

HOMES & COMMUNITIES COMMITTEE

10 JUNE 2019

WARM HOMES FUND BID OUTCOME FOR A NEW GAS CONNECTION SCHEME

1.0 Purpose of Report

- 1.1 To update Members on the outcome of a Warm Homes Fund (WHF) bid and revised project delivery arrangements following the Committees support for the scheme.

2.0 Background Information

- 2.1 Further to Committees approval of a report presented on 14 January 2019, a Warm Homes Fund bid was submitted to Affordable Warmth Solutions in February 2019 to attract funding from Cadent's Affordable Warmth programme in addition to Energy Company Obligation (ECO) grant funding to support new gas connections and first time central heating systems to approximately 100 fuel poor private sector dwellings on Vera Crescent and Bevan Close, Rainworth. The vast majority of these homes are currently electrically heated via old storage/panel heaters which are notoriously inflexible and expensive to run when compared to gas central heating.
- 2.2 Affordable Warmth Solutions (AWS) is an independent Community Interest Company (CIC) that works in partnership with Cadent (Gas Network Operator) to meet the challenges of fuel poverty and energy efficient homes. Working with Local Authorities and Energy Companies they are committed to funding new gas connections to some of the most deprived communities in England.
- 2.3 The Energy Company Obligation (ECO) is a Government energy efficiency scheme in England that aims to help tackle fuel poverty and reduce carbon emissions and is delivered through energy suppliers and their agents. The current phase (ECO 3) runs from 2018-2022.

3.0 Bid Outcome

- 3.1 Whilst the grant funding provider (AWS) was very impressed by the Council's bid and keen to support it, the required grant funding per installation was too high for them to be able to support the project.
- 3.2 AWS suggested that, as an alternative route to delivering the same outcome for residents, the Council get in touch with AgilityEco. AgilityEco is managing a large Warm Homes Fund scheme across a number of council areas in England, on behalf of the lead council partner, Portsmouth City Council (PCC). The outcome of these conversations is that PCC have agreed for part of their funding to be used for the project.
- 3.3 The attached Memo (**APPENDIX A**) from Agility Eco outlines the outcome of this bid and the revised delivery arrangements. The offer to residents/tenants will remain fully-funded (valued at circa £6K per property).

4.0 Anticipated Benefits/Risks

- 4.1 The primary driver behind the new delivery model is to reduce costs to the WHF by removing/reducing duplication of effort and creating greater economies of scale. However, this model also significantly reduces the risks to the Council (e.g. by negating the need for a legally-binding contract with AWS) and lowers our costs as, for example, it will no longer be necessary to procure a heating contractor. In addition, quarterly reports/financial claims will no longer be the responsibility of NSDC as this task will be undertaken by Agility Eco, together with the end of project evaluation report.
- 4.2 The Council's involvement reduces to more of a communication/co-ordination role which can be fulfilled using existing staff and resources.

5.0 Next Steps

- 5.1 Following approval to proceed by the Council's Senior Leadership Team on 30 April 2019, a data sharing agreement and Memorandum of understanding is being put in place. The existing risk register is being revised to reflect the changes in delivery and a communications and project plan is being developed.
- 5.2 Residents have been informed of the good news by letter (attached at **APPENDIX B**)

6.0 Equalities Implications

- 6.1 The scheme outlined in this report targets residents living in, or at risk of, fuel poverty. A full Equalities Impact Assessment will now be carried out for this scheme in order to consider the relevant protected characteristics.

7.0 Financial Services Business Manager Comments – FIN18-19/4209

- 7.1 The proposed scheme outlined in this report will be delivered within existing budgets.

8.0 RECOMMENDATION

That the Committee note the contents of this report.

