

OXFORDSHIRE ENVIRONMENT PARTNERSHIP

1 November 2013

Progress report on DECC funded Green Deal projects

1 Purpose of Report

- 1.1 To share progress on the Oxfordshire Green Deal projects that received funding from the Department of Energy and Climate Change (DECC).

2 Background

- 2.1 In November 2012 DECC invited local authority funding bids for projects that help deliver against three of the department's key objectives. Three funds were developed:

- Fuel Poverty fund
- Green Deal Pioneer Places fund
- Collective Switching fund

Oxfordshire local authorities submitted a number of bids and were successful in obtaining funding for three projects under the Green Deal Pioneer Places fund. Funding had to be spent by 31 March 2013.

- 2.2 The three projects that obtained funding are:

- Green Deal Together - a local authority led consortium, in the form of a Community Interest Company. Cherwell, South Oxfordshire, Vale of White Horse and West Oxfordshire District Councils are members;
- Oxford City Council's Green Deal Plus (including the Warming Barton Project);
- Cherwell District Council's Green Deal Bicester.

Further information and a summary of progress for each project are set out in appendix 1a-c.

- 2.3 The Green Deal is a government backed initiative. It provides finance, enabling energy saving improvements to be made to homes and businesses without any upfront costs. Expected energy savings over the lifetime of the improvements are used to pay back the loan through the property's electricity bill. The scheme's golden rule is that the expected energy savings should be greater than the cost of the improvements, meaning an overall saving is made.

- 2.4 The Green Deal launched in January 2013 and nationally some 71,000 households have received energy assessments (the first stage of the scheme). However, less than 400 have gone on to sign up for energy saving improvements through the scheme. The low take up is widely attributed to the cost of loans offered by the Green Deal Finance Company. These range from 7.9% to 9.8% Annual Equivalent Rate (AER). By comparison, private lenders are offering energy efficiency loans to mortgage customers at rates as low as 2.29% AER. Green Deal loans are not secured against property, so do appear more competitive when compared to other unsecured loans. However, it is likely that many home owners are paying for the energy improvement work from their own funds, or through other cheaper forms of borrowing.

3 Financial, Risk and Staff Implications

- 3.1 The Green Deal together project obtained £726,240 of DECC funding for its work across 18

local authority areas in the South East. Oxford City Council's bid received £310,000 and Cherwell District Council's bid obtained £282,550.

4 Areas Affected

- 4.1 Cherwell, South Oxfordshire District Council, Vale of White Horse District Council and West Oxfordshire District Council are members of the Green Deal Together Community Interest Company. The Green Deal plus project covers Oxford City (with a particular focus within the bid on the Barton area). Cherwell District Council's project focussed on the town of Bicester.

5 Effect on Strategic Policies

- 5.1 The DECC funded projects support the partnership's Climate Local action to "Work with local stakeholders and community groups to support rollout of the Green Deal in Oxfordshire". This in turn supports priority objective 3 within Oxfordshire 2030 – to reduce Greenhouse Gas emissions in Oxfordshire.

6 Options or Alternatives

- 6.1 Not applicable.

7 Recommendations

- 7.1 That the updates within appendix 1 are noted.

8 Reasons for Recommendations

- 8.1 To develop and share best practice on the promotion of the Green Deal within Oxfordshire.

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Background Papers:

Appendix 1A Green Deal Together

Project summary - *Pioneer Places 2013*

The great success of the bid was that it enabled Local Authorities from across the South East to collaborate within Green Deal's emerging market. The project allowed LA to take a leading role in promotion to residents and developing the local supply chain.

The project was set up to stimulate early demand for the Green Deal and mobilise existing suppliers. The following methods were used to drive demand for Green Deal Assessments:

- i. Sustainable House Survey Company; lead generation partner involved with pre-assessment for 4 selected areas. This methodology was implemented to assess the value of a pre-assessment approach.
- ii. Local Authorities were supported with a communications pack which included tools such as press releases, case studies and videos to help develop interest within local communities.
- iii. Show Homes, supported by the National Trust, consisted of examples of homes that had been installed with Green Deal energy efficiency improvements.
- iv. Local Workshops included training frontline staff to become Green Deal ambassadors and local installer training events managed by Bucks Business First to support local SME's.

Progress against original funding bid objectives

The main objective from the original pioneer places bid was to achieve 850 domestic Green Deal Advice Reports. Below are the key performance indicators:

Performance indicator	Actual
Number of households reached by marketing activity	2,000
Number of Green Deal enquiries received (online or telephone)	Circa 40 per month through contact centre. From March through to June
Conversion of enquiries to assessments	39%
Number of assessments completed	850
Conversion of assessment to Green Deal Plan	Green Deal Together will not be launching their Green Deal Plans until early 2014
Number of frontline LA and community volunteers training	3 sessions. 16 attendees for each
Number of installers attending events	70
Number of show homes	5

An evaluation report of recommended energy efficiency improvements and likelihood of ECO funding based on the assessments will be available soon.

