

WIRRAL COUNCIL

CABINET – 18TH MARCH 2010

REPORT OF THE DIRECTOR OF REGENERATION

FREE HOME INSULATION INITIATIVE

1.0 EXECUTIVE SUMMARY

1.1 Members have agreed that £1.049M is allocated within the 2010/11 Budget for year 1 of a 4-year free home insulation programme. This report seeks Member's approval of the implementation of the programme.

2.0 BACKGROUND

2.1 Wirral Council has provided within the Housing Market Renewal Area free loft and cavity wall insulation to private sector homes since 2008 under the "CosyHomes" initiative. This makes use of Housing Market Renewal Initiative (HMRI) funding combined with funding from the energy companies' Carbon Emissions Reduction Target (CERT) programmes. Outside of HMRI, the Council has promoted CERT programmes direct to households and following Members' approval on 15th September 2009, is currently promoting WarmStreets in partnership with Apex Carbon Solutions to offer the best insulation deal for households. WarmStreets will operate up to 31st March 2010 however those households not on benefits or aged over 70 are currently required to pay a contribution.

2.2 It is proposed that a free insulation offer is extended to the whole of the Borough's private sector households. This report sets out the steps by which Wirral will extend its free insulation offer.

3.0 THE SCOPE FOR INSULATING WIRRAL'S PRIVATE SECTOR HOUSING

3.1 Wirral's 2008 Private Sector Stock Condition Survey found major scope for installing cavity wall insulation and topping-up loft insulation. It showed a total of 71,930 insulation measures were required. Should there be an 80% take-up rate by households under a free insulation scheme, the Council would need to contribute £7.34m towards the costs and would generate around £10.85m worth of funding in the form of contributions from the energy companies, over a 4-year programme.

3.2 The majority of current insulation activity is funded by the energy companies, however CERT funding covers only part of the insulation costs and relies heavily on households being able to fund the remaining costs of the insulation works. The most recent available data for Wirral, for 2008-09, shows that the energy companies funded 1,117 cavity wall insulation measures and 2,428 loft insulation measures in that year in the Borough. However an accelerated programme supported by the Council would increase both the take up of insulation works and CO₂ savings made.

4.0 SCHEME DELIVERY

4.1 The insulation initiative will be delivered in much the same manner as happens in the Kirklees Council area. Although any household is able to apply for the free insulation at any time, it is promoted door-to-door by independent advisors in concentrated geographical areas along with other fuel poverty-prevention measures, such as referrals for benefits checks/income maximisation and referrals into other initiatives such as the government's Warm Front scheme. This ensures that households are able to receive

other energy efficiency and heating measures, advice and assistance which leads to increased CO₂ savings and may lift a fuel poor household out of fuel poverty.

- 4.2 Implementation of the expanded home insulation programme will be through a partner acting as delivery agent, initially for the first two years of the programme. The role of the delivery agent would include business planning, scheme set-up, administration, data collection and input, financial processes, linking with local agencies and initiatives, recruiting a delivery team including door-step assessors and their supervision, undertaking public relations and managing insulation installers. It is anticipated that households who make contact with Wirral either through the Call Centres and One Stop Shops will be referred to the delivery agent for insulation works.
- 4.3 Set-up and procurement of the free insulation programme will be delivered through existing staffing resources, however, it will be necessary to create a single post to project manage the overall initiative and to monitor the contractual arrangements established..
- 4.4 It is estimated the initiative will be open to individual applications from July 2010, with door-to-door promotion and installations beginning in September 2010. The lead-in time includes tender preparation and procurement of services, negotiation and partnering with energy companies on funding, the stepping-up of capacity within the insulation industry to deliver the project together with integration with the Future Jobs Fund and other apprenticeship schemes.
- 4.5 Cabinet should be aware the energy companies part-fund home insulation initiatives through the Carbon Emissions Reduction Target (CERT). CERT funding could be used to compliment Wirral's initiative to achieve greater outputs however CERT funding is not guaranteed and would have to be negotiated with the energy companies.
- 4.6 Promotion of the initiative on an area basis will be phased to ensure demand as well as customer expectation can be met and to ensure waiting times are kept as short as possible within the overall programme. As the HMRI area already has a free insulation scheme which has to date had a high take-up rate, the new initiative will be targeted outside this area. Door-knocking to promote the offer would begin in areas of higher fuel poverty and with higher numbers of cavity walls. In addition, any private household from other parts of the Borough could apply at any time. However, in order to ensure take-up is maximised in areas of fuel poverty, a percentage of the budget each year would be set aside specifically for area-based promotion. This would be made clear to non area based households when they applied and estimated waiting times will be given.
- 4.7 The insulation programme offers an ideal opportunity to provide training placements under the Council's Construction Employment Integrator and for work placements under the Future Jobs Fund. These initiatives will be aligned to support this programme of works and thus maximise outputs for jobs and training.

