

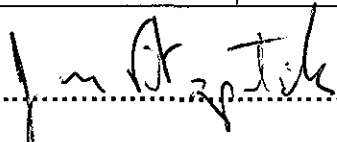
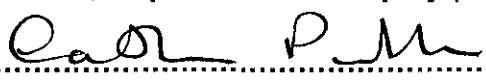


**KEY DECISION NOTICE**

<b>SERVICE AREA:</b>	<b>Environmental Services</b> Environmental Strategy and Climate Change
<b>SUBJECT MATTER:</b>	<b>LOW CARBON COMMUNITY PILOT</b>
<b>DECISION:</b>	<p>(1) approval is given to the proposal to vire £500,000 from the Housing Budget (Equity Release scheme) to the Low Carbon Community Project to reduce carbon emissions in Tameside, and to</p> <p>(2) to run a local Boiler Scrappage Scheme in Dukinfield Ward as set out in the report to help reduce carbon emissions and fuel poverty in Tameside.</p> <p>(3) to authorise the Assistant Executive Director (Environmental Services) to make minor changes to the boiler scrappage scheme.</p>
<b>DECISION TAKER(S):</b>	Cllr Jim Fitzpatrick Cllr Catherine Piddington
<b>DESIGNATION OF DECISION TAKER(S):</b>	Executive Member - First Deputy (Performance and Finance) Executive Member (Environmental Services)
<b>DATE OF DECISION:</b>	25 November 2010
<b>REASON FOR DECISION:</b>	The virement of funding to the Low Carbon Community Pilot and its allocation in a local Boiler Scrappage Scheme will enable the Council to help reduce the energy consumption of families living in fuel poverty, who just miss the criteria for national grant scheme to provide free heating upgrades.
<b>ALTERNATIVE OPTIONS REJECTED (if any):</b>	<p><b>Not to run the Boiler Scrappage Scheme pilot.</b> The Council would miss out on the opportunity to help households living in fuel poverty.</p> <p><b>To include social housing within the scheme.</b> Nearly all of Tameside's social housing stock has had boiler upgrades as part of work to meet the Decent Homes Standard. The remainder will be completed within the current year, and our priority is now to provide support for privately rented homes and owner occupiers.</p> <p><b>To run a Boiler Scrappage Scheme pilot requiring householder contributions.</b> This would increase the number of households that could access support, but would complicate the administration of the scheme and require extra resource.</p> <p><b>To run a Boiler Scrappage Scheme in another Ward.</b> The Low Carbon Community Pilot is part of a wider pilot programme across the City Region. Dukinfield Ward is proposed for the pilot as it contains the large number of public sector homes required for participation in the City Region pilot. The Ward also includes over 1,000 homes built pre-1900 (and regarded as 'hard to treat' in terms of energy efficiency) with a wide range of more modern housing types. It has a pocket of significant deprivation along the</p>

	northern border with Ashton as well as more affluent areas.
<b>CONSULTEES:</b>	Strategic Capital Group Carbon Reduction Panel
<b>FINANCIAL IMPLICATIONS:</b> <b>(Authorised by Borough Treasurer)</b>	Housing capital allocations and Housing Grant are the sources of funding for the Equity Release scheme, which is not going ahead in 2010/11. The proposals to vire the budget to fund the Low Carbon Community Project will still meet the criteria for use of the Housing Grant as the aim of the project will enable improvements to private sector Housing. It is anticipated that the Equity Release Scheme will go ahead in 2011/12, therefore this budget virement is for 2010/11 only.
<b>LEGAL IMPLICATIONS:</b> <b>(Authorised by Borough Solicitor)</b>	This scheme must be run in such a way as to maximise value for money for the Council and minimise the risk. It is important that the Council assists grant recipients to successfully install the new boiler but it cannot accept legal responsibility for poor quality work – although it should assist recipients to resolve problems with the installer.  It is important that any scheme of this nature has clear criteria to ensure that resources are allocated fairly.  Lastly expenditure of this nature should only be sanctioned if it is proportionate, given the Council's present financial position.
<b>CONFLICT OF INTEREST:</b>	Not applicable.
<b>DISPENSATION GRANTED BY STANDARDS COMMITTEE ATTACHED:</b>	Not applicable
<b>REFERENCE DOCUMENTS:</b>	The background papers relating to this report can be inspected by contacting the Report Writer, Kate O'Donnell by:   Telephone: 0161 342 2174   E-mail: <a href="mailto:kate.odonnell@tameside.gov.uk">kate.odonnell@tameside.gov.uk</a>