Future plans

- i. Green Deal Together will continue their work with Local Authorities to help develop the ongoing aim of the Green Deal. With the aim of offering the full Green Deal Provider service by early 2014
- ii. Green Deal Together will be approaching households from pioneer places in time for the launch of Green Deal Provider services to produce Green Deal Plans

- iii. Green Deal Together are in the process of applying for Green Deal Communities funding aimed at driving energy efficiency improvements in their local area
- iv. Ongoing development of installer and local supply network.

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Appendix 1B Green Deal Plus (Oxford City)

Project summary

The Green Deal Plus project has 3 parts:

- i. Green Deal Plus dialogue - a local taskforce has been set up to develop the local installation supply chain and engage with local Small and Medium sized Enterprises (SME's) on energy efficiency.
- ii. The Warming Barton Project - energy efficiency assessments have been delivered through community engagement, with a view to negotiating for Energy Company Obligation (ECO)¹ funding to help deliver identified improvements.
- iii. The development of a heritage sustainable assessment tool and case studies, which will help inform energy efficiency improvements to buildings of heritage value.

Oxford City Council appointed the Low Carbon Hub to deliver the Green Deal Plus dialogue and Warming Barton projects.

Progress against original funding bid objectives

- i. Green Deal Plus dialogue – a local network has been set up and two Green Deal Plus taskforce workshops delivered. A workshop has also been delivered for SME's based at Osney Mead industrial estate, and free energy assessments have been offered and delivered to them. Two energy assessors have now been trained to Green Deal standard, whilst a community energy training event has also been delivered.
- ii. Warming Barton – 119 Energy Performance Certificates (EPC) energy assessments have been conducted in the Barton area of Oxford, with 61 being full Green Deal assessments. These resulted in:
 - 579 recommended actions
 - 206 tonnes of annual CO2 savings being identified
 - The potential for an average household energy bill saving of £450 per annum.

A planning application for 27 houses has now been submitted to have external wall insulation installed.

The Low Carbon Hub has developed a partnership with Insulation NE to access ECO co-funding and deliver improvements and installations to the Barton properties.

An evaluation report on the Warming Barton project by the Low Carbon Hub will be available soon. Oxford City Council has also been invited to write a blog on the DECC website to report on the Warming Barton project results.

- iii. Heritage sustainability assessment method - case studies of city heritage buildings have been produced, including the Town Hall. These describe the heritage value of the buildings and the opportunities for energy efficiency improvements. Spreadsheet models are to be made available online to help owners of heritage buildings to evaluate the heritage value and identify appropriate energy improvements.

¹ The Energy Company Obligation is an obligation on the six largest energy providers within the UK to provide funding to help insulate and make heating improvements to low income households, and to households within the bottom 15% of the UK's most deprived areas. It must also provide funding to insulate solid-walled properties and those with 'hard-to-treat' cavity walls.

Future plans

The Low Carbon Hub will continue to work with Insulation NE to expand the Warming Barton pilot throughout OX3 and OX4 (the east of the city); the project will be known as “Warming Oxford”. This will be funded by the Ox Futures grant that has been obtained by Oxford City Council and Oxfordshire County Council from the EU Intelligent Energy Europe fund. The Ox Futures grant will also support the development of further domestic retrofitting programmes throughout the county.

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Appendix 1C Bicester Green Deal

Project summary

The project aimed to kick-start the Green Deal locally in Bicester, by playing a major part in building a network of local, high quality, reliable Green Deal assessors and installers. The project also aimed to raise awareness of the Green Deal in Cherwell District Council's area among both residents and potential Green Deal installers and assessors, helping to build confidence in the scheme. A further aim was to stimulate the local market for Green Deal packages in the longer term, sustaining and creating SMEs and jobs, improving the housing stock and saving residents – and some local businesses - money by cutting their energy bills.

Cherwell District Council partnered with sustainability charity BioRegional to project manage the project and United Sustainable Energy Agency (now part of the National Energy Foundation (NEF)) to manage the installation phase.

The project aimed to deliver the following objectives:

1. Early Green Deals:

Domestic: 100 Green Deal (GD) plans and 5 completed Demonstration Homes by 31 March 2013.

Benefits: reduced utility running costs and better comfort.

Non-domestic: 5 business GD plans. Benefits: reduced utility running costs.

2. Legacy for Future Demand:

A portfolio of 650 (5% housing stock) potential GD ready plans with demand indicators including: signed GD ready plans and completed GD assessments.

