



COFNOD O BENDERFYNIAD WEDI'I DDIRPRWYO GAN SWYDDOG
RECORD OF DELEGATED OFFICER DECISION

Penderfyniad Allweddol | Key Decision ✓

PWNC | SUBJECT:

Proposed introduction of a new Domestic Heating Grant

DIBEN YR ADRODDIAD | PURPOSE OF THE REPORT:


In accordance with the Council's Scheme of Delegation, this report has been prepared to accompany the intended officer decision of the Director of Development and Prosperity as described below:

This report sets out Rhondda Cynon Taf's proposal to provide a new Heating Grant funded from the Capital Housing Programme to support the strategic objectives contained within the Council's Warmer Homes: A Fuel Poverty Strategy 2009-2023.

PENDERFYNIAD WEDI'I DDIRPRWYO | DELEGATED DECISION:

It is agreed that:

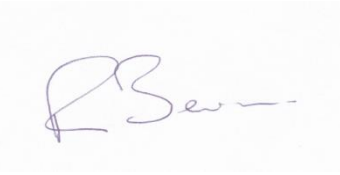
A new Domestic Heating Grant is established based upon eligibility criteria as outlined in this report and the Statement of Intent (Sol) is published on the Authority's website.

| | | |
|---|--|-------------------------------|
|  | Simon Gale | 12 th October 2020 |
| Llofnod y Prif Swyddog Chief Officer Signature | Enw (priflythrennau) Name (Print Name) | Dyddiad Date |

Mae'r penderfyniad yn cael ei wneud yn unol ag Adran 15 o Ddeddf Llywodraeth Leol 2000 (Swyddogaethau'r Corff Gweithredol) ac yn y cylch gorchwyl sy wedi'i nodi yn Adran 5 o Ran 3 o Gyfansoddiad y Cyngor.

The decision is taken in accordance with Section 15 of the Local Government Act, 2000 (Executive Functions) and in the terms set out in Section 5 of Part 3 of the Council's Constitution.

YMGYNGHORI | CONSULTATION



12th October 2020

LLOFNOD YR AELOD YMGYNGHOROL O'R CABINET
CONSULTEE CABINET MEMBER SIGNATURE

DYDDIAD | DATE

LLOFNOD SWYDDOG YMGYNGHOROL
CONSULTEE OFFICER SIGNATURE

DYDDIAD | DATE

RHEOLAU'R WEITHDREFN GALW-I-MEWN | CALL IN PROCEDURE RULES.

A YW'R PENDERFYNIAD YN UN BRYN A HEB FOD YN DESTUN PROSES GALW-I-MEWN GAN Y PWYLLGOR TROSOLWG A CHRAFFU?:

IS THE DECISION DEEMED URGENT AND NOT SUBJECT TO CALL-IN BY THE OVERVIEW AND SCRUTINY COMMITTEE:

NAC YDY | NO ✓

Rheswm dros fod yn fater brys | Reason for Urgency:

Os yw'n cael ei ystyried yn fater brys - llofnod y Maer/Dirprwy Faer/Pennaeth y Gwasanaeth Cyflogedig yn cadarnhau cytundeb fod y penderfyniad arfaethedig yn rhesymol yn yr holl amgylchiadau iddo gael ei drin fel mater brys, yn unol â rheol gweithdrefn trosolwg a chraffu 17.2:

If deemed urgent - signature of Mayor or Deputy Mayor or Head of Paid Service confirming agreement that the proposed decision is reasonable in all the circumstances for it being treated as a matter of urgency, in accordance with the overview and scrutiny procedure rule 17.2:

.....
(Maer | Mayor)

.....
(Dyddiad | Date)

DS - Os yw hwn yn benderfyniad sy'n cael ei ail-ystyried yna does dim modd galw'r penderfyniad i mewn a bydd y penderfyniad yn dod i rym o'r dyddiad mae'r penderfyniad wedi'i lofnodi.

NB - If this is a reconsidered decision then the decision Cannot be Called In and the decision will take effect from the date the decision is signed.

AT DDEFNYDD Y SWYDDFA YN UNIG | FOR OFFICE USE ONLY

DYDDIADAU CYHOEDDI A GWEITHREDU | PUBLICATION & IMPLEMENTATION DATES

CYHOEDDI | PUBLICATION

Cyhoeddi ar Wefan y Cyngor | Publication on the Councils Website:- ____13-10-20____

DYDDIAD | DATE

GWEITHREDU'R PENDERFYNIAD | IMPLEMENTATION OF THE DECISION

Nodwch: Fydd y penderfyniad hwn ddim yn dod i rym nac yn cael ei weithredu'n llawn nes cyn pen 3 diwrnod gwaith ar ôl ei gyhoeddi. Nod hyn yw ei alluogi i gael ei "Alw i Mewn" yn unol â Rheol 17.1, Rheolau Gweithdrefn Trosolwg a Chraffu.

