

REPORT OF THE LEADER OF THE COUNCIL

WARM HOMES FUND

Purpose of the Report

1. This report states the case for submitting a bid to Round 4 of the Warm Homes Fund which prioritises some of Nottinghamshire's most vulnerable fuel-poor households (including the elderly and disabled) which are harder and more expensive to heat.
2. Policy Committee approval is being sought to allow E.ON (an international private energy company) to accept the funding and act as the lead on this scheme.

Information

3. The Council Plan – Your Nottinghamshire, Your Future (2017-2021) - acknowledges how much of the Council's work has an impact on people's wellbeing. Commitment 6: People are healthier, details how the environment in which we live has a big effect on our health and independence in later life.
4. As outlined in the Public Health Green Paper (2019) on efforts to improve disease prevention, there is a clear link between 'cold homes and ill-health'. This Paper also supports the Government's plans to upgrade homes to Energy Performance Certificate (EPC) Band C by 2035. While this clean growth strategy is universally recognised as a good level of ambition, we still lack a road map for its achievement.
5. Alleviating fuel poverty is a key target for Central Government. For households in fuel poverty, the alleviation benefits provided by a new, first-time or a replacement central heating system come in two major forms; financial and health:-
 - The financial benefits come from from utilising more energy efficient systems which are cheaper to run and require less energy overall to maximise the required effect;
 - The health benefits are derived from having houses properly heated. Those residents living in houses which are underheated, either due to ineffective heating systems or due to being unable to afford to run the heating, are at risk from a wide range of illnesses including cardiovascular and respiratory conditions. Being able to afford to run an efficient and effective heating system helps reduce preventable excess winter deaths and minimises the impact and development of a number of childhood conditions.
6. An opportunity has arisen for Nottinghamshire County Council to apply to the Warm Homes Fund (WHF), which will target fuel-poor households which are currently off the mainstream fuel grid. As a consequence, some of the County's most vulnerable residents will be supported

(such as the elderly, disabled and rurally located) who live in properties which are harder and more expensive to heat.

7. The WHF is a £150 million fund established by the National Grid and Affordable Warmth Solutions, a community interest company, following the Government's introduction of statutory requirements relating to reducing carbon emissions and fuel poverty (the Energy Company Obligation). The WHF is designed to support local authorities, registered social landlords and other organisations working in partnership with them, to address some of the issues affecting fuel-poor households.
8. Applications to the fund must be submitted by a local authority. In the Midlands, funding has been secured from previous rounds by Staffordshire, Shropshire and Herefordshire. These authorities have worked with the energy supplier E.ON which has committed to match the funds secured from the WHF. E.ON has approached Nottinghamshire County Council to work with them to submit a bid to round 4 of the WHF.
9. The bid to WHF will seek funding of £2million to be matched by £2million from E.ON. This funding will cover up to 550 first time central heating systems and allow E.ON to access further funding for an additional 200 boiler replacements. First time connections to the national grid will be undertaken by Cadent bringing additional private-sector resources, funded through the Fuel Poor Network Extension Scheme.
10. The fourth round of the WHF opened on 5 August 2019 and the closing date for applications is 27 September 2019. Submitted bids will be assessed, with successful round 4 bids announced in mid November 2019. If successful, the Council will sign the funding agreement with the WHF.
11. Following discussions with E.ON and the Council's Legal and Finance team, it is proposed that the WHF is based on a "concessions agreement" with E.ON. This places full risk of delivery with E.ON. This is the model used in Staffordshire; contracts are still being put in place in Shropshire and Herefordshire and this is the model those authorities are considering. In practice, the Council will claim the grant on behalf of E.ON based on boilers installed or upgraded. The funding will be passported across and the Council will not legally hold any of the grant.
12. Eligible Nottinghamshire individual householders will get gas central heating installed free of charge and at no cost to the Council. Any administrative costs to the Council may be reclaimed from E.ON. The programme is an important strategic opportunity for the authority and aligns with wider Council ambitions, notably those within Adult Social Care and Public Health.

Other Options Considered

13. The Warm Homes Fund provides a one-off opportunity to upgrade the heating systems of 750 fuel poor households in Nottinghamshire, at no cost to them or the local authority. As a result, the "do nothing" option has been discounted.

Reasons for Recommendations

14. No funding from Nottinghamshire County Council is sought or required. The bid covers most of the costs for connection and installation, funding for any such schemes is increasingly

limited and increasingly complicated. This offers significant value for money for the communities currently off-grid and for some of the County's most vulnerable residents.

Statutory and Policy Implications

15. This report has been compiled after consideration of implications in respect of crime and disorder, data protection and information governance finance, human resources, human rights, the NHS Constitution (public health services), the public sector equality duty, safeguarding of children and adults at risk, service users, smarter working, sustainability and the environment and where such implications are material they are described below. Appropriate consultation has been undertaken and advice sought on these issues as required.

Implications for Sustainability and the Environment

16. Improves the energy efficiency and reduces fuel poverty for Nottinghamshire's most vulnerable householders (including the elderly and disabled) who are not connected to gas.

RECOMMENDATIONS

It is recommended that Policy Committee approve the following actions:

- 1) For Nottinghamshire County Council to apply for the Warm Homes Fund in partnership with E.ON;
- 2) That if the bid is successful, the Council will sign the concession agreement with the Warm Homes Fund and E.ON;
- 3) That if the bid is successful, this funding will be targeted at householders who could otherwise be vulnerable to illnesses caused or exacerbated by inadequately heated homes.

COUNCILLOR MRS KAY CUTTS MBE
Leader of the County Council

For any enquiries about this report please contact: Nicola McCoy-Brown, Growth and Economic Development Tel: 0115 977 2580

Constitutional Comments (SLB 30/07/2019)

17. Policy Committee is the appropriate body to consider the content of this report

Financial Comments (GB 06/08/2019)

18. There are no direct financial implications associated with this report. There is also no requirement for County Council funding should the bid be successful.

Background Papers and Published Documents

Except for previously published documents, which will be available elsewhere, the documents listed here will be available for inspection in accordance with Section 100D of the Local Government Act 1972.

- Find the Health Prevention paper in full:
<https://www.gov.uk/government/consultations/advancing-our-health-prevention-in-the-2020s/advancing-our-health-prevention-in-the-2020s-consultation-document>

Electoral Division(s) and Member(s) Affected

- All