

Appendix A: Housing energy efficiency funding sources

1. Scheme summary and background

A high proportion of domestic energy efficiency funding is through competitive or other grant bidding opportunities led by the Department for Business, Energy & Industrial Strategy, particularly in tenures outside of CYC stock. Building on experience of successful delivery and maximising local impact of these schemes in a fast-changing context is a key issue for the council's strategy, over both the short- and long-term.

Scheme	CYC access to funding?	Funded by	Beneficiary group	Amounts/other considerations
<u>Social Housing Decarbonisation</u>	Bid under preparation	BEIS (central government)	Local Authorities / low income tenants	CYC bid currently under preparation, delivery up to January 2023 or March 2023 by exception
<u>LAD1B</u>	Yes £535,000 Consortia bid led by CYC on behalf of York Craven, Selby and Harrogate	BEIS	Low income residents	EPC E or below properties, with some D permitted
LAD2	Yes £2.1million Consortia bid led by CYC on behalf of York	BEIS via North East and Yorkshire Energy Hub	Low income residents	EPC E or below properties, some D permitted

Scheme	CYC access to funding?	Funded by	Beneficiary group	Amounts/other considerations
	Craven, Selby and Harrogate			
LAD3	Bid placed Consortia bid led by CYC on behalf of York Craven, Selby and Harrogate Approximately £2m for York	BEIS	Aimed at properties on the gas grid. EPC D to G, however number of D properties is limited. Competitive bid placed for around 200 property improvements, awaiting outcome; delivery by March 2023	
<u>ECO</u>	Support for LAD3 programme	Energy companies	The 2022-26 round “will be designed to align with other domestic energy efficiency policies in social housing and the private rented sector. In England, we intend for ECO to primarily focus on insulating the worst-quality homes and improving them as close to an EPC C as is cost effective and suitable for the property.” (England’s Fuel Poverty Strategy)	
CYC HRA programme	Yes	CYC/HRA	CYC tenants, CYC as asset owner	£1million phase 1 £1million phase 2
Home Upgrade Grant (HUG1)	Consortia bid led by CYC on behalf of York Craven, Selby and Harrogate	BEIS	Off-gas-grid homes only.	EPC D to G. Tapered levels of funding depending on EPC rating and type of heating.

Scheme	CYC access to funding?	Funded by	Beneficiary group	Amounts/other considerations
<u>Renewable Heat Incentive</u> – to be replaced by <u>Clean Heat Grant</u>	No current programmes funded	BEIS/Ofgem	Residents purchasing eligible low/zero carbon heat systems	Awaiting details of Clean Heat Grant, to be in place from April 2022. May be opportunities to combine with other programmes, and to promote or install heat pumps in properties with already good insulation.

2. Current CYC delivery plans

Scheme	CYC delivery details
<u>Social Housing Decarbonisation</u>	CYC bid currently under preparation, delivery up to January 2023 or March 2023 by exception Maximum grant funding for retrofit works: EPC D = £10k, EPC E = £12k, EPC F/G = £16k. RPs must contribute at least a third of total eligible costs
<u>LAD1B</u>	£535,000 LAD1B successful consortium bid of which approx. £300,000 spend in York for private sector housing only Being delivered by Better Homes Yorkshire/Engie with completion during 2020/21. Improvements to: <ul style="list-style-type: none">• 37 homes in York with poorly insulated rooms in roof spaces. The grant will pay for the full cost of works for homeowners and up to 66% of works for private landlords.• 40 homes that have inadequate/no loft insulation and 20 homes without cavity wall insulation. This second part of the offer is open to all fuel poor householders across the four local authority areas of York, Harrogate, Selby and Craven.
LAD2	£2.1 million has been secured for a consortium project. Of which just over £1million is for York, of which: £550,000 for council homes

Scheme	CYC delivery details
	<p>£420,000 for private sector housing £30,000 for JRHT project £32,000 to commission housing stock data and research £30,000 for project admin and staffing costs (York's allocation)</p> <p>Being delivered by Better Homes Yorkshire/Engie with completion during 2021/22:</p> <ul style="list-style-type: none"> • Insulate a further 81 homes with poorly insulated “rooms in roof” in York, Harrogate and Selby; • Provide loft insulation and draught proofing to 100 homes across all four local authority areas; and • Provide cavity wall insulation to 60 homes across all four local authority areas. • The installation of solar PV panels on up to 50 council owned homes in York with an EPC rating of D or less. Measures such as loft and/or cavity wall insulation will be carried out at the same time if possible. • An external wall insulation (EWI) scheme to improve 10 homes owned by Yorkshire Housing which have an EPC E rating • An air source heat pumps (ASHPs) scheme to improve 6 homes occupied by fuel poor households identified by Joseph Rowntree Housing Trust (JRHT).
LAD3 including HUG	Consortia bid led by CYC on behalf of York Craven, Selby and Harrogate – competitive bid placed for around 200 property improvements, awaiting outcome
<u>ECO</u>	Better Homes Yorkshire had access to ECO funding via Engie towards central heating and low cost insulation measures however this funded arrangement ended in May 2021. Some ECO resource is planned to support aspects of LAD3 scheme delivery
CYC HRA programme	<p>£1million phase 1 £1million phase 2</p>

