

## **Maidstone Borough Council**

### **Community, Leisure Services and Environment Overview & Scrutiny Committee**

**Tuesday 10<sup>th</sup> December 2013**

#### **Warm Homes ECO Pilot Review**

**Report of:** Helen Miller, Home Energy Efficiency Project Officer

#### **1. Introduction**

- 1.1 Energy Company Obligation (ECO) funding was introduced nationally in January 2013 to reduce the UK's energy consumption and support people living in fuel poverty. It does this by requiring large energy companies to provide significant funding for home energy efficiency improvements every year. ECO funding can be used to retrofit existing homes with loft insulation, draught proofing, cavity wall insulation, solid wall insulation and in some cases replace boilers beyond economic repair.
- 1.2 The Community, Leisure Services and Environment Overview and Scrutiny Committee received a report on 13<sup>th</sup> August 2013 and recommended that the Cabinet Member for Community and Leisure Services support the introduction of the Warm Homes Scheme.
- 1.3 Following the report of the Head of Housing and Community Service dated 19<sup>th</sup> September 2013, the Leader of the Council (on behalf of the Cabinet Member for Community and Leisure Services) approved the following decision:
  - 1) That the Council implements and borough wide Warm Homes ECO pilot, initially targeting the wards of High Street, Park Wood, Shepway North and Shepway South.
  - 2) That the Council enters into a service level agreement with Enterprise plc to deliver the Warm Homes ECO pilot.
- 1.4 The Warm Homes scheme started in the borough on 21<sup>st</sup> October 2013 but lost momentum when it became clear a government announcement was due in December which would alter the funding and emphasis of the Energy Company Obligation.
- 1.5 On the 5<sup>th</sup> December the Chancellor of the Exchequer is expected to announce significant changes in the level of funding and targeting. The main changes are expected to be;
  - The timescale; originally until March 2015 but now until March 2017.

- The level of funding; the funding can now be spend over a longer period, effectively reducing the amount spent each year. This would reduce the amount that energy firms have to spend each year.
- The emphasis; the most severely deprived areas and those of certain means tested benefits will still have some support but support for insulating hard to insulate homes, particularly homes with solid walls, has been significantly reduced.
- The level of funding; many works are not fully funded and schemes do not progress due to incomplete funding

1.6 Npower are no longer going to fund the affordable warmth strand of the project designed to help people on certain means tested benefits. Kent County Council has negotiated with Enterprise's supply chain and the affordable warmth element can now be provided by a new service provider.

## **2. Recommendation**

- 2.1 That the Community, Leisure Services and Environment Overview and Scrutiny Committee recommend that the Council continues to support the Warm Homes scheme.
- 2.2 That the Overview and Scrutiny Committee recommend that the Cabinet Member for Community and Leisure Services receives a report recommending an amendment to the Housing Assistance Policy to allow assistance to be given to households in receipt of means tested benefits to top up shortfalls in ECO funding to enable measures to be installed.

## **3. Making Recommendations and achieving outcomes**

- 3.1 Although the new scheme will be able to help a smaller number of residents it still has the potential to help some residents gain free insulation and replacement boilers.
- 3.2 Accurate marketing messages can be created which can inform residents of the scheme so those most likely to benefit can self-refer and those who are unlikely to be eligible are informed.
- 3.3 The Council could help more residents live in a well insulated home if amendments were made to the Housing Assistance Policy allowing assistance to be given by the Council that topped up the ECO funding where needed.

## **4. Impact on Corporate Objectives**

- 4.1 The Committee will consider reports that deliver against the following Council priority:
- For Maidstone to be a decent place to live.
- 4.2 Living in a well-insulated home is likely to help residents spend less on fuel, live in a warmer and so potentially drier home and help them feel Maidstone is a decent place to live.