

# **METROPOLITAN BOROUGH OF WIRRAL**

**CABINET 5 DECEMBER 2002**

## **REPORT OF THE DIRECTOR OF HOUSING & ENVIRONMENTAL PROTECTION**

### **PRIVATE SECTOR LANDLORDS ENERGY EFFICIENCY SCHEME**

#### **1.0 EXECUTIVE SUMMARY**

- 1.1 The purpose of this report is to seek approval from Members for the proposal to offer energy efficiency grants to private sector landlords to improve the energy efficiency of the private rented sector housing stock. The Wirral Private Sector Stock Condition Survey clearly demonstrates that this sector of the Borough's housing performs significantly worse in terms of thermal efficiency than both the owner-occupied and social housing stock.
- 1.2 Members are asked to endorse the scheme which has been developed in partnership with Scottish Power to offer grants towards the cost of energy efficiency improvements such as Loft Insulation, Hot Water Tank Jackets, Condensing Boilers and Energy Saving Lightbulbs. The grants will be funded by Scottish Power together with a contribution from the Council's Community Energy Fund. Landlords will also have to make a financial contribution to demonstrate their commitment to energy efficiency improvements in their property.
- 1.3 The scheme will be targeted to private rented properties in the Tranmere area to complement the Council's existing approach to target private sector housing investment in the area.

#### **2.0 BACKGROUND**

- 2.1 A Private Landlords Strategy is currently being prepared by officers of my Department. A report was submitted to the Housing and Community Safety Select Committee on 4 November 2002 outlining the progress of this project. One of the key areas which the strategy will address is the energy efficiency of private rented homes. This report seeks Members Approval for a scheme which addresses this issue.
- 2.2 The financial assistance currently made available to privately rented properties is in the form of "Warm Front" grants administered nationally by EAGA Partnership Ltd on behalf of the Government. "Warm Front" grants provide packages of insulation and heating measures which were previously offered under the old Home Energy Efficiency Scheme (HEES grants). Tenants in receipt of qualifying benefits are eligible for 100% grants for energy efficiency improvements, once they have obtained their landlord's approval. Landlord Renovation Grants in Tranmere also include loft insulation as a standard item and UPVC double glazed windows where window replacement is required.
- 2.3 While the Warm Front scheme is successful, there are many tenants who may be on a low income and living in older, less energy efficient privately rented stock who may not meet all the benefit criteria to obtain assistance from the Warm Front scheme. Some of these tenants may be experiencing fuel poverty but have no recourse to any financial assistance for energy efficiency improvements which could significantly reduce their heating bills and thermal comfort.



2.4 The recent Wirral Private Sector Stock Condition survey, the results of which will be reported to members in the near future has revealed that the private rented sector has significantly more properties failing the fitness standard for inadequate heating i.e. 18.3% compared with 10.4% for owner occupied housing and 10.3% for all housing. In terms of levels of loft insulation, the private rented sector performs poorly in terms of loft insulation with 17.8 % having less than 50mm compared to 12.3% owner occupiers and 12.9% social housing. Only 17.9% of private rented properties have 150mm or more loft insulation compared to 30.7% of owner-occupiers and 33.1% social housing. As with levels of unfitness and disrepair, the worst conditions in terms of energy efficiency tend to be found in the older, pre-1919 housing stock.

### 3.0 **SCOPE OF THE ENERGY EFFICIENCY GRANTS**

3.1 The proposed scheme is to target energy efficiency improvements in privately rented properties in the Tranmere area of the Borough, which is predominantly older terraced housing with a high proportion of privately rented properties.

3.2 The scheme has been promoted generally during National Warm Homes Week as well as through the Landlords Forum, and Landlords Newsletter. Expressions of interest for the grants have already been received from over 50 landlords. The proposal to develop this scheme was well received at the Landlords Forum on 19 November 2002.

3.3 The scheme will also be promoted via the Tranmere Housing Regeneration Partnership and the Tranmere Regeneration Partnership, which is made up of local residents. In addition, referrals can be made from the Council's Private Sector Housing Renewal and Environmental Health Sections, and from the Merseyside Energy Advice Centre.