Signed.....  ..... Dated..... 25/11/10.....  
Councillor Jim Fitzpatrick - First Deputy (Performance and Finance)

Signed.....  ..... Dated..... 25th November 2010.....  
Councillor Catherine Piddington – Executive Member (Environmental Services)

## KEY DECISION REPORT

<b>SERVICE AREA:</b>	<b>Environmental Services</b> Environmental Strategy and Climate Change
<b>SUBJECT MATTER:</b>	<b>LOW CARBON COMMUNITY PILOT</b>
<b>DATE OF DECISION:</b>	<b>25 November 2010</b>
<b>DECISION TAKER</b>	Cllr Jim Fitzpatrick Cllr Catherine Piddington
<b>REPORTING OFFICER:</b>	Ian Saxon, Assistant Executive Director (Environmental Services)
<b>REPORT SUMMARY:</b>	This report requests two decisions: a) Virement of £500k from the Housing Budget Equity Release Scheme to a Carbon Offset scheme (Low Carbon Community Pilot) within the Council's Capital Programme 2010/11 b) Approval to allocate the funds to a local Boiler Scrappage Scheme as part of the Low Carbon Community Pilot.
<b>RECOMMENDATIONS:</b>	(1) approval is given to the proposal to vire £500,000 from the Housing Budget (Equity Release scheme) to the Low Carbon Community Project to reduce carbon emissions in Tameside, and to (2) to run a local Boiler Scrappage Scheme in Dukinfield Ward as set out in the report to help reduce carbon emissions and fuel poverty in Tameside. (3) To authorise the Assistant Executive Director (Environmental Services) to make minor changes to the boiler scrappage scheme.
<b>JUSTIFICATION FOR DECISION:</b>	The virement of funding to the Low Carbon Community Pilot and its allocation in a local Boiler Scrappage Scheme will enable the Council to help reduce the energy consumption of families living in fuel poverty, who just miss the criteria for national grant scheme to provide free heating upgrades.
<b>ALTERNATIVE OPTIONS REJECTED (if any):</b>	<b>Not to run the Boiler Scrappage Scheme pilot.</b> The Council would miss out on the opportunity to help households living in fuel poverty. <b>To include social housing within the scheme.</b> Nearly all of Tameside's social housing stock has had boiler upgrades as part of work to meet the Decent Homes Standard. The remainder will be completed within the current year, and our priority is now to provide support for privately rented homes and owner occupiers. <b>To run a Boiler Scrappage Scheme pilot requiring householder contributions.</b> This would increase the number of households that could access support, but would complicate the

