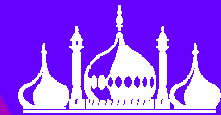


Home Energy Efficiency Investment Opportunities



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Strategic Context

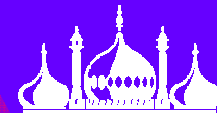
One of the key strategic priorities outlined in the City-wide Housing Strategy 2009-14 is to improve housing quality; to make sure that residents are able to live in decent homes suitable to their needs.

Our strategic goals under this priority include, reducing fuel poverty, minimising CO2 emissions and improving tenants' homes ensuring they are of high quality and well maintained.

Private Sector Housing - Where we are now

- The BEST programme has funded the Brighton & Hove Energy Action Partnership (BHEAP)
- The BHEAP has delivered home energy efficiency measures to some of the most vulnerable residents in Private Sector Housing;
- 1346 loft insulations
- 1037 cavity wall insulation
- 1481 heating measures
- 141 solar water heating systems

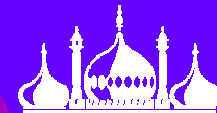
The above measures have helped tackle fuel poverty in some of the most vulnerable groups



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Council Stock - Where are we now

- Historically we have invested significantly in insulation & heating, much of this from utility-funded grant programmes. The current SAP Energy Rating of 76.4 puts us in the top quartile of performance in this indicator
- We are investing £3.5 million in boiler & heating replacements and upgrades, installing high efficiency condensing boilers
- Last year we completed 2 insulated overcladding projects to Wiltshire House & Somerset Point and a communal solar hot water system at Hazelholt sheltered scheme, funded 100% by utility company grant monies



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Solar Hot Water – Hazelholt Sheltered Scheme



Salford & Hove
City Council

The challenges we face;

- Maintaining the high standards at the end of the BEST programme
- Continued challenge of tackling Fuel Poverty & reducing CO2
- Identifying funding and investment opportunities to maintain the current programme and opportunities for Brighton & Hove residents

Future Investment Opportunities

With less central government funding available energy companies are becoming the main source of funding, there are currently several ways this can be obtained;

- Community Energy Savings Programme (CESP)
- Feed In Tariffs
- Renewable Heat Incentives

We are exploring the options to establish an Energy Services Company (ESCo) to ensure the above opportunities in relation to the generation and supply of energy to Brighton & Hove residents can be maximised to the benefit of all

Alongside the above funding we will also be increasing the availability of affordable loans for home energy efficiency measures.

CESP

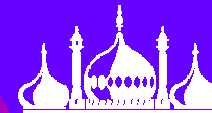
- Aimed to target energy efficiency measures at geographical areas of low income households, covering all tenures. CESP places an obligation on energy companies to invest £350 million nationwide tackling fuel poverty and CO2 emissions
- We are currently seeking approval for a scheme in partnership with an energy company to deliver over 500 energy efficiency measures including insulation and boiler replacement; improving the condition of the council stock, providing savings to the council in the region of £170K and saving over 10,000 tonnes of Carbon
- The above savings will be realised through the planned works programme, therefore requiring no additional funding, potential for further savings through CESP are being explored to maximise these opportunities across the City



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Feed in Tariffs (FIT)

- Feed-in Tariffs (FITs) became available in Great Britain on 1st April 2010
- Under this scheme energy suppliers have to make regular payments to householders and communities who generate their own electricity from renewable or low carbon sources such as solar electricity panels (PV) or wind turbines
- We are looking at options that will offer tenants cheaper electricity and provide the council with a funding stream to be used in helping us to achieve the strategic objectives in the Housing Strategy i.e. ensuring high quality and well-maintained homes
- The use of renewable energy forms will also assist the City in reducing its CO2 emissions



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Options Appraisal

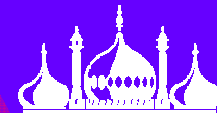
An options appraisal is being carried out to ensure that tenants and the council can maximise opportunities to benefit from investment opportunities. This appraisal includes;

- Assessment of suitability of stock, including technical feasibility of photo-voltaic and other measures where this is not appropriate
- Financial analysis and business modelling – to ensure the financial model brings greatest long term benefits to residents and the council. Exploration of external finance options
- Risk Analysis – to ensure medium and long term success

Options Appraisal (contd.)

- Supply chain analysis – to ensure local businesses can benefit and employment opportunities can be created for local people
- Added value – To ensure that these opportunities are maximised to benefit wider council social, environmental and economic aims and objectives
- Explore further opportunities to work in partnership with energy companies and other housing providers to share the benefits widely across the city including how we can offer opportunities in the private sector

The options appraisal will be completed throughout November and initial findings will be reported to HMCC on the 1st December for further consideration



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Other potential funding streams

- **Renewable Heat Incentives (RHI)**

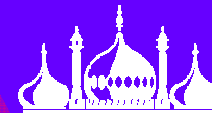
The RHI is designed to provide financial support that encourages individuals, communities and businesses to switch from using fossil fuel for heating, to renewable energy sources. The Government is currently consulting on the design of the incentive which they are proposing to introduce in April 2011

- **Affordable Recyclable Loans**

We will be seeking to expand the availability of affordable loans to Brighton & Hove residents enabling them to carry out energy efficiency measures in their homes

Key messages

- To maintain our current level of performance we need to explore different funding streams to enable the continued delivery of home energy efficiency programme in both the private sector and council stock
- Council tenants, private sector tenants and owner occupiers are key to identifying what we need to do and how to benefit the whole City
- We will be working closely with the Cabinet Members Energy Efficiency Working Group to ensure tenants take a lead on identifying what it is they need and how all tenants can benefit from these opportunities



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