

Report to: **Hub Committee**

Date: **20 October 2020**

Title: **Green Homes Grant – Local Authority Delivery Scheme**

Portfolio Area: **Cllr Tony Leech**

Wards Affected: **All**

Urgent Decision: **N** Approval and clearance obtained: **Y**

Date next steps can be taken: Upon the expiry of the Scrutiny Call-in deadline – 28 October 2020

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**RECOMMENDATION:**

**That the Hub Committee note the successful bid and award of the sum of £224,500 from the Government's Green Homes Grant scheme.**

**1. Executive summary**

- 1.1 In July 2020, the Government announced a £2 billion Green Homes Grant (GHG) scheme to save households money, cut carbon and create jobs.
- 1.2 The Council, as part of a consortium with South Hams DC, submitted a bid and have been awarded a sum of £224,500.
- 1.3 The capital grant must be used to raise the energy efficiency of low income and low Energy Performance Certificate (EPC) rated households, through fabric measures and low carbon heating, such as heat pumps.

## **2. Background**

- 2.1 The housing stock within West Devon includes a large number of older style properties which are considered to be 'hard to treat' in terms of energy efficiency improvements.
- 2.2 A large number of properties are off the mains gas supply and rely on alternative, less efficient sources of heating, such as oil and solid fuel.
- 2.3 There has been a range of different schemes to improve the energy efficiency of existing housing but these have focussed on easier, less expensive measures such as loft and cavity wall insulation and the installation of gas fired boilers.
- 2.4 As a result of the above people living in fuel poverty in older, single-skin properties in remote locations have seldom been able to access support.
- 2.5 With a growing focus on reducing carbon emissions from all sources including existing housing, as highlighted within the Council's emerging Climate Change and Biodiversity Strategy, the bid put forward by the Council focusses on the installation of external wall insulation and air source heat pumps for eligible households.
- 2.6 A key requirement of the bidding process was to prove deliverability of the project in the limited timeframe. As a result of a previous procurement exercise the Council was able to satisfy the eligibility criteria.

## **3. Outcomes/outputs**

- 3.1 The grant will be used to deliver in the order of 14 external wall insulations and 6 Air source heat pumps for eligible households by the end of March 2021.
- 3.2 The installations will reduce fuel poverty and reduce carbon emissions from the households benefitting from the grants.
- 3.3 A range of metrics including lifetime financial and carbon savings will be calculated and reported back at the end of the project

## **4. Capacity to deliver and secure further funding**

- 4.1 One of the conditions of the capital grant is that a scheme is put in place that secures delivery of the installations by the end of March 2021 which is challenging given this is a new area of work.
- 4.2 It is important to point out that the grant has been awarded from Phase 1 of the Green Homes Grant and there are plans for a second phase post March 2021 where more funds will be made available. If the delivery of this first round of funding is successful then it could place us in a better position for future rounds.
- 4.3 In view of the above, it is recognised that some resource, from within existing budgets, is needed to both support delivery of the scheme, to prepare to bid for any future funding and to support the work of the private sector housing team with regard to improving the energy efficiency of the existing housing stock.

## 5. Proposed Way Forward

- 5.1 It is proposed that officers implement the scheme, in-line with the bid, to spend the £224,500 on the targeted installations by the end of March 2021.
- 5.2 It is also proposed that officers look to realign existing resources to progress further work to support a reduction in fuel poverty and carbon emissions as detailed in 4.3 above.

## 6. Implications

Implications	Relevant to proposals Y/N	Details and proposed measures to address
Legal/Governance		<p>The Council has a range of powers with regard to private sector housing and energy efficiency. The Green Homes Grant funds have been awarded subject to a Memorandum of Understanding which sets out the associated conditions.</p> <p>As part of the application process the Council had to declare that it had considered its proposals in connection with the State aid rules. As a result of the procurement exercise referred to in paragraph 2.6 the Council was able to satisfy itself that it could do so.</p>
Financial implications to include reference to value for money		<p>A capital grant award of £224,500 has been made to the Borough Council for the 2020-21 financial year from the Green Homes Grant.</p> <p>West Devon Borough Council is the lead Authority for the capital grant, for both West Devon and South Hams Councils as part of a consortium, as per Section 31 of the Local Government Act.</p> <p>Monitoring and spend against the capital budget of £224,500 will be reported quarterly to the Hub Committee as part of the Capital Programme Monitoring report for 2020-21.</p> <p>On an annual basis, the Council's auditors, issue an opinion on their Value for Money conclusion for the Council.</p> <p>For the 2019-20 year, Grant Thornton has reported to the Council's Audit Committee on 13<sup>th</sup> October 2020, that they will be issuing an unqualified opinion on the Council's Value for Money arrangements and that they have concluded that the Borough Council has proper arrangements to</p>

		secure economy, efficiency and effectiveness in its use of resources.
Risk		<p>There are two main risks that need to be considered:</p> <p>The risk of not spending the allocated funds by the end of March 2021. This depends on uptake of the offer and the ability to get the measures installed. To mitigate this we have an established supply chain through our relationship with SSE plc and a number of potential leads already identified through previous work.</p> <p>An additional risk relates to the capacity within the team to deliver this work. At this stage it is proposed to realign existing resources to focus on this project but there is a question mark over the ability to sustain this should further funding be forthcoming. This risk will need to be assessed further in the future.</p>
Comprehensive Impact Assessment Implications		
Supporting Corporate Strategy		Wellbeing, Homes and Climate Change and Biodiversity
Equality and Diversity		No direct implications
Safeguarding		No direct implications
Community Safety, Crime and Disorder		No direct implications
Health, Safety and Wellbeing		The provision of energy efficiency measures will have a positive impact on the health, safety and wellbeing of the households.
Other implications		

**Appendices:**

None

**Background Documents:**

The Central Government Green Homes Grant – Local Authority Delivery Scheme Criteria