

**Report to:** Economy, Environment, Culture and Housing Scrutiny  
Committee  
Cabinet

**Date:** 17<sup>th</sup> March 2010  
18th March 2010

**Subject:** Energy Efficiency Measures in Council Housing

**Report of:** Interim Executive Director of Environmental Services

**Contact officer:** Peter Layland 828983

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**Purpose / summary:** To update Members on the measures being implemented to improve the energy efficiency of Council Housing

**Alternative options considered and reason for selecting the one recommended:** Various alternative strategies have been considered by Wigan and Leigh Housing Board in terms of its capital expenditure. This option emphasises the importance of fuel savings to residents and the improvement to their quality of life over other options.

**Recommendation / decision:** The Scrutiny Committee is requested to make comments and recommendations.

That Cabinet notes the report and endorses the approach taken by Wigan and Leigh Housing.

**Key Decision** This report does not involve a key decision. The decision made as a result of this report will be published within **48 hours** and cannot be actioned until **seven working days** have elapsed, i.e. before 30 March 2010.

**Risks / Implications:**

Financial: Undertaken within HRA approved capital

Staffing: programmes  
 None at present  
 Policy: Within Wigan and Leigh Housing Business  
 Plan / Housing Strategy  
 Equal Opportunities - Has a Diversity Impact Assessment  
 been conducted? This policy will target groups with a potential to  
 be suffering fuel poverty.  
 Wards affected: Potentially All

Has the Service Director - Borough Solicitor confirmed that the recommendations within this report are lawful and comply with the Council's Constitution? **N/A**  
 Has the Service Director - Corporate Services confirmed that any expenditure referred to within this report is consistent with the Council's budget? **N/A**  
 Are any of the recommendations within this report contrary to the Policy Framework of the Council? **No**

**For Cabinet reports only :**

Categorisation of the report:	<b>x</b>		<b>x</b>
Discussion leading to a decision		Discussion	
Monitoring		Decision	
Sharing for corporate understanding		Information	<b>x</b>

**Tracking/Process:**

	Consultation	Ward Members	Partners
			WALH Board 6/4/10
Committee	Overview & Scrutiny	Cabinet	Council
	EECH 17/03/10	18/3/10	

There are no Background Papers to this Report within the meaning of Section 100D of the Local Government Act 1972.

Proper Officer Gillian Bishop

Date 3 March 2010

## **1.0 Background:**

- 1.1 A report produced for Wigan and Leigh Housing Board that sets out the progress being made on the energy efficiency of Council Housing is enclosed.
- 1.2 This shows:
- That 3,100 old inefficient boilers (19+ years) have been replaced with new high energy efficiency boilers since April 2008.
  - A significant contribution to the costs has been found from grants / rebates (£1.5m contributions against total costs of £7m)
  - As a result the option of accelerating the programme as advocated by the Tenant Board Members is now available, with 1,300 additional boilers than originally planned being considered for 2010/11.
  - Additionally, 600 residents living in high rise blocks have benefitted from a insulation programme and this will also be completed in 2010/11.
  - The report also outlines that such works are likely to save tenants up to £7 per week, improving affordability and reducing fuel poverty.
- 1.3 Such work is likely to be extended in the future with Greater Manchester having being declared a Low Carbon Economic Area and innovative ways of further energy efficiency measures are being developed.
- 1.4 All this activity is combined with improving energy efficiency in private sector housing with the good takeup of Warm Front Grants and the local AWARM initiative making good progress in this area. All this activity across all tenures is reflected in the national fuel poverty indicator which shows Wigan as a top quartile performer in this area.

## **2.0 Recommendations**

- 2.1 That the report is noted and Cabinet endorse the progress made in this important area.

## WIGAN AND LEIGH HOUSING BOARD 6<sup>th</sup> April 2010

Report of the Director of Asset Management and Development

Author: Mike Sterlicchi Tel. No: 01942 705546 E-mail: [m.sterlicchi@walh.co.uk](mailto:m.sterlicchi@walh.co.uk)

### Energy Efficiency Measures to Council Housing

<b>Purpose/Summary:</b>
To provide Members with a progress report on improving the Energy Efficiency of Council housing, to brief members on £1.5 million income from grants and rebates from the boiler and fuel replacement programme received in 2009/10 and to propose that the Tenant Board Members request for an acceleration of the programme is supported.
<b>Recommendations:</b>
Board is asked to approve the report and the measures being taken to improve the energy efficiency of Council dwellings. The Board welcomes the £1.5 million in grants and rebates secured during 2009/10 and supports the Tenant Board Members wishes to accelerate the boiler replacement programme to include any the additional funding in 2010/11.

<b>For decision, discussion or information?</b>	Decision
<b>For the open part or the press and public excluded part of the agenda? If press and public excluded please state reason.</b>	Open

<b>Resource and Value for Money Implications:</b>	2009/10 budget Increased by approximately £1.5m from income generated by grants and rebates. 2010/11 increased Capital allocation to allow for expenditure of an estimated £1.5m grant and rebates							
<b>Employee Implications:</b>	None at the present time							
<b>Key Risks incl. Company reputation, business relationships, health and safety and legal implications</b>	Reduction in grant funding and or increase in costs. All dwellings switching to gas for the first time will be included in the annual gas safety inspection and maintenance programme. This will increase the cost of the programme.							
<b>Equality (Impact) Assessed?</b>	<table border="1" style="display: inline-table; border-collapse: collapse;"> <tr> <td style="text-align: center;">Yes</td> <td style="width: 20px;"></td> <td style="text-align: center;">No</td> <td style="width: 20px;"></td> <td style="text-align: center;">Not Applicable</td> <td style="width: 20px;"></td> <td style="text-align: center;">x</td> </tr> </table>	Yes		No		Not Applicable		x
Yes		No		Not Applicable		x		
<b>Equality &amp; Diversity and Community Implications:</b>	No direct implications.							
<b>Impact on Tenants/Customers:</b>	Tenants benefit from reduced fuel bills.							
<b>Environmental Implications:</b>	Programme reduces carbon emissions. On the High Rise flats we estimate the annual carbon dioxide reduction to be							