3. Green Deal supply chain:

A Community Interest Company has been created as a GD Provider and will be launched as Green Deal Together in 2014. It will be led by the NEF with CDC as one of the founding local authority members. Its purpose is to build a network of local assessors and installers. It will train residents associations, community groups and builders on GD basics as part of a referral network.

Progress against original funding bid objectives

1. Early Green Deals

Domestic:

101 Green Deal assessments were completed by four different Green Deal assessor organisations.

14 properties had a selection of Green Deal measures installed. The aim was to have a variety of property types, ages and tenures to be able to showcase the assortment of measures available through the Green Deal. Overall 17 different measures were installed throughout the 14 properties located in a variety of neighbourhood areas around the town.

Six of these properties were part of a Green Open Doors event held on Saturday 1st June to members of the public and those that had Green Deal assessments, 78 visitors attended.

A further property, which is in the Bicester Conservation Area and a Listed Building, received a grant towards installing Green Deal measures.

Non-domestic:

Seven non residential Green Deal assessments were completed on businesses in Bicester, located both in the Town Centre, business parks and residential areas. Again, the project wanted

to assess a selection of types of properties as well as owner/occupier, tenant and community building.

Four of these properties are currently in the process of having a variety of measures including installation of PV system, cavity wall and loft insulation and replacement LED lighting.

2. Legacy for Future Demand:

During the project a series of engagement activities and resources were produced to:

- explain the Green Deal process
- sign up residents for a Green Deal assessment
- sign up Green Deal assessors to the Bicester Green Deal project
- explain the Bicester Green Deal project at community meetings
- liaise with key community groups to take part in a referral incentive
- explain to residents the next steps after having had a Green Deal assessment during a drop in session
- promote projects through social media and Bicester Green Deal specific pages on the Cherwell District Council and Eco Bicester websites
- provide information through case study sheets produced for each retrofitted property
- to showcase retrofitted properties and Green Deal measures (the "Green Open Homes" event)
- promote the Bicester Green Deal using information stands at local events.

This engaged a vast amount of local residents who are now knowledgeable about Green Deal and could turn their Green Deal assessments into Green Deal plans in the future.

3. Green Deal supply chain:

The United Sustainable Energy Agency (USEA), now part of the National Energy Foundation (NEF) led the creation of Green Deal Together - a local authority led consortium, in the form of a Community Interest Company to be a Green Deal Provider. During the project, before receiving full Green Deal Provider accreditation, USEA project managed the installation process of the project by building a network of local assessors and installers. Approximately £167,000 of installation work was awarded to eight local installers to carry out the retrofitting of the 14 demonstration homes.

USEA supported the project by attending Green Deal assessor workshops and local resident drop-in sessions to understand what the different stakeholders needed from a local Green Deal provider.

Future plans

Cherwell District Council will continue to promote the Green Deal and Green Deal Together as and when possible with the help of the organisations and networks set up for the Bicester Green Deal. Information sheets on each of the retrofitted properties will continue to be made available during community events and on the Bicester Green Deal pages of the Cherwell District Council and Eco Bicester websites.

In the short term, a further Green Open Doors event will take place during the winter 2013/2014 in association with an Oxfordshire-wide open homes network set up by the Low Carbon Hub. Two properties with the most work done to the fabric of the building will be taking part in an Oxford Brookes University study in Nov/Dec 2013 to look at the realistic improvements the installed measures have achieved.

In the long term, a possible third open homes event could take place in autumn 2014 as well as a series of retrofitting workshops where residents from the retrofitted homes can share their Green Deal experience.

Some lessons learned:

1. Open Homes Day: Six homes open on the day with 78 visits in total. For future events, it is suggested that more responsibility is placed on the householder to invite their network of family, friends and neighbours, and support with a coffee-morning type event and a brief introduction from a specialist.
2. Assessor and contractor network: Four different Assessor companies and eight different contractors were used. The whole process was very useful in building a local network, and it was the local assessors who performed best. A Bristol based assessor was the first to commit to the project (which was key to starting it on time) but was the last to complete. There were particular problems associated with re-visiting properties to pick up on errors in some original assessments, and where assessors were local this proved much easier to arrange. For the future, it is suggested that work is directed to those assessors and contractors in the immediate area.
3. Drop-In Events: Of the four that were run it was very clear that while it was hard to get people to attend, those that did attend benefitted hugely from being talked through the options in their specific case in simple and direct language. The Green Deal Reports were quite technical and not easy to understand, and did not really set out alternative ways to finance the works – which is the decisive factor for most people. For the future, it is suggested that the Green Deal cannot be left to its own devices and that face-to-face contact with people considering works to their home is key to delivering an actual investment.

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