5.0 COSTS AND OUTPUTS

- 5.1 A four-year programme to deliver loft and cavity wall insulation to 80% of private sector properties in need of insulating would cost the Council £7.344m, dependent on there being CERT funding available from the energy companies at present levels. CERT funding is only currently guaranteed until March 2011. The Government are consulting to extend this funding until December 2012; this round of consultation ends on 14th March 2010 and it is expected will quickly be followed by policy decisions.
- 5.2 The programme will require £1.049m from Council budgets in year 1 (2010/11) and £2.098m per year in years 2 to 4 (2011/12, 2012/13 and 2013/14). Delivery costs (planning, promotion, marketing, management and reporting) have been estimate at 10%

of the overall costs. This is based upon other similar initiatives elsewhere being operated but will only become certain following the outcome of the overall procurement process which will be reported to Cabinet.

- 5.3 Based upon an estimated level of £10.85m worth of CERT funding being negotiated and an 80% take-up rate, the following outputs could be generated over four years:

Lofts insulated	30,912 properties
Cavities filled	26,632 properties
Lifetime CO ₂ savings	870,340 tonnes

- 5.4 The financial and CO₂ savings resulting from the above installations for individual households are as follows:

Insulation measure	Annual CO ₂ savings	Annual £ savings
Cavity wall insulation	610 kg	£115
Loft insulation (where none previously present)	800 kg	£150
Loft insulation top-up	230 kg	£45

- 5.5 A further report will be presented to Members following the procurement process to report progress on the appointment of the delivery and funding partners and to seek approval for the appointment of a full time Project Manager. The funding for this post would be met from the overall programme budget.

6.0 FINANCIAL & STAFFING IMPLICATIONS

- 6.1 Members have agreed to an allocation of £1.049m from the 2010/11 Council Budget for the first year of a four year insulation programme costing £7.34 million to be used to tackle fuel poverty, improve Wirral's housing stock and reduce our carbon footprint. Whilst support costs for the delivery and management of the programme will depend on the outcome of the procurement process and negotiation with the energy companies, it is estimated that a maximum of 10% of the programme will be set aside for implementation, delivery and management costs.

- 6.2 The set-up and procurement for the implementation of the free insulation programme will be delivered through existing staffing resources. A new full-time post will be required to project manage the overall initiative and monitor contractual arrangements. This post would be the subject of a separate report to the Employment & Appointments Committee and would be funded from the overall programme budget.

7.0 EQUAL OPPORTUNITIES / EQUALITY IMPACT

- 7.1 Fuel poverty is disproportionately suffered by older people and take-up rates for energy efficiency grants are usually lower within certain minority groups compared to other sections of the population. These issues have been recognised within the Equality Impact Assessment carried out for the Affordable Warmth Strategy, under which this initiative is placed and which identified potential positive impacts.

8.0 LOCAL AGENDA 21 IMPLICATIONS

8.1 There is obviously a significant CO₂ saving associated with the installation of energy efficiency measures and consequent environmental measures.

9.0 LOCAL MEMBER SUPPORT IMPLICATIONS

9.1 The free home insulation programme, along with the current Housing Market Renewal CosyHomes free insulation scheme, will provide coverage across all Council wards.

10.0 HUMAN RIGHTS IMPLICATIONS

10.1 None.

11.0 COMMUNITY SAFETY IMPLICATIONS

11.1 The Community Safety Team will be kept informed of 'door-knocking' activity and partner staff will be provided with identification.

12.0 PLANNING IMPLICATIONS

12.1 None.

13.0 ANTI-POVERTY IMPLICATIONS

13.1 This initiative will substantially reduce fuel poverty and assist those households considered to be most vulnerable.

14.0 SOCIAL INCLUSION IMPLICATIONS

14.1 This initiative will target those groups that potentially may otherwise not access advice on energy efficiency, benefit entitlement and changing energy suppliers.

15.0 BACKGROUND PAPERS

15.1 None

16.0 RECOMMENDATION

16.1 That Members endorse the proposed outline implementation programme for the provision of free home insulation to be offered to all households across Wirral following an allocation of £1.049M for 2010/11 to deliver the first year of a four year free loft and cavity wall insulation programme; and that a further report be presented to Cabinet following the procurement process for the delivery of the programme which will detail the environmental, financial, training and employment benefits arising from the project.

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Director of Regeneration

This report was prepared by Ed Kingsley who can be contacted on 691 8243.