Background Papers

Nil

For further information please contact Leanne Monger, Business Manager – Housing, Health and Community Relations on Ext 5545 or Helen Richmond, Energy and Home Support Officer on Ext 5418

Matthew Finch
Director – Communities & Environment



MEMORANDUM

FROM: [REDACTED]
TO: Helen Richmond, Newark & Sherwood District Council
RE: Warm Homes Fund Support for Bevan Close & Vera Crescent
DATE: 23rd April 2019

BACKGROUND:

Newark & Sherwood District Council, in collaboration with E.ON, recently submitted a bid for Warm Homes Fund grant support for first-time central heating (FTCH), to replace expensive-to-run electric heating, in the above streets. Whilst the grant funding provider, Affordable Warmth Solutions (AWS), was very impressed by the project and keen to support it, the required grant funding per installation was too high for them to be able to support the project.

AWS suggested that, as an alternative route to delivering the same outcome for residents, the Council get in touch with AgilityEco. AgilityEco is managing a large Warm Homes Fund scheme across a number of council areas in England, on behalf of the lead council partner, Portsmouth City Council (PCC). Once the Council shared information on the proposed project, AgilityEco carried out initial feasibility analysis on the project:

- Analysis of EPC data for 74 houses where EPCs exist on the register (to understand ECO funding potential)
- Site surveys by local heating contractor, UK Gas, for feasibility and cost of the FTCH works
- Discussion with PCC to ensure it was comfortable with part of its grant being used in Newark & Sherwood

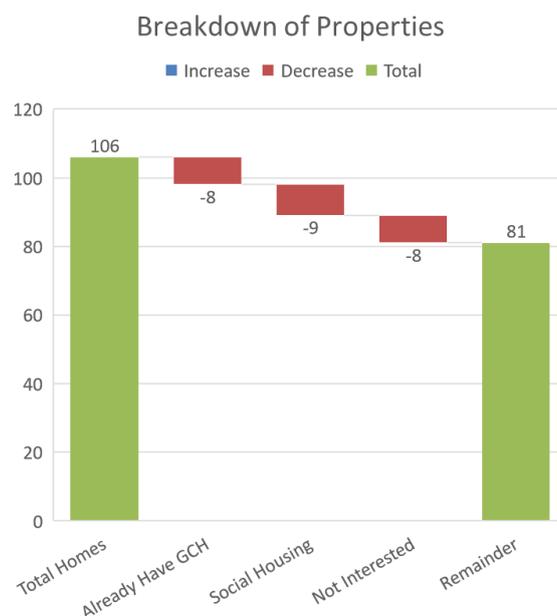
The outcome of this work was favourable. PCC is happy for part of the funding to be used for the project. The ECO funding (subject to full surveys) is in line with the original "matched funding" commitment in the grant. The installations (subject to full surveys) look straightforward.

Therefore we are in a position to offer to proceed with the FTCH installation works for residents in both streets, free of charge to residents, and at no capital cost to the Council. AWS have also confirmed that it should be in a position to expedite the gas mains extension work, with an 8-12 week programme beginning late May.

Subject to the Council agreeing to press ahead, we are confident that with the support of the Council on resident engagement, all work can be undertaken quickly, with installations complete before the next Winter heating season. It is worth noting that, given the existing project being already in place and funded, the Council will avoid the need for any/all legal, procurement and administration activity.

SUMMARY OF THE WORK TO BE UNDERTAKEN

The two streets contain a total of 106 houses combined, broken down as follows:



Of the 81 private homes (excluding those with gas central heating and those not interested), we understand from the Council that 50 have expressed interest and 31 have not yet replied. It is also worth noting that:

- The nine units of social housing will also qualify for part-funding for FTCH, and you believe that they are likely to be interested in taking up this offer. We will discuss this with them as and when we are instructed to proceed.
- Based on our previous experience, some of the eight residents that have said they are not interested may change their minds once they see their neighbours getting new FTCH free of charge.
- AWS report that about two thirds of residents (70) will need to commit to proceed prior to the project moving forward.