Note: This decision will not come into force and may not be implemented until the expiry of 3 clear working days after its publication to enable it to be the subject to the Call-In Procedure in Rule 17.1 of the Overview and Scrutiny Procedure Rules.

Yn amodol ar y drefn "Galw i Mewn", caiff y penderfyniad ei roi ar waith ar / Subject to Call In the implementation date will be

19-10-20

DYDDIAD / DATE

WEDI'I GYMERADWYO I'W GYHOEDDI: ✓ | APPROVED FOR PUBLICATION :✓

Rhagor o wybodaeth | Further Information:

| | |
|---|--|
| Cyfadrn Directorate: | Prosperity and Development |
| Enw'r Person Cyswllt Contact Name: | Derek James |
| Swydd Designation: | Service Director of Prosperity and Development |
| Rhif Ffôn Telephone Number: | 01443 281115 |

RHONDDA CYNON TAF COUNTY BOROUGH COUNCIL

KEY DELEGATED DECISION

**A REPORT TO ACCOMPANY A DECISION OF THE DIRECTOR OF
PROSPERITY AND DEVELOPMENT**

OCTOBER 2020

PROPOSED INTRODUCTION OF A NEW DOMESTIC HEATING GRANT

**AUTHOR: DEREK JAMES, SERVICE DIRECTOR - PROSPERITY &
DEVELOPMENT**

1.0 PURPOSE OF THE REPORT

- 1.1 The purpose of the report is to seek approval to establish a new Heating Grant for residents, in order to repair, replace or install a new heating system in line with the Council's Affordable Warmth Strategy 2019 – 2023 and the Council's Net Zero Report.
- 1.2 The Grant, if approved, will provide assistance to households who are at risk of fuel poverty but who may not be eligible for other sources of financial assistance through other Council grants or external schemes such as Welsh Government's NEST Scheme.

2.0 RECOMMENDATIONS

It is recommended that:

- 2.1 The proposal to create a new Heating Grant, as set out in section 5 of this report, is approved.

3.0 REASON FOR RECOMMENDATIONS

- 3.1 To support the Council's commitment to mitigating the impacts of fuel poverty and enabling warmer homes by improving the energy efficiency of homes within the borough and reducing carbon emissions.
- 3.2 To address the need for financial assistance for households affected by fuel poverty, due to low income, who are not in receipt of means tested benefits, to replace in-efficient/broken heating appliances or installation.
- 3.3 In addition to this, the Covid-19 pandemic has impacted on households through a reduction of incomes, increase in energy bills, increase in utility debts from people generally spending more time at home due to lockdowns, loss of employment and/or poor health. Ofgem has recently reported that over **50%** of

consumers say they are now using more energy than normal for this time of year due to the impact of Covid-19. This figure increased to **75%** when reporting on those consumers that have children living in the home.

- 3.4 Not being able to afford heating bills could result in people under heating their homes. Living in cold homes has a detrimental impact on health and well-being generally, but in particular, spending extended periods exposed to cold can exacerbate or induce respiratory and cardiovascular conditions that increase the risk of contracting Covid-19, and its severity (Homes, Health and Covid 19: Centre for Ageing Better and the King's Fund Report - Sept 2020).

4.0 BACKGROUND

- 4.1 In Wales, a household is defined as being in fuel poverty if it spends more than 10% of its income to heat their home to a satisfactory comfort level.

- 4.2 However, this definition of fuel poverty does not capture families that 'under heat' their homes due to the inability to afford a comfortable heating standard. These families can be at greater risk of suffering further consequences of cold related illnesses from living in cold homes.

- 4.3 There are three main factors that contribute to fuel poverty:

1. Household income
2. Energy prices
3. The energy efficiency of homes

- 4.4 When faced with fuel poverty, households often react in the following ways:

- They use less energy than they need, potentially making existing health problems worse and making them more vulnerable to other cold related illnesses.
- They try to meet their energy needs by rationing other essential items such as food (heat or eat).
- They borrow money to pay their energy bills and/or fall into debt.

- 4.5 New fuel poverty figures released by Welsh Government highlight that 12% of homes in Wales are in fuel poverty (2018) and 20% of households living in pre 1919 properties are in fuel poverty. In RCT there are above national averages of pre 1964 housing types which can present a high risk of fuel poverty. Energy bills for households are continuing to rise year on year and this trend is expected to continue.

