

## REPORT TO EXECUTIVE



<b>DATE</b>	<b>19<sup>th</sup> August 2008</b>
<b>PORTFOLIO</b>	<b>Regeneration and Economic Development</b>
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## Switch onto Savings Scheme Policy Amendments

## PURPOSE

1. To request that the Executive approves a number of policy amendments to the Switch onto Savings Scheme.

## RECOMMENDATION

2. That the Executive approves the following amendments as set out in the report: -
  - a. Introduce a subsidised 'Able to Pay' cavity wall and loft insulation scheme at £75 per measure for all Burnley private sector households whilst utility funding remains available.
  - b. Introduce a £300 heating rebate scheme available to private sector households that are in receipt of CRISP grant qualifying criteria, or that live in a small home (2/3 bed terrace or 2/3 bed semi-detached), or £500 for households in receipt of means tested benefits.
  - c. Increase the CRISP grant maxima to £800 per property available over a 3 year period.
  - d. That the CRISP scheme criteria 'any family with children under 5, within a Burnley SureStart boundary' is broadened to include 'any family with children under 5, living in a small home boroughwide'.
  - e. Revise the Switch onto Savings budget to £266,418 to incorporate £150,418 of utility company match funding that has been secured.

## REASONS FOR RECOMMENDATION

- 3.1 To encourage the greater take up of energy efficiency measures by ALL Burnley households which will help to reduce domestic fuel bills, and contribute towards reducing carbon dioxide emissions from the borough of Burnley.

- 3.2 Amending the CRISP policy to allow any 'family with children under 5, living in a small home' and increasing the grant maxima to £800 will enable the maximum number of fuel poor or near fuel poor households to benefit from an insulation grant.

## SUMMARY OF KEY POINTS

- 4.1 Private sector households in receipt of certain benefits can take advantage of the government's Warm Front heating and insulation grant of up to £2,700. Additionally, householders over 60, or people in receipt of benefits, or families with a child under 5 living in a SureStart target area can benefit from the Burnley Council funded CRISP (Capital Receipts Scheme Initiative Scheme Programme) insulation scheme which provides up to £600 of grant aid. Since June 2000, over 4,200 households have benefited from a CRISP grant (550 households during 2007-08).
- 4.2 The CRISP scheme assists households who are on low income's and are unable to afford adequate levels of fuel to heat their homes but do not qualify for the governments Warm Front grant.
- 4.3 **Subsidised 'Able to Pay' Cavity Wall and Loft Insulation Scheme:**  
Between 2003 and 2007 fuel prices increased by 86%. In 2008 prices have risen by 15% and are predicted to increase by a further 25-40% over the next year. This means that the average annual household fuel bill could rise from £1,000 to £1,400. The increases will have a significant impact on household expenditure resulting in a higher number of both 'near' fuel poor households and fuel poor households.
- 4.4 Introducing a subsidised loft and cavity wall insulation scheme of £75 per measure\* for all Burnley private sector households regardless of age or income (available on a first come, first served basis) will encourage a greater take up of energy efficiency measures from Burnley households who are not currently in a position to benefit from a Warm Front or CRISP grant. Installing loft and cavity wall insulation will save a household between £100 and £250 per annum on their fuel bills. In effect, the £75 charge represents a subsidy of up to £125 per measure from the council, and on average brings in a £180 utility company contribution.
- 4.5 The council and Switch onto Savings scheme partner installers will make the most of match funding from the utilities Carbon Emissions Reduction Target scheme (CERT) to help fund both the subsidised 'Able to Pay' scheme, and also the CRISP grant scheme.
- 4.6 **Heating Rebate Scheme:**  
Installing cavity wall insulation, loft insulation, and efficient heating systems are the three most cost effective ways of improving the energy efficiency of a home. The heating rebate scheme (Pendle's Heat, Efficiency & Warmth Scheme - PHEW) of up to £300 per household has been successfully developed and working in the borough of Pendle for 3 years now. The boroughs of Burnley and Pendle are currently developing a joint home energy strategy and are keen to further develop joint working. The £300 heating rebate scheme will be available to private sector households that are in receipt of CRISP grant qualifying criteria, or that live in a small home (2/3 bed terrace or 2/3 bed semi-detached). Households in receipt of means tested benefits will be eligible to receive an 'enhanced' rebate of £500.

4.7 Any Corgi registered plumber can be employed to carry out improvement work which may include installing or replacing the following measures: 'A' rated condensing boiler, thermostatic radiator valves, programmable room stat, stainless steel pressure cylinder, and a system powerflush. Residents aged over 60 will also be able to claim an extra £300 through the government Warm Front Heating Rebate scheme.

**4.8 CRISP Grant Maxima Increase:**

It is recommended that the CRISP grant maxima is increased from £600 to £800 per property to be made available over a 3 year period. This is to take into account raw material increase and allowances for inflation. It is also evident that a significant number of insulation jobs are being cancelled where multiple measures (loft and cavity wall) are required to be fitted and residents are obliged to pay a 'grant excess'. In order to make best use of the funding operationally, and maximizing a households energy saving potential residents must be persuaded to take up multiple measures where appropriate.

**4.9 CRISP Eligibility Criteria Amendment:**

Currently 75% of families with children under 5 in the borough are able to benefit from a CRISP grant as they reside in a SureStart target area. Amending the CRISP policy to allow any family with children under 5 across the whole borough that live in a small home (2/3 bed terrace or 2/3 bed semi-detached) to benefit from a CRISP grant. These families are more likely to be fuel poor or near fuel poor households. Families with larger homes will be able to benefit from the subsidised loft and cavity wall insulation scheme.

\* subject to standard house size parameters

## **FINANCIAL IMPLICATIONS AND BUDGET PROVISION**

5.1 The CRISP scheme budget for 2008-09 is currently £116,000 (Housing Capital Grant). However, the Switch onto Savings budget needs revising to £266,418 to incorporate £150,418 of utility company match funding that has now been secured.

5.2 Following the introduction of the subsidised 'Able to Pay' cavity wall/loft insulation scheme, and a heating rebate scheme it is not the intention to ring fence a specified amount for these initiatives, but to monitor take up closely over time. However, in order to balance the demands of the CRISP scheme a maximum contribution of £100,000 of utility company match funding will be set as a ceiling from the CRISP scheme budget. This is based on 560 Able to Pay insulation measures and 100 heating rebate scheme jobs.

5.3 Drawing on utility company Carbon Emissions Reduction Target scheme (CERT) funding to best effect will ensure that the council will still be able to offer a minimum of 550 CRISP insulation grants during 2008-09.

## **POLICY IMPLICATIONS**

6.1 Energy efficiency is a cross cutting theme within the councils strategic framework and contributes to the key strategic outcomes of:

- A more sustainable environment
- High quality housing neighbourhoods

- Improving services to vulnerable groups in the community

- 6.2 The amendments will support the borough in achieving two Lancashire LAA targets:
- NI186: - Per capita CO2 emissions in the LA area
  - NI187: - Tackling fuel poverty - % of people receiving income based benefits living in homes with a low and high energy efficiency rating

<b>DETAILS OF CONSULTATION</b>
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7. None.

<b>BACKGROUND PAPERS</b>
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8. Available from the Housing Unit

<b>FURTHER INFORMATION</b>
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