

GD Communities Briefing Note

Purpose

To inform Members, partners and key services of the successful Leeds City Region bid for Green Deal Communities funding.

Background

In September 2013, DECC announced a £20m Green Deal Communities funding programme to support local authorities to run street-by-street campaigns to accelerate uptake of the Green Deal in relatively affluent communities. Leeds City Council led a LCR consortium and submitted a bid in late November for £1.9m.

The Chancellor's Autumn Statement on December 4th 2013 announced significant changes to both the Green Deal and the Energy Company Obligation subsidy (ECO) that underpinned it. At the same time, Government announced that Green Deal Communities funding would increase to £80m but required all bidders to make significant changes to their proposals. This led to an iterative process with a final revised bid of £4.765m being submitted in late February 2014.

The Award

On the 28th of March, Leeds City Council received an offer on behalf of LCR of £4.943m. This was the full amount requested, plus some additional funds that DECC has distributed across all winning bids to support early delivery. As shown in the table below, the bulk of the funding is to support early delivery of solid wall insulation in Leeds, Bradford and Wakefield with this element worth £2.373m to Leeds. The remainder of the funding is spread across all 10 participating LCR authorities. All funds must be spent by the 31st March 2015 and a final report submitted to DECC by June 2015.

Service	Value LCR	Value Leeds (approx.)
Phase 1 to deliver subsidised solid wall insulation and other secondary measures using existing contracts to 604 households in Leeds, Bradford and Wakefield (404 households in Leeds);	£3.63m	c£2.4m
Phase 2 to offer £750 discount vouchers to up to 1,000 households across the whole of LCR to help launch the new LCR contract currently in procurement;	£750k	c£180k
An integrated 16 home show home programme to be delivered through both phase 1 and phase 2 communities to generate interest and case studies	£235k	c£60k
A SME installer training programme to gear the local supply chain up for the LCR contract.	£100k	n/a

Delivering the grant

Phase 1

In Leeds, this grant will be primarily delivered through our existing Wrap Up Leeds ECO contract with Keepmoat, Willmott Dixon and SSE. All households in phase 1 will be offered a mix of ECO funding and Green Deal Communities funding in order to reduce the householder contribution required to an amount that can be funded via the Green Deal loan and still remain within the 'Golden Rule' that savings will outweigh loan repayments. It is a strict government requirement that all participating

households must contribute to the costs, either via savings or by taking a loan such as a Green Deal loan.

For a typical house in Leeds receiving solid wall insulation and a mix of secondary improvements (glazing, loft insulation, heating improvements, etc) we expect the finance to split as shown below:

	Average ECO	Average Green Deal Community	Average Green Deal or Householder contribution	Total
Cost	£2,566	£5,875	£3,356	£11,797
Percentage	22%	50%	28%	

One of the bid criteria was for all participating authorities to identify specific communities that would form the focus of all marketing activity. The aim is to achieve a very high level of uptake from households in these areas, in the region of 80-90%.

DECC also required that the proposal is ready to start delivery almost immediately on receipt of grant funding and that householders are able to provide some element of financial contribution.

Therefore, we propose to target the following areas with a street by street approach. They have been selected to represent areas where there is existing work underway, particularly active community groups or we have relationships with large property-holders. Once marketing commences, these areas will be refined to cover very specific streets in order to make sure the percentage uptake is very high:

Area	Property Type	Ward	Properties Marketed	Target Completions	Estimated Average Grant Value
Hyde Park	Victorian Terraced.	Hyde Park and Woodhouse	c500	50	4,658
Central Roundhay	Victorian Semis.	Roundhay	250	25	6,935
Weston Drive	System Built.	Otley and Yeadon	c150	38	6,101
Silk Mills/Ivesons	Right to buy System Built.	Weetwood	c100	10	6,101
Nowells Neighbourhood Challenge area and surrounding streets.	Victorian Terraced.	Burmantofts and Richmond Hill	153	100	6,244
Harehills and Burmantofts	Right To buy System Built.	Burmantofts and Richmond Hill	c70	35	4,958
The Drive	Privately owned System Built properties.	Kippax and Methley	273	68	6,101
Meynells Estate	Right to buy Wimpey No Fines.	Beeston and Holbeck	c40	20	4,958
Area around St Hildas Mount, Cross Green	Victorian Back to Back.	Burmantofts and Richmond Hill	c100	58	6,244

We are aware that we will inevitably receive enquiries from householders in other areas and plan to help them in two ways. Firstly, where they require relatively minor works (loft or cavity wall insulation or heating improvements) we will treat them as a normal customer under the Wrap Up Leeds ECO scheme and offer these works. Secondly, where they are interested in more complicated and expensive works such as internal or external wall insulation, we will take their details and attempt to create clusters of interested households that can be efficiently delivered under Phase 2.

Phase 2 (from Autumn 2014)

This will be delivered across the whole LCR via a new LCR contract, currently in procurement. We anticipate that this contract will be awarded in early Autumn and Phase 2 will be used to help launch the new contract and generate momentum.

This is a simpler offer, where the first 1,000 households will receive a £750 voucher to be redeemed against the cost of Green Deal Assessments and the cost of works, but only if they go ahead and complete works.

Show homes

This programme will complete 16 show homes from a range of archetypes (including 9" brick terraces, stone and system built properties) spread across LCR. Six of these will be delivered as part of Phase 1 and the remaining ten during Phase 2. A range of techniques will be demonstrated including IWI and EWI, room in roof insulation, high performance windows, under-floor insulation, upgraded heating systems and renewable energy in off gas areas. Some empty homes will be brought back to life in key areas.

In all cases, the work undertaken will be documented to create detailed online case studies that can be used as templates by residents living in similar properties in future. Residents will be required to allow access for 25 days over 5 years, in return for fully funded work.

Homes will be selected from within the Phase 1 & 2 communities in order to create a buzz of activity.

SME training

In addition to the capital investment into people's homes, £100k has been secured to help develop the SME supply chain. This will be closely linked to the Leeds City Region Green Deal and ECO procurement which is currently underway and will be designed to plug gaps in the two bidders supply chains. The training will be managed by Construction and Housing Yorkshire and will aim to support at least 40 SMEs to become PAS2030 accredited.

Additional resources

The council is currently developing a series of FAQs aimed at different audiences.

Specific marketing materials will be developed for the target communities.