the Affordable Warmth programme will also receive an energy debt payment of £1,000 if required. Again, a minimum of 349 properties will benefit from this and where it isn't required this funding will help to complete works to additional

properties under the programme.

- 2.9 The nature of previous Affordable Warmth programmes has meant that we have been unable to promote the availability of the funding to residents directly. £10,000 of this funding allocation will be used to support widespread marketing and promotion of the scheme throughout the 3 year period so as many residents as possible can benefit. This will be done on-line through the Council website and on social media platforms, as well as via leaflets, posters and community events to reach those that are digitally excluded. Promotion will also continue to be made to front line workers and partner organisations.

3. IMPLICATIONS OF THE DECISION

Financial and Risk

- 3.1 Consultations have taken place with representatives of the Service Director – Finance (S151 Officer).
- 3.2 This report seeks cabinet approval to further developed the successful Affordable Warmth programme that has been in place since 2019. The proposal requests cabinet approve the redefinition of households in fuel poverty for Barnsley as outlined in section 2. This will enable more families in low energy EPC households the opportunity to apply for the energy efficiency measures on offer dependant on there circumstances and the rating of the property.
- 3.3 Indicative costing for the works measures and support with Household Energy Debt are detailed in the table below.

Affordable Warmth Programme	2023/24	2024/25	2025/26	TOTAL
Measures	£763,349	£771,060	£1,156,590	£2,690,999
Energy Debt	£99,000	£100,000	£100,000	£299,000
Advice Literature/Links	£10,001			£10,001
TOTAL	£872,350	£871,060	£1,256,590	£3,000,000
Properties Completed @ £7.7k per Grant	99	100	150	349
Energy Debt Support p/a @ £1K grant	99	100	100	299

The amount of funding required for this proposal totals £3.00M, which has been identified and subsequently set aside in principle by the Capital Oversight Board, by deprioritising a combination of Housing Growth Capital receipts and earmarked revenue reserves.

- 3.4 The financial implications of these proposals are summarised in the attached Appendix A.

3.5 Legal

3.5.1 External Funding to support households will align with the parameters of the grant terms and conditions which is subject to audit.

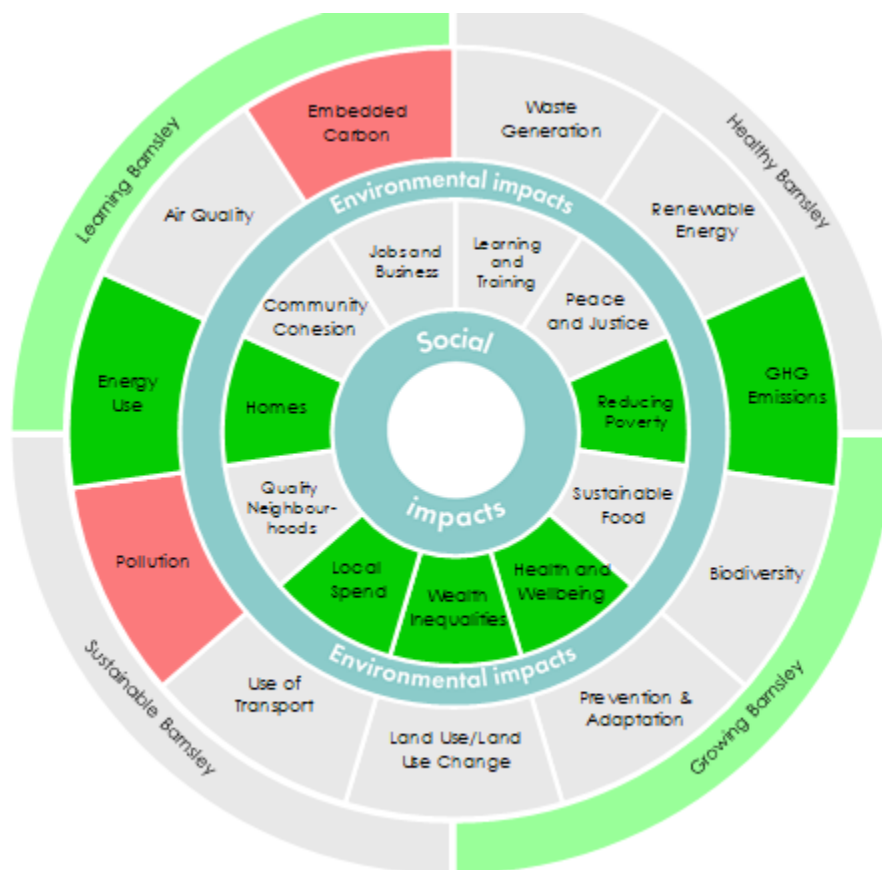
3.6 Equality

3.6.1 A full Equality Impact Assessment has been completed. Key findings of this show that the scheme will have a positive impact on protected groups living in council properties as they are most likely to be at risk of living in fuel poverty. It also highlights the need to promote other fuel poverty programmes underway so that those who live in privately owned and rented properties also have the opportunity to upgrade the insulation levels in their home.

