

## Eco Bicester Strategic Delivery Board

<b>Date of meeting: 27 October 2011</b>	<b>AGENDA ITEM NO:  8</b>
<b>Report title: Retrofit Programme – Insulation Scheme update</b>	
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### 1. Purpose of Report

- 1.1 This report updates the Strategic Delivery Board on the delivery of the Eco Bicester insulation retrofitting scheme and sets out external funding changes that will impact the scheme. It seeks approval from the Strategic Delivery Board of proposals, made in response to forthcoming changes to external funding, to increase scheme delivery before Carbon Emissions Reduction Target (CERT) funding ends in December 2012.

### 2. Background

- 2.1 A project to upgrade existing properties with energy efficiency measures was identified at an early stage as a priority in the delivery of Eco Bicester. It is estimated that 6,000 of Bicester's 13,000 homes are likely to lack basic insulation (2009 stock condition survey) therefore the need for basic and cost effective energy efficiency measures was recognised as being significant. While new build properties at North West (NW) Bicester will be built to high insulation standards, it is important not to overlook the contribution the existing housing stock could play in reducing carbon emissions and reducing fuel poverty.
- 2.2 The scheme to provide loft insulation and/or cavity wall insulation was approved by the Board meeting in July 2010. £500,000 of eco town funding was allocated to the insulation scheme over three years. Under the scheme, insulation has been installed at a reduced price to the householder of £49 per measure, or free if eligible, through approved contractors (funded partly through CERT obligations on the major energy companies). The cost of these measures takes account of the discount already paid by major energy suppliers. It reduces the cost further to home owners and landlords through additional funding from the Eco town start up funding allocation.
- 2.3 While much of the eco town programme is looking at innovation and new approaches, measures like basic insulation are cost effective and deliver real benefits in carbon reduction and for residents. It is also important in ensuring those living in the existing town can be involved and benefit from the Eco Bicester project.
- 2.4 The project was initially intended to run to mid 2013 but it is anticipated that the period will be consolidated given the introduction of the "Green Deal" from the end of 2012. The insulation scheme was formally launched in Autumn 2010 and has now reached 1,000 installations (1000<sup>th</sup> insulation took place in October 2011) in Bicester.

- 2.5 Delivery of the scheme is through Cherwell District Council's well-established partnership with Cocoon and the United Sustainable Energy Agency (USEA) which manages the scheme and CERT funding. At the time of approving the scheme it was estimated that delivery of the full £500k budget would attract £915k of (external) CERT funding with the funding released to USEA in three tranches for each year of the programme. To date approximately £160,000 (one hundred and sixty thousand pounds) has been released for installations and approximately £8,000 (eight thousand pounds) small amount for USEA's management fee.
- 2.6 The Bicester Insulation Scheme is part of the wider district Retro-fit Energy-efficiency and Affordable Warmth Scheme commenced in November 2011 with the first installations in December 2011. It was anticipated at the outset that up to approximately 3650 properties could benefit from the insulation deal. To meet this target will require further promotion of the scheme in the limited time available.
- 2.7 On 30 July 2010, the Department of Environment and Climate Change agreed to extend CERT funding to December 2012 with a significantly higher target (3.5 million households) refocused around insulation. The Green Deal is being drawn up by Government ministers. Early indications suggest a green loan could be offered to property owners to invest in microgeneration with the initial cost of the loan to be covered by the loan and repaid through savings on energy bills. This will effectively mean that CERT discount funding will cease to be available to the Bicester Insulation Scheme in approximately 12 months time (September 2012). As a consequence, the current scheme will have to end a full year earlier than originally intended.
- 2.8 After a relatively slow start between August and October 2010, the number of installations increased steadily month on month averaging 82 installations a month between February and April 2011 and almost doubled between May and July 2011 peaking at 166 installations in June 2011. The latest reports from USEA show approximately 1,000 homes in Bicester have been insulated through the scheme so far, at a cost to the Bicester Insulation Scheme of approximately £115,900 (see attached report).
- 2.9 The scheme has been extended to support the insulation of Southwold Community Centre in Bicester. With the first installation proposed at Southwold Community Centre it is anticipated that other eligible facilities may also seek support for insulation.

### **3 Proposals**

- 3.1 In order to take maximum advantage of CERT discount funding whilst it remains available, it is proposed that certain revisions to the scheme should be implemented directly.
- 3.2 For a three month period ending in July 2011, carefully regulated door-to-door canvassing was trialled by an approved insulation contractor (at no extra cost to the scheme). The trial has been judged successful and has increased uptake significantly. In light of the imposed change to the end-date for the scheme, it is judged that canvassing will need to continue and be extended to allow achievement of the best possible delivery result in the time available. There is no cost to the scheme of this canvassing.
- 3.3 Although insulation is often free, that is, entirely CERT funded, for residents aged 70 and over, or in receipt of a qualifying means-tested benefit, experience has shown that many applicants are not eligible because they fail to meet the further qualifying criteria that they currently have less than 60mm of insulation. The effect of being told that the insulation will cost £49 when

they were hoping would be free, is having the effect of putting vulnerable households off altogether, even though they can still take advantage of the significant discount provided by the £49 deal.

- 3.4 A revision of the terms of the scheme so as fund the £49 cost for those vulnerable households who would be eligible for free insulation under CERT but for the '60mm rule' would improve uptake by many of the most vulnerable residents. It is therefore proposed that the scheme should provide free insulation in these particular circumstances.

#### **4. Recommendations**

Members are asked to:

- 4.1 Note progress with the Bicester Insulation Scheme
- 4.2 Note that external funding changes will result in the Scheme ending earlier than originally envisaged.
- 4.3 Support the use of funding to insulate community halls in Bicester.
- 4.4 Approve continuation of carefully regulated canvassing, for the remaining term of Scheme, by the approved contractor who has undertaken the successful trial.
- 4.5 Approve revision of the terms of the scheme so as to make loft-insulation available at no cost (rather than £49) for applicants who, but for their already having 60mm+ loft-insulation, would otherwise be eligible for free insulation under CERT.