	<p>administration of the scheme and require extra resource.</p> <p><b>To run a Boiler Scrappage Scheme in another Ward.</b> The Low Carbon Community Pilot is part of a wider pilot programme across the City Region. Dukinfield Ward is proposed for the pilot as it contains the large number of public sector homes required for participation in the City Region pilot. The Ward also includes over 1,000 homes built pre-1900 (and regarded as 'hard to treat' in terms of energy efficiency) with a wide range of more modern housing types. It has a pocket of significant deprivation along the northern border with Ashton as well as more affluent areas.</p>
<b>CONSULTEES:</b>	<p>Carbon Reduction Panel</p> <p>Strategic Capital Group</p>
<b>FINANCIAL IMPLICATIONS:</b> <b>(Authorised by Borough Treasurer)</b>	<p>Housing capital allocations and Housing Grant are the sources of funding for the Equity Release scheme, which is not going ahead in 2010/11. The proposals to vire the budget to fund the Low Carbon Community Project will still meet the criteria for use of the Housing Grant as the aim of the project will enable improvements to private sector Housing. It is anticipated that the Equity Release Scheme will go ahead in 2011/12, therefore this budget virement is for 2010/11 only.</p>
<b>LEGAL IMPLICATIONS:</b> <b>(Authorised by Borough Solicitor)</b>	<p>This scheme must be run in such a way as to maximise value for money for the Council and minimise the risk. It is important that the Council assists grant recipients to successfully install the new boiler but it cannot accept legal responsibility for poor quality work – although it should assist recipients to resolve problems with the installer.</p> <p>It is important that any scheme of this nature has clear criteria to ensure that resources are allocated fairly.</p> <p>Lastly expenditure of this nature should only be sanctioned if it is proportionate, given the Council's present financial position.</p>
<b>RISK MANAGEMENT:</b>	<p>Risks Identified:</p> <p><b>Lack of applications</b> – letters inviting applications will be circulated to all homes in Dukinfield Ward. Publicity will be available in public places and local press. A telephone helpline will be available for assistance with completing applications. A reply paid envelope will be provided for the return of applications and supporting evidence. All applications will be acknowledged.</p> <p><b>Ineligible applications</b> – eligibility criteria will be circulated with the invitation letter. On receipt applications will be scrutinised to remove those that are ineligible. These applicants will be notified of their ineligibility by letter, and those that are eligible for Warm Front or other grants and benefits will be referred on to the relevant service.</p> <p><b>Too many eligible applications</b> – eligible applications will be awarded points based on the eligibility criteria. Applications that score most highly will be selected for new boilers, up to the maximum number affordable. If there are too many high-scoring applications to be affordable, addresses will be selected at random from this group. This process will be explained in the</p>

	<p>invitation letter and publicity, to manage expectations.</p> <p><b>Too few eligible applications</b> – it is thought very unlikely that the scheme will be undersubscribed. If, however, too few eligible applications are received the scheme will be reviewed by the Assistant Executive Director (Environmental Services). In this case it would be possible to extend the support available to successful applicants to include a complete heating system upgrade, or to make up numbers by selecting additional households at random from amongst the remaining applications.</p> <p><b>Fraud</b> – proof of income and bills for gas and oil will be required as part of the application process. Applicants will be required to sign a declaration stating the truth of the information supplied. This will enable proceedings to be undertaken if fraud is later identified.</p> <p><b>Boiler Ownership</b> – as part of the application process private housing tenants will be asked to sign their acceptance that the new boiler remains the property of the landlord. Landlord consent will be obtained by the Council before installation is authorised in rented properties.</p>
<p><b>LINKS TO COMMUNITY PLAN:</b></p>	<p>The proposed Low Carbon Community Pilot will help to achieve the Attractive Tameside aim of Promoting Environmental Sustainability.</p>
<p><b>REFERENCE DOCUMENTS:</b></p>	<p>The background papers relating to this report can be inspected by contacting the Report Writer, Kate O'Donnell by:</p> <p> Telephone: 0161 342 2174</p> <p> E-mail: <a href="mailto:kate.odonnell@tameside.gov.uk">kate.odonnell@tameside.gov.uk</a></p>

## **REPORT**

### **1.0 BACKGROUND**

- 1.1 This report requests approval for the virement of £500,000 from the Housing Equity Release capital budget to fund a local Boiler Scrappage scheme for households living in fuel poverty, to be piloted in Dukinfield Ward. The scheme is designated as 'Carbon Offset Scheme' within the Capital programme.

### **2.0 EQUITY RELEASE SCHEME**

- 2.1 Four years ago an Equity Release scheme was established in Tameside to provide safe and secure loans to local residents to enable them to improve their homes to meet the Decent Homes Standard. Following a procurement exercise a waiver was granted for the Council to enter into a contract with a local Registered Social Landlord, Regenda Group, to provide the scheme. Regenda were the only body providing this type of product in the locality at the time.
- 2.2 Capital funding was made available within the Housing budget to provide Regenda with the loan finance for the Equity Release scheme. The scheme was in line with Government thinking on moving from grants to loans, and it targeted people with no access to commercial loans as no on-going monthly repayments were required.
- 2.3 Towards the end of 2008/09 Regenda informed the Council that they would no longer be offering the Equity Release scheme when the existing contract ended in March 2009. The Council joined with a number of other local authorities in need of such a scheme to search the market and tender for an alternative supplier. Unfortunately the tender process failed to identify a supplier to continue the scheme, and no spending occurred in 2009/10 against the Equity Release spending head. There was a refund of £200,000 unallocated funding from Regenda.
- 2.4 Whilst it is still hoped to find an alternative way of providing Equity Release funding in the future it was felt that the current funding could be reallocated for another purpose. It is proposed that the funding should be used to finance energy efficiency improvements to local homes where people are living in fuel poverty, under the Low Carbon Community Pilot.