- 4.6 In October 2019, 'Warmer Homes: A Fuel Poverty Strategy' was approved by Cabinet. The strategy identifies three main objectives to help mitigate the effects of fuel poverty for Rhondda Cynon Taf residents. These are:

1. Provide advice and assistance to maximise household disposable income

2. Reduce energy prices
3. Improve the energy efficiency of homes and decarbonisation

The strategy sets out the Council's objectives and actions for the next five years in order to have maximum impact for residents whilst also achieving value for money. One of the key actions set out in the strategy is to **consider developing a heating grant to target households who are not eligible for other types of grant assistance, but may still be in fuel poverty** i.e. no working heating systems.

- 4.7 Over the last 10 years, the Council has delivered a range of approaches and interventions to help mitigate the number of households living in fuel poverty. However, although external sources of grant assistance for energy efficiency measures are available to RCT residents they are primarily targeted at households in receipt of means tested benefits or are targeted towards specific post code areas as part of area based Schemes.

- 4.8 External Grant assistance that is currently available includes:

Welsh Government's fuel poverty schemes:

1) 'NEST' which provides a range of fully funded energy efficiency measures including gas boilers, insulation and energy advice but this is targeted to those in receipt of means tested benefits.

2) 'Arbed am Byth' which is a fully funded area based scheme to private homes regardless of income levels if properties have an EPC rating of E or lower. However, this is only available to certain areas and is spread across Wales, and managed outside of the Council. Arbed am Byth are offering insulation, LED lighting, gas connections, gas boiler upgrades and solar PV panels but no options for lower carbon heating solutions at present.

UK Government's Energy Company Obligation (ECO) efficiency programmes:

3) 'ECO3' programme period runs from October 2018 to March 2022. As such, funding is available in the market place, which primarily targets the 'affordable warmth' group which are those in receipt of means tested benefits.

4) As part of ECO there is a discretionary element available to local authorities known as 'LA Flex' or 'ECO Flex' which can access 25% of the ECO obligation based upon a locally based set criteria. RCT has an active ECO3 Flex scheme in operation which assists low income households, however financial assistance varies between energy companies/installers and rates of funding fluctuate throughout the ECO delivery period, resulting in some households not being able to afford the shortfall costs.

- 4.9 In 2019/20 RCT residents received 573 energy efficiency measures from the NEST scheme, a total of 523 (91%) of these were for boiler replacements/central heating systems.
- 4.10 In 2019/2020, working in partnership with Welsh Government's Arbed am Byth Scheme has enabled the delivery of energy measures to 577 homes in RCT, with 62% of these households receiving gas boiler upgrades.
- 4.11 The levels of central heating and/or boiler upgrades delivered through these schemes highlight the need locally for this energy efficiency improvement. **However, it is also important to consider that broken and/or condemned heating systems do not always show on the Energy Performance Certificates (EPCs) and as such may not attract external funding. This has resulted in these homes not being able to receive assistance from externally funded schemes.**
- 4.12 In addition to this, the Covid-19 pandemic has impacted on households through a reduction of incomes, increase in energy bills, increase in utility debts from people generally spending more time at home due to lockdowns, loss of employment and/or poor health. Ofgem has recently reported that over **50%** of consumers say they are now using more energy than normal for this time of year due to the impact of Covid-19. This figure increased to **75%** when reporting on those consumers that have children living in the home.
- 4.13 Not being able to afford heating bills could result in people under heating their homes. Living in cold homes has a detrimental impact on health and well-being generally, but in particular, spending extended periods exposed to cold can exacerbate or induce respiratory and cardiovascular conditions that increase the risk of contracting Covid-19, and its severity (Homes, Health and Covid 19: Centre for Ageing Better and the King's Fund Report - Sept 2020).
- 4.14 The proposal set out in section 5 of this report will provide vital assistance to low income households, particularly through the current Covid-19 pandemic, supporting households to heat their homes affordably and therefore improving their health and wellbeing.

5.0 HEATING GRANT PROPOSAL

- 5.1 The proposed RCT Heating Grant will be available to owner occupiers to help them either install first time central heating or upgrade existing heating systems, including heating controls. The Grant will provide assistance for either boilers **under 10 years old** that are not working or condemned or to upgrade the efficiency of those over 10 years old or with a SEDBUK rating of less than 86%. (SEDBUK is the Seasonal Efficiency of Domestic Boilers in the UK, which is an industry approved assessment of the energy efficiency of a boiler. It is identified in many national fuel poverty schemes a rating of less than 86% is considered inefficient.)