	7,688 tonnes. For the replacement boiler we estimate that the new boilers installed in 2009/10 will reduce carbon emissions by 14,000 tonnes total lifetime savings.			
<b>Area Forums Affected:</b>	All			
<b>Tracking/Process</b>	<b>Consultation</b>	<b>Area Forum/s</b>	<b>Committee</b>	<b>Board</b>
	Cabinet 18 March			6 April

## **1.0 Context**

- 1.1 The 2008 the Council housing stock condition survey identified that there are over 7,000 gas boilers that were over 15 years old as well as over 2,000 properties that were electrically heated and or had solid fuel systems.
- 1.2 In 2009 Wigan and Leigh Housing Board agreed a three year investment programme and the key priority to emerge from the tenant led Stock Investment Task Group included the replacing of inefficient heating systems to help to reduce tenant fuel bills and reduce carbon emissions.
- 1.3 The Shadow Tenants Board in recommending to Wigan Council's Cabinet the 2.5% rent increase for 2010/11 again confirmed that the main priority was to reduce tenant's fuel bills by installing energy saving measures which include better insulation, new gas condensing boilers and fuel changes from electric to gas or coal to gas. The Tenant Board Members specifically asked if the programme could be accelerated so that more tenants could benefit sooner.
- 1.4 The Housing Revenue Account (HRA) Capital and Revenue Estimates 2010/11 were approved by Cabinet on 18<sup>th</sup> February and by Council on the 3<sup>rd</sup> March 2010 contains £19.8 million of Capital expenditure for works in 2010/11. This figure includes £5.3m to continue the programme of installing energy efficient boilers.

## **2.0 Energy Efficiency Measures to Council Housing**

- 2.1 Since the start of the programme in April 2008 we have replaced 3,100 gas boilers which are older than 19 years with a new high efficiency condensing boiler with thermal radiator valves and over 800 fuel changes at a cost of approximately £7m
- 2.2 However, the costs have been reduced by £1.5 million by securing both grants and rebates. The grants have come from two sources, the Carbon Emissions Reduction Target (CERT) and the National Grid's Affordable Warmth Scheme which installs gas mains to properties situated in areas of deprivation free of charge. The rebates have come through collective procurement of boiler replacements with other Greater Manchester social housing providers.
- 2.3 Thanks to the £1.5 million in grants and rebates plus continued prudent management of the Housing Revenue Account which has reserves of nearly £6 million, members now have the option of accelerating the heating programme by installing up to 1300 additional new boilers in 2010/11 than originally planned by committing the £1.3m additional capital allocation identified in the HRA Medium Term Financial Plan as well as a potential £1.5m obtained through grants and rebates.
- 2.4 This will bring the total energy efficiency programme for 2010/11 up to £6.8m. This shows an increase to the overall budget allocation of £2.8m identified in

November 2009 to the Stock Investment Task Group meeting with tenants who agreed a range of work priorities to be undertaken should funding be available.

- 2.5 Tenants are also benefiting from the changes bringing fuel bills down for example a typical three bedroom household could save up to £6 per week changing from electric to gas. In the case of people switching from electric night storage heaters to gas, the weekly savings are much higher and average nearer £7 per week.
- 2.6 Furthermore, in 2010/11 we will be completing the works to six high rise blocks which for health and safety reasons will remain electrically heated properties. The 600 residents will be benefiting by reduced fuel bills as a result of from the high levels of insulation which have been installed as part of the external cladding programme.
- 2.7 As a result of the boiler replacement programme and other insulation works, the Standard Assessment Procedure (SAP) energy rating of council dwellings has from 59 in 2001 to an average to 77 to council properties. This places us amongst the best performers in the country for energy conservation in council housing.
- 2.8 In addition, we have applied for Carbon Emission Reduction Target grants from energy providers to help fund the High Rise regeneration project and we awaiting a decision.
- 2.9 With Greater Manchester having been declared a "Low Carbon Economic Area" we are now beginning to explore "where to next"! We are in discussions are underway with other Greater Manchester ALMO's and partners to look at further reducing tenant's costs and their carbon footprint by the use of green energy sources such as Photovoltaic (PV) cells which generate electricity.
- 2.10 "Micro generation" of electricity using PV cells and small wind turbines at local level is something which occurs in social housing in Europe.
- 2.11 Currently the Greater Manchester discussions are with the Horizon Energy Cooperative. Their idea is for a "microgrid" to be established in Greater Manchester. This will work by installing local wind and solar power generation equipment. The resulting energy is pooled and then distributed locally, with some sold on to the National Grid to generate funds for investment into local energy initiatives.
- 2.12 It should be stressed that these discussions are at a very early stage. Because of the scale of Wigan's social housing stock we may find other opportunities emerging.

### **3.0 Recommendations**

- 3.1 Board is asked to approve the report and the measures being taken to improve the energy efficiency of Council dwellings. The Board welcomes the £1.5 million in grants and rebates secured during 2009/10 and supports the Tenant Board Members wishes to accelerate the boiler replacement programme in 2010/11.