### **3.0 LOW CARBON COMMUNITY PILOT**

- 3.1 Tameside's Low Carbon Community Pilot is being developed in order to:
- Improve the energy efficiency of existing homes and businesses
  - Improve access to affordable warmth for low income households
  - Engage local residents and businesses as local champions for energy efficiency
  - Support local companies involved in the improvement of energy efficiency in homes and businesses (e.g. through the installation of insulation, boilers, double glazing, and renewable sources of energy), especially those involved in Tameside Works First and the Buy With Confidence scheme.
- 3.2 Dukinfield Ward has initially been identified as the location for the pilot because it includes homes of a wide range of construction types, and strong links already exist in Dukinfield with community groups that are interested in environmental concerns. Dukinfield Ward

contains an area of significant deprivation along the northern border with Ashton-under-Lyne, and combines this with more affluent households.

- 3.3 Dukinfield Ward has the highest proportion of privately rented homes in Tameside, and a large number of homes built before 1900 (e.g. solid wall, terraced housing). These properties types are considered 'hard to treat' in terms of energy efficiency and are therefore priorities for improvement within Tameside. In addition Dukinfield Ward includes a range of more modern housing types.
- 3.4 The proposed Low Carbon Community Pilot programme consists of several elements:

<b>All households:</b>	<b>Cost to TMBC</b>
Heatseekers thermal imaging programme to identify homes losing heat, and offer subsidised insulation in partnership with Warm Front and British Gas.	Nil (Thermal imaging and insulation subsidy provided by Energy Saving Partnership)
'Energy Watchers' programme in partnership with two primary schools and Residents Associations to involve households in regular 'weigh-in' sessions and a competition to reduce their energy consumption. British Gas has supplied free electricity monitors to enable households to monitor consumption.	Staff time - Energy Unit (Venue and refreshments to be provided by local schools)
Establishment of a team of volunteer Community Champions to raise awareness at the grass roots level of what individual people can do to reduce energy consumption and reduce climate change.	Staff time - Energy Unit, District Assemblies, Countryside Unit
<b>Low-income households:</b>	
A local 'Boiler scrappage scheme' targeted at low-income households that miss the eligibility criteria for free improvements to their heating systems funded by Warm Front.	£500,000 - subject to approval of this Key Decision
<b>Local businesses:</b>	
Establishment of a Business Partnership at Globe Lane Industrial Estate to promote energy efficiency and reduce emissions, supported by the Tameside Business Family, Envirolink and the Groundwork Trust.	Staff time - Energy Unit, Economic Development Unit
<b>Improvements to the public sector estate:</b>	
Reduction of the Council's energy consumption via measures at Dukinfield Town Hall, Dukinfield Crematorium and expansion of the new street-lighting pilot.	Bid submitted to NW Improvement & Efficiency Partnership for street-lighting pilot Remainder funded via Council capital programme.
Reduction of New Charter's energy consumption, e.g. via introduction of LED lighting for communal areas of Central Estate.	Nil