3.4 It is envisaged that the scheme will be an integral part of a voluntary Landlord's Accreditation Scheme Initiative to encourage good practice, improve housing standards and engage private landlords in area regeneration, future housing strategies and policy decisions. The Council is currently consulting with Landlords to develop a Landlord Accreditation scheme of which a basic level of energy efficiency will be one of the standards necessary for compliance. A separate report on the Landlords Accreditation Scheme will be submitted for members' approval once the consultation process with Landlords is complete.

### 4.0 **GRANTS**

4.1 Scottish Power is offering up to 50% off measures such as loft insulation, cavity wall insulation, hot water tank jackets and energy saving lightbulbs together with bulk purchase prices for high efficiency condensing boilers.

4.2 It is proposed that landlords contribute £50 for a package of loft insulation, 2 energy saving lightbulbs and a hot water jacket which are measures that produce the most significant energy savings at a reasonable cost to landlords. Cavity wall insulation can also be offered in the scheme from £99 per property, however the housing stock in the target area is predominantly of solid wall construction so interest in this measure will be limited. A cash back scheme to replace old or obsolete boilers with condensing boilers will also be promoted as part of a fixed price central heating promotion with local heating contractors.



4.3 It is proposed that the remaining cost of a package of measures after the Scottish Power Discount and landlord's contribution is met from the Council's Community Energy Fund. The Council's Community Energy Fund consists of referral fees made to the Council by Scottish Power as part of the Preferred Supplier Partnership Agreement. The Fund is used to support energy efficiency initiatives and affordable warmth schemes.

4.4 Following a tendering process with Scottish Power's approved installers, the most competitive quote was received from Heatcare Insulation, based in Ellesmere Port who have a good track record of working with the Council improving the thermal efficiency of the Council's housing stock.

## 5.0 FINANCIAL & STAFFING IMPLICATIONS

5.1 The costs to the Council for upgrading 100 properties with the package of measures will be £10,000 from the Council's Community Energy Fund. If some of the properties do not require the full package of measures, landlords will be able to apply for measures for a further number of properties. The condensing boiler / fixed price central heating scheme will cost the Council a further £10,000 which will also come from the Community Energy Fund.

In general terms a £20,000 contribution from Wirral will generate approximately another £60,000 of investment from Scottish Power and Private Landlords.

5.2 There are no staffing implications arising from this report.

## 6.0 EQUAL OPPORTUNITIES IMPLICATIONS

6.1 While the grants are initially to be made available to Landlords with properties in the Tranmere area, it is hoped that the scheme will be extended Borough wide in the future.

## 7.0 LOCAL AGENDA 21 IMPLICATIONS

7.1 The proposed grants will have a significant positive environmental impact not only by contributing to better housing standards and the increased thermal comfort of tenants but also extending the affordable warmth strategy to the private rented sector and reducing fuel poverty. The grants will simultaneously improve the sustainability of the housing in Tranmere by reducing greenhouse gas emissions once energy efficiency improvements are in place.

## 8.0 LOCAL MEMBER SUPPORT IMPLICATIONS

8.1 Initially the scheme will be piloted in the Tranmere Housing Regeneration Partnership Area, however once the Landlords Accreditation Scheme gains momentum it is envisaged that it will be implemented Borough-wide. It is hoped further negotiations with Scottish Power will secure additional funding to expand the Landlords Energy Efficiency scheme to other areas of the Borough.

## 9.0 HUMAN RIGHTS IMPLICATIONS

9.1 None.



## 10.0 **COMMUNITY SAFETY IMPLICATIONS**

10.1 There are no community safety implications for the scheme, as approved contractors will visit properties only after the Landlords have made arrangements for the work to be carried out. Landlords will be asked to give their tenants reasonable notice that a named contractor will be calling. There will be no cold-calling by contractors.

## 11.0 **PLANNING IMPLICATIONS**

11.1 There are no planning implications arising from this report.

## 12.0 **BACKGROUND PAPERS**

12.1 None.

## 13.0 **RECOMMENDATION**

13.1 Members approve the scheme to offer energy efficiency grants to private sector landlords in partnership with Scottish Power.

13.2 Members approve the use of £20,000 from the Community Energy Fund to support the scheme.

13.3 Members approve the appointment of Heatcare Insulation as the selected contractor in line with the tendering process set out in this report.

Alan Stennard  
Director of Housing & Environmental Protection

This report was prepared by Emma Foley who can be contacted on 666 4848.

