

Swarcliffe Gas Mains Extension Scheme Amendment

Date: 18/05/2021

Report of: Sustainable Energy and Air quality Team

Report to: Director of Resources

Will the decision be open for call in? Yes No

Does the report contain confidential or exempt information? Yes No

What is this report about?

Including how it contributes to the city's and council's ambitions

- This report is to reduce the number of installations of first time central heating that will take place through the Swarcliffe Gas Mains Extension Scheme from 400 to 305. This is due to a substantial reduction in the amount of Energy Company Obligation (ECO) funding that can be claimed on installs as a result of changed ECO regulations. Installations in council homes are not reliant on ECO funding and are not affected. Overall installations through the scheme will reduce from 840 to 745. The overall grant sought from the Warm Homes Fund for the scheme will be reduced by £267,824 to take account of the reduced number of installations.
- Reducing the number of central heating installs will help Leeds City Council to reorientate its domestic energy efficiency programme away from fossil fuels in line with the cities net zero carbon commitment.

Recommendations

- a) That the Director of Resources approves the reduction in the number of private sector installs through the scheme from 400 to 305.

Why is the proposal being put forward?

- 1 In April, Leeds City Council successfully bid for £1.5m from the Warm homes Fund towards the installation of first time central heating in 840 households of mixed tenure in the Swarcliffe area of Leeds. The project has already resulted in central heating being installed in over 350 properties which were formerly heated using expensive and difficult to use storage heaters and electric underfloor heating.
- 2 The funding model for private sector housing in the scheme relies on ECO funding, which is claimed from energy suppliers. Despite considerable success in claiming ECO funding on private sector installs undertaken so far, recent changes to ECO regulations mean that it is no longer possible to claim ECO funding on the remainder of those properties. This means that we have had to adjust the overall number of private sector installs that can take place through the scheme from 400 to 305. Installations in council homes are not reliant on ECO funding and are not affected. Overall installs will reduce from 840 to 745. The overall grant sought from the Warm Homes Fund for the scheme will be reduced by £267,824 to £1,262,456 take account of the reduced number of installations.
- 3 Private sector residents in Swarcliffe have already been contacted and given the opportunity to sign up to the scheme several times over since it commenced in 2019. We therefore believe that the demand for the scheme in the Swarcliffe area has been largely exhausted.
- 4 Reducing the number of central heating installs will help Leeds City Council to reorientate its domestic energy efficiency programme away from fossil fuels in line with the cities net zero carbon commitment.

What impact will this proposal have?

Wards affected: Crossgates and Whinmoor

Have ward members been consulted? Yes No

- 5 Because we have already contacted private sector residents in the scheme area several times over, we believe that demand for the scheme has been largely exhausted, therefore this reduction will not have a detrimental effect on the residents of the area. Our original plan had been to promote the scheme to low income residents more widely across the city once demand in Swarcliffe had been exhausted, however this will not now take place. This means that the scheme will assist fewer residents out of fuel poverty, however other funding streams such as the Green Homes Grant are now available to assist low income residents out of fuel poverty using low carbon technology.

What consultation and engagement has taken place?

- 6 We have undertaken the following consultation activities:
 - a) Consulted with the local ward members and portfolio holder when the scheme was developed.
 - b) Marketing of the scheme to private sector residents has taken place throughout the duration of the project, including through direct mailings. We believe this has demonstrated that demand amongst private sector residents has now largely been exhausted.
 - c) We have contacted local ward members about the change.
 - d) An EDIC assessment was undertaken as part of the original scheme decision.

What are the resource implications?

- 7 As part of the project funding model, Leeds City Council is providing £200 towards the cost of each private sector install from Leeds City Council's fuel poverty fund. This means that £19,000 will no longer need to be allocated from this source.

What are the legal implications?

- 8 There are no legal implications to this decision.

What are the key risks and how are they being managed?

- 9 The key risk is that we receive additional interest from private sector residents in the scheme beyond the 305 installations. We believe that we have largely mitigated against this risk through the substantial direct marketing already undertaken to private sector residents through the scheme both prior to the pandemic and earlier this year. We also know that some signed up residents will drop out of the scheme for various reasons, so any private sector residents beyond the 305 will be signed up provisionally on the basis of other residents dropping out.

Does this proposal support the council's three Key Pillars?

- Inclusive Growth Health and Wellbeing Climate Emergency

- 10 The proposal will help to reorientate the council's domestic energy efficiency programme away from fossil fuels and towards low carbon measures.

Options, timescales and measuring success

What other options were considered?

- 11 We did consider other options for making up the funding shortfall caused by a loss of ECO, however given the cities zero carbon commitments, we believe that additional council funds would be better spent on low carbon measures.

How will success be measured?

- 12 Success will be measured by the success of the overall Swarcliffe Gas Mains Extension scheme in reducing fuel poverty and improving affordable warmth in the Swarcliffe area.

What is the timetable for implementation?

- 13 The remainder of the scheme is due to run until November 2021. Over this time, the number of planned private sector installations will be reduced.

Appendices

- 14 None.

Background papers

- 15 None.