- 5.2 The grant will provide funding of up to **£5,000**, and , no contribution to the grant will be required, unless the costs exceeds the grant maximum and the household wishes to 'top up' the costs.
- 5.3 All options for external funding will be sourced first before any award of internal grant funding. In cases where partial external funding may be sourced, (windfall opportunities or changes to external grant funding) this grant can contribute towards the shortfall up to the grant maximum.
- 5.4 Heating systems available under the grant will include not just conventional A rated condensing boilers, but other **low carbon or more sustainable heating options** (where suitable/possible). This includes fuel sources of gas, electric, LPG, biomass, and oil but preference to be given to those that offer the most energy efficiency and environmental improvements.
- 5.5 Heating options can include;
- Boilers replacement or first time installation (wet and dry systems as required and suitable to the property)
 - Boiler repair
 - Radiators and pipework upgrades/repair (where required)
 - System flush – magnacleaner (where required)
 - Electric heating options paired with solar panels i.e. Infrared heating systems (once measures approved for RdSAP ratings)
- 5.6 Any energy measure offered must be approved by a Grants Surveyor/Energy Officer to ensure that options considered are the most efficient and suitable for the property as well as suitable to the household's circumstances. Pre and Post Energy Performance Certificates must be completed and will be funded out of the grant funding, within the maximum allowance.
- 5.7 The below bullet points set out who would be eligible for this new heating grant:
- Household Income under £30,576 after rent or mortgage costs. This sum is based on ONS average income levels for RCT, which was used for the ECO flex criteria. **Therefore, the grant will assist those with below average income for RCT.**
 - Owner Occupiers only.
 - Boiler not working or condemned if under 10 years old.
 - If boiler is working it must be either
 - over 10 years old or;
 - less than 86% efficiency (SEDBUK ratings) or;
 - a recommended measure on a valid Energy Performance Certificate.
 - Grant funding will not be eligible for households with more than £16,000 savings but they will instead be signposted towards Home Improvement Loans (This will be validated by households providing evidence of savings account statements following the same process as other grant applications).

- External funding will be sourced and utilised, if available in the first instance with the proposed funding used to provide any shortfall funding up to the grant maximum.
- Any additional costs of works above the grant maximum are to be met by the home owner but can be met by other assistance i.e. loans or other grant assistance if meets eligibility criteria.

6.0 EQUALITY AND DIVERSITY IMPLICATIONS

- 6.1 An Equality Impact Assessment (EqIA) screening form has been prepared for the purpose of this report. It has been found that a full report is not required at this time.

7.0 CONSULTATION

- 7.1 There are no formal consultation requirements arising from these proposals.

8.0 FINANCIAL IMPLICATION(S)

- 8.1 £100,000 has been identified from the existing Community Regeneration budget within the Housing Capital Programme.

9.0 LEGAL IMPLICATIONS OR LEGISLATION CONSIDERED

- 9.1 The delivery of the Heating Grant will be provided from within the existing Capital Housing Grants Framework of contractors. Further advice will be sought from Procurement and Legal Services if required.

10.0 LINKS TO THE CORPORATE AND NATIONAL PRIORITIES AND THE WELL-BEING OF FUTURE GENERATIONS ACT

- 10.1 Investment in housing provides an ongoing stimulus to the local economy by encouraging spending and local supply chains. Reducing energy bills also creates more disposable income for residents that could be spent in local economies.
- 10.2 Maximising income helps improve prosperity of residents while also making them more resilient to future rises in energy bills/fuel poverty. Improving the energy efficiency of homes helps reduce the impact of climate change by reducing carbon emissions.
- 10.3 As such, the Heating Grant will contribute to the delivery of the Council's Affordable Warmth Strategy 2019-2023 and contribute to the delivery of the Council's aims in the Net Zero Plan. It will also positively contribute to the Council's Corporate Plan priorities of economy, people and place and

contribute to all seven wellbeing goals in the Well Being of Future Generations (Wales) Act 2015.

11.0 CONCLUSION

- 11.1 An efficient, working heating system is one of the key factors to not only mitigate but to safeguard residents from fuel poverty through helping residents live in safe and warm homes. Although there is a range of grant funding available there are gaps in assistance for households with non-working heating systems or those that are not in receipt of means tested benefits but are still as likely to be in fuel poverty due to low incomes.
- 11.2 This report sets out proposals for the Council to create a new heating grant that will plug the current gap in support for those people on low income and therefore in fuel poverty.

Other Information: -

Relevant Scrutiny Committee

Finance and Performance

Contact Officer: Derek James Tel: (01443) 281115