#### 4.0 BOILER SCRAPPAGE SCHEME

- 4.1 One element of the Low Carbon Community Pilot is a proposed 'Boiler scrappage scheme' targeted at households living in fuel poverty who just miss the eligibility criteria for free upgrades to their heating systems via the national Warm Front scheme. Households are said to be living in fuel poverty when over 10% of disposable income is spent on heating.
- 4.2 According to Tameside's Private Sector Stock Condition Report 2009, there are 3,894 private sector homes in Dukinfield Ward. For 21% of these private homes (830 in total) the occupants have a gross annual income of up to £9k. This is less than half the level of the national average gross income figure (£26,020) and the gross income midpoint figure (£20,801) reported by the Office for National Statistics for occupants of both public and private sector homes in 2009<sup>1</sup>.
- 4.3 Dukinfield Ward includes seven small neighbourhoods where the midpoint of the range for annual household income lies between £17,999 and £21,021<sup>2</sup>. These neighbourhoods include 927 public and private sector homes, equivalent to 16% of all homes within the Ward.
- 4.4 In order to identify households eligible for the Boiler Scrappage Scheme, it will be necessary for applications to be invited from all homes across Dukinfield Ward. Contact details for the national Warm Front Scheme and for Benefits Advice and for the Council's Energy Unit will be provided to help residents decide if they are likely to be eligible for the scheme.
- 4.5 There will be a published closing date for the receipt of applications. Late applications will be rejected. Applications will then be subject to means testing.
- 4.6 If an applicant appears to qualify for assistance under the more generous Warm Front scheme then applicants will be signposted to apply under that scheme and will not be eligible under the Council's scheme. Applicants not currently in receipt of state benefits for which they may be eligible will be put in touch with sources of benefits advice.
- 4.7 If applicants are housing association tenants then their application will be rejected as this scheme is not designed for them.
- 4.8 If the applicant's house is not suitable for the scheme because they do not have a wet central heating system (fuelled by gas or oil) then they will not be eligible as they do not have a boiler which can be scrapped and replaced at reasonable cost.
- 4.9 Applications will be ranked in priority order by the Housing Service from people who meet a combination of the following criteria:
- Living in fuel poverty (over 10% of disposable income spent on heating)
  - Low household income
  - Poor energy efficiency rating of the existing boiler
- Grants will be allocated in priority order until the money is spent or there are no applicants living in fuel poverty who would benefit from the scheme.
- 4.10 Following the application process eligible households will be identified and all applicants will be notified of the result.

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<sup>1</sup> Annual Survey of Hours & Earning (ASHE), Office for National Statistics, 2009

<sup>2</sup> AGMA PayCheck directory data for 2009



- 4.11 In order to benefit as many homes as possible, it is proposed that the Boiler Scrappage Scheme will provide an energy-efficient (A rated) replacement boiler to households, including associated pipework together with thermostatic radiator valves. The Scheme will not provide a full heating system. Depending on the number of homes within Dukinfield Ward that are eligible for the scheme (i.e. are living in fuel poverty and are not eligible for Warm Front or other sources of national grant aid or benefits), it may be possible to extend our support to cover the installation of radiators as well.
- 4.12 Assistance will take the form of a grant where the applicant contracts with the installer. The applicant will be responsible for obtaining landlord's consent. Any risk between the Council and the applicant will therefore fall on the applicant and the scheme documentation will make this clear
- 4.13 However in order to assist applicants to commission the work, it is proposed that the Council's Property Operations service should be commissioned to manage the boiler specification and installation process. This will include:
- Competitive process to establish a list of local companies approved to supply and install all boilers for the scheme
  - Survey of homes and specification of replacement boilers
  - Negotiation of costs for approved boiler range with installers and boiler suppliers
  - Quality assurance of work carried out
- 4.14 Estimates from the Energy Saving Trust put the cost of installing a boiler at £1500 - £2000 for a straight swap. In practice, further costs are likely to be incurred for minor adjustments to pipework. When likely costs from Architects are also taken into account, it is anticipated that around 200 boilers can be installed.
- 4.15 As this is a pilot scheme it may be necessary to make minor changes to the process and it is requested that power to do this be delegated to the Assistant Executive Director (Environmental Services).

## **5.0 CONSULTATION**

- 5.1 Specific reports on the proposals for the Low Carbon Community Pilot have been taken to the Carbon Reduction Panel (January 2010) and the Strategic Capital Group (April 2010). Members of Executive Board were informed of the proposals for the Pilot within reports presented in March and September 2010. The project has received support from all bodies and currently remains within the Capital Programme, referred to as 'Carbon Offset Scheme'.

## **6.0 RECOMMENDATIONS**

- 6.1 It is recommended that approval is given to the proposal to vire £500,000 from the Housing Budget (Equity Release scheme) to the Low Carbon Community Project to reduce carbon emissions in Tameside, and to allocate that amount to a local Boiler Scrappage Scheme to help reduce carbon emissions and fuel poverty in Tameside.