Other delivery programmes

MEES project Round 1	£100k Funding from BEIS July 2020 to July 2021 to participate in a national project (12 councils in total took part) to commence the enforcement of Minimum Energy Efficiency standards (MEES) in the PRS and to contribute to the development of a national toolkit to aid other councils in England and Wales in enforcing the MEES Regulations in the future. The outcome of the project was considered by the Executive Member for Housing and Safer Communities in July 2021.
MEES project Round 2	£300k funding March 2022 from BEIS to work with regional colleagues to enforce MEES in private rented sector and to enable us to continue working jointly with other regional councils to share experience and best practice and to develop a Northern MEES Forum to facilitate this work and add value to future energy efficiency work in the Region
HMO Licensing	Requirement for Landlords to install low level insulation measures in line with their EPC

4. Regulatory changes in sector

Summarised in Fuel Poverty Strategy <https://www.gov.uk/government/publications/sustainable-warmth-protecting-vulnerable-households-in-england/sustainable-warmth-protecting-vulnerable-households-in-england-accessible-web-version>

Regulatory change	Type/tenure of properties	Implementation timetable	Standard / notes
Future Homes Standard	New homes: Building Regulations update	2021 2025	"From 2021, new homes will be expected to produce 31% less CO2 emissions compared to current standards." "From 2025, the Future Homes Standard will ensure that new homes produce at least 75% lower CO2 emissions compared to those built to current standards" Homes built under the Future Homes Standard will be 'zero carbon ready'
Housing Health and Safety Rating System	All properties though likely relevant in	Review in 2020/21	"BEIS and MHCLG will work together to ensure the HHSRS review takes account of the most up to date evidence on cold

	lower-standard property types		homes and aligns with wider Government aims on energy efficiency and fuel poverty.”
Minimum Energy Efficiency Standards	Private rented properties	New tenancies from 2025 and all tenancies from 2028 (consultation)	“Raising the minimum energy performance standard to Energy Performance Certificate (EPC) energy efficiency rating (EER) Band C” – this has been consulted on but response to consultation is awaited
Decent Homes Standard	Social housing (owned by councils or RPs)	Not fixed – referred to in Social Housing White Paper 2020	“The review will consider how the standard can work to better support energy efficiency and the decarbonisation of social homes.”

5. Note on decarbonisation standards measurement

The Fuel Poverty strategy introduces a new measure, Low Income Low Energy Efficiency (LILEE), which “finds a household to be fuel poor if it:

- Has a residual income below the poverty line (after accounting for required fuel costs) and
- Lives in a home that has an energy efficiency rating below Band C.”

This is important as it is likely to form a basis for BEIS-led work. However separate analysis is needed to identify metrics to understand investment priorities and measure impact.

Term	Explanation	Units
SAP	<p>SAP is the Standard Assessment Procedure. This is the government approved method for calculating energy use in homes to demonstrate compliance with Building Regulations Part L.</p> <p>SAP is used for new build and retrofit where Building Control sign off is required.</p>	Main outputs measured in Kilowatt Hours per square meter per year (kWh/m ² /year)
RdSAP	<p>Rd SAP is Reduced Data Standard Assessment Procedure. This is the government approved method for estimating energy consumption and for producing Energy Performance Certificates in existing homes that are not undergoing major retrofit.</p> <p>It is used to produce EPCs for lettings and sale of properties and for property benchmarking.</p> <p>Due to it being a simplified method, its accuracy is limited. It is primarily a benchmarking method not an energy performance modelling method.</p>	Main output is an EPC Energy Efficiency Rating on a scale of A to G.
PHPP	<p>PHPP is Passivhaus Planning Package. This is the energy modelling software that is required for Passivhaus, EnerPhit and AECB retrofit standards.</p> <p>It is regarded as being more accurate than SAP as more data inputs are required, and in addition it gives a better indication of summer overheating risk.</p>	Main outputs measured in Kilowatt Hours per square meter per year (kWh/m ² /year)
Heating/cooling demand	Is a measure of the modelled or actual heating and cooling demand of a building. Typically expressed in m ² per annum	Kilowatt hours (kWh)
Regulated Energy	This is energy that is covered by the Building Regulations Part L. When a home requires Building Control permission (i.e. major retrofit/refurbishment) SAP energy calculations must be produced to demonstrate compliance for regulated energy use. Regulated	Kilowatt hours (kWh)

	energy is energy used for: heating, cooling, ventilation, water heating and fixed lighting.	
Unregulated Energy	Unregulated energy is also shown in SAP calculations as an estimated figure. Unregulated energy is energy that falls outside of the above, such as energy for cooking, appliances and anything plugged into a 3 pin wall socket. In the Building Regulations there are no limitations on unregulated energy consumption.	Kilowatt hours (kWh)
Primary Energy Demand	Primary Energy Demand takes into account the initial energy source used to produce electricity or heat and the inefficiencies in that process. For fossil fuels this takes account the energy required for extraction of fuels, processing, transportation etc. It is argued that Primary Energy Demand become less relevant as the electricity grid decarbonises.	Kilowatt hours (kWh)