3.7 Sustainability

3.7.1 The sustainability decision-making wheel has been produced for this project and the overall impacts are positive, particularly around reducing carbon emissions, reducing poverty, and improving health and well-being of residents.

3.7.2 Pollution from the insulation manufacturing process along with embedded carbon in the supply chain are highlighted as areas of negative impact. However, work is on-going with the procurement team to address how we can build a more sustainable supply chain going forwards.



3.8 Employee

3.8.1 Administration of the Affordable Warmth Programme will be carried out by the existing Warm Homes team within Strategic Housing and Sustainability.

3.8.2 There will also be internal communications to employees who may be eligible for support via the warm homes service and grant opportunities.

3.9 Communications

3.9.1 The programme will require support for marketing and promotion of the scheme availability.

3.9.2 The Council website will be updated to reflect the new programme and a new online application form will be needed for the Free Boiler element of the programme.

4. CONSULTATION

4.1 Consultations have taken place with procurement, finance and legal.

5. ALTERNATIVE OPTIONS CONSIDERED

5.1 That the Council does not approve the recommendations in this report. This is not recommended given that tackling fuel poverty and reducing carbon emissions from housing stock are key priorities for the Council in seeking to address the disproportionate impact that the Cost-of-Living crisis is having across our borough.

6. REASONS FOR RECOMMENDATIONS

6.1 The Council utilises Government funding from the Department for Business, Industry and Strategy (BEIS) to tackle fuel poverty in the Borough by improving the energy efficiency of properties through retrofitting them with insulation and heating measures. This funding comes with strict eligibility criteria and the Council has previously aligned its own definition of fuel poverty to match this to be able to access the funding.

6.2 Currently, the Council considers a household to be in fuel poverty, and therefore eligible for Affordable Warmth funding, using the following criteria:

- Total household income is £30k or less and the property has an EPC rating of E, F, or G
- Total household income is £30k or less, the property has an EPC D rating and is occupied by a resident who meets one of the following criteria:
 - i) Adult over 70
 - ii) Child under 16
 - iii) Health condition made worse by living in a cold home (according to NICE Guidance)

- 6.3 The current cost of living crisis means that household disposable incomes are being reduced. Whilst a household may earn more than £30,000 per year, because of the rise in energy, housing and living costs they are still likely to be in need of assistance to make sure that their homes are adequately heated, and energy bills are affordable.
- 6.4 From October 22 to March 23, £380,000 of funding is being allocated to the Affordable Warmth Programme through the latest round of the Household Support Grant (HSG), which has its own grant terms and conditions that need to be met. This criterion forms the basis of the Free Boiler scheme.
- 6.5 Previously, there has been no consideration of a household's capital or savings under the Affordable Warmth Programme. However, to ensure that funding is getting to those most in need it is proposed that a cap is introduced, aligned with the Lower Capital Limit (LCL) used to determine costs for personal adult social care.
- 6.6 Following the demand for support with energy debt under the initial round of Household Support Grant funding, where over 1,000 applications were received within 8 weeks of the fund opening, it is proposed that Energy Debt Support is introduced into the Affordable Warmth Programme. This will allow the council to "reset" the household's energy demand and usage by carrying out heating and insulation works and providing a clean slate by which to move forwards and manage heating costs more effectively.
- 6.7 As the Council has allocated its own funding to support those in fuel poverty, there is the option to redefine the qualifying criteria to ensure that we are targeting those in need. This is recommended within the report alongside the addition of criteria around capital/savings and further support with energy debt. The Council, alongside most other LA's, continues to lobby BEIS to amend its own qualifying criteria for grant funding (via the Local Authority Delivery LAD programme) to match that of the Government's definition for Fuel Poverty.

7. LIST OF APPENDICES

Appendix A: Financial Implications

8. REPORT SIGN OFF

Financial consultation & sign off	See Appendix A
Legal consultation & sign off	<i>Jason Field 26/10/22</i>

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