

## More than £3.6m Home Upgrade Grant awarded to Wiltshire

### Briefing Note No. 23 - 09

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Wiltshire Council has been successful in securing more than £3.6m of Home Upgrade Grant 2 funding, which will help go towards increasing the energy efficiency of existing housing in the county. It will be spent on retrofitting up to 210 Wiltshire homes by March 2025, supporting the council's ambition for the county to be carbon neutral by 2030.

#### **What is HUG2?**

The Home Upgrade Grant: Phase 2 (HUG 2) is a grant funding scheme of up to £700m launched by the Department for Energy Security and Net Zero (previously known as Department for Business, Energy and Industrial Strategy) to help local authorities provide energy efficiency upgrades and clean heating systems to low-income households.

The scheme targets the worst performing homes (energy performance certificate bands D-G) without mains gas central heating in England, with 60% of funding ringfenced for rural LAs. A key focus of the scheme is to phase out the use of fossil fuel heating and make progress towards the UK's 2050 Net Zero commitment. It will also support improved household health and wellbeing by reducing the number of cold homes and play a key role in the government's wider programme of green retrofit.

#### **Relevance to the council's business plan**

By reducing carbon emissions, stimulating the green economy and tackling the health issues associated with fuel poverty, this funding will support the following business plan missions and guiding themes:

- The people of Wiltshire are empowered to live full, healthy and enriched lives
- Our local economy thrives and is supported by a skilled workforce
- We lead the way in how councils and counties mitigate the climate challenges ahead
- Tackling inequalities.

#### **How this links with other council initiatives**

This initiative will complement our [Home Energy Efficiency Programme](#) for retrofitting council homes and the [Warm and Safe](#) advice service.

A new Retrofit Development Manager post, funded by the UK Shared Prosperity Fund, is currently being filled. The postholder will drive this project forward, with support from the South West Net Zero Hub who are currently delivering HUG1 in Wiltshire and are happy to share their skills and experience.

This funding builds on the success of the Local Authority Delivery Scheme (LADS 1b). In 2021 the council was successful in securing almost £550,000, which was used to improve 90 of our least energy efficient council homes.

### **How much has been allocated?**

Wiltshire Council has been allocated £3,622,500 of HUG2 funding to retrofit 175 Wiltshire homes over two financial years, 2023-24 and 2024-25. There is flexibility in the allocation, in acknowledgement that the bid was based on a notional average figure for retrofit and that double the amount per home may be required (up to £36k) and that additional homes may be identified for retrofit works. Therefore, subject to staying within set budgets for different archetypes, up to 210 homes may be improved under this funding with provision to draw down **up to £7,205,882**.

The 15% Administration and Ancillary funding will be used to procure a managing agent and fund 1-2 FTE in-house with the required specialist skills (contract management, quality assurance, compliance etc) to coordinate the project. An upfront payment of £534,060 will be received in April 2023 to assist with project mobilisation.

### **What type of retrofit measures will be funded?**

A whole house retrofit takes each house in its own right and considers the fabric, the heating and hot water requirements, ventilation and the people living in the property to establish the correct measures to implement for that individual property.

Some of the measures deployed to retrofit a property include:

- Energy efficiency measures such as wall, loft and underfloor insulation
- Low-carbon heating technologies such as heat pumps
- Smart measures such as smart heating controls.

### **Who is the funding for?**

1. Owner-occupiers on low incomes (defined as having an annual gross household income of less than £31,000) who will not be required to contribute to the costs of upgrade
2. Private landlords who own four or fewer rental properties and have low-income tenants. Landlords are required to make a minimum contribution of one third towards the total cost of works, in line with the scheme's cost caps.

### **Next steps in the programme**

There are three stages during the application process. Wiltshire Council has successfully passed the first **outline application stage** where we set out the size of the project; commercial and delivery assurance; and how we plan to target and verify low income households.

The next stage is the **delivery assurance check** where we will be asked to provide evidence on our resourcing and procurement progress to show we have contractors in place to begin delivery and can also revise project delivery forecasts and project plans. We anticipate doing this second stage in summer 2023.

The third stage is the **batch application stage** where we need to submit:

- housing stock data on homes surveyed
- the mix of energy efficiency measures and clean heat measures they intend to install
- the upgrade costs for the batch of homes, including the cost of measures to be installed

This final step is repeated throughout the delivery window, with funding released in batches subject to need.

### **When will delivery start?**

A delivery partner will need to be procured following our standard procurement processes. Depending on the time taken to procure a delivery partner, delivery on the ground will start any time from September 2023.

Once we have procured a managing agent we will work with them to target those in need and set up a referral process for self referrals, or councillors/professionals seeing people in need.

We will carry out promotion ahead of any delivery, so anyone interested should keep an eye out for that later this year. In the meantime those in fuel poverty should be referred to Warm & Safe Wiltshire for general advice on energy efficiency.

### **Communications**

The government [announced](#) this funding on 22 March 2023 as part of a £1.8bn funding package, with Wiltshire Council [listed](#) as a successful authority. A [press release](#) has been issued and there will be a summary of this funding in the six-monthly Climate update to May Cabinet and Council.