UK Gas has provided an initial specification of the heating systems to be installed. This will be to a very high specification, as follows:

- Worcester Bosch Greenstar 25i/30i boilers
- Honeywell controls with wireless thermostat – easy to use and high build quality
- Boiler Plus standard
- Purmo radiators and Drayton TRVs
- All visible pipework in copper, non visible hot/cold in speedfit
- Full WEEE removal and disposal of old heating systems
- Two-year ECO compliant system warranty

NEXT STEPS

- The Council is to consider the above and confirm whether it is happy for the work to proceed
- Once confirmed, AWS will organise for a mobile unit to visit the streets to enlist households
- Households will need to sign a “nil cost” quotation for their gas connection with AWS/Cadent
- AgilityEco will also support this activity with marketing collateral, letter drops and other engagement activity as required
- UK Gas have also committed to having an on-site presence during the customer recruitment stage to answer any questions households may have
- Once sufficient sign-ups have been secured, AWS will contract for and progress the installation works and Agility Eco/UK Gas will follow with the central heating works.

Appendix B

Copy of the content of the letter sent to residents on Wednesday 8th May 2019

Good News!

I wrote to you recently outlining Newark & Sherwood District Council's intention to bid for funding to support the installation of new gas connections and first time gas central heating for electrically heated homes on Bevan Close and Vera Crescent.

Having received a lot of interest from both residents and landlords, I am delighted to inform you that we have now received confirmation from Affordable Warmth Solutions (AWS), working in partnership with Cadent (your gas network operator), that funding has been secured to install free mains gas connections and up to 98 free gas central heating systems. This package is worth circa £6,000 per property. No financial contribution is required from you, your landlord (if applicable) or the Council.

Mains gas is much cheaper than electricity (roughly half the price of Economy 7 and 3-4 times cheaper than day-rate electricity) so making this change should save money on your fuel bills and enable you to keep your home warm and cosy.

Next Steps

If you wish to take advantage of this offer, the property owner must complete and sign the enclosed 'Nil Charge Quotation' and return it, together with the 'First-time Gas Central Heating Scheme Data Collection and Sharing Consent Form', to AWS in the pre-paid envelope provided.

Staff from AWS, Newark & Sherwood District Council and UK Gas Services Ltd (the contractor appointed to survey and fit the central heating systems) will be on site on Wednesday 15th May 2019 to answer your questions – come and see us in the AWS promotional bus which will be parked on Bevan Close from 2pm until 6pm. We will be happy to help you complete the forms and you can hand them in on the day.

Once the majority of households have signed up, AWS will commence connecting Vera Crescent and Bevan Close to the gas network. If you have given your consent, your details will be passed to AgilityEco (the managing agent) who will arrange for UK Gas Services Ltd to undertake a heating survey at a time convenient for you. Before you go ahead with the heating installation, UK Gas Services Ltd will show you a plan of where the boiler and radiators will be fitted, tell you how they will dispose of your old heating appliances and answer any questions you may have. The aim is to install the central heating before the start of winter.

The gas connections and first-time gas central heating represent significant installations which, inevitably, will cause some short-term disruption and inconvenience to residents. It is also likely that some redecoration may be required post installation. While every attempt will be made to keep disruption and damage to a minimum, any redecoration, reinstatement of floor coverings or internal fixtures & fittings (e.g. gravity-fed showers) will be the responsibility of the home owner and not AWS/Cadent, the Council, heating contractor or the managing agent.

If you want to talk to someone from Newark & Sherwood District Council about this offer, please contact our Customer Service Centre on 01636 650 000 and ask for Jane Eley or Helen Richmond.

Further information about Cadent, Affordable Warmth Solutions, AgilityEco and UK Gas Services Ltd can be found on the following websites:

<https://cadentgas.com>

www.affordablewarmthsolutions.org.uk

www.agilityeco.co.uk

www.ukgasservices.co.uk

Yours sincerely

A handwritten signature in black ink, appearing to read 'H. Richmond', with a horizontal line underneath.

Helen Richmond

Energy & Home Support Officer

Location of current gas main

