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To: Environment, Highways & Waste Cabinet Committee

Date: 15 November 2012

Subject: Kent and Medway Green Deal Partnership

Classification: Unrestricted

Summary:

This paper provides an update on the energy efficiency housing retrofit activities of the Kent and Medway Green Deal Partnership and asks Members to note progress and provide comment.

Recommendation:

The Environment, Highways & Waste Cabinet Committee are asked to:

- 1) Note and provide comment on the Kent and Medway Green Deal Partnership and actions identified
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1. Introduction and background

- 1.1. The improvement of Kent's homes through the installation of energy efficiency measures saves residents money, tackles fuel poverty by raising living conditions often for the most vulnerable residents and stimulates the low carbon economy which is a key priority for the Kent Environment Strategy and Bold Steps for Kent.
- 1.2. The potential for retrofit in Kent is significant. Over half of the homes in Kent are still insufficiently insulated and more than 13% of Kent's residents live in fuel poverty. If all Kent's homes were retrofitted this could generate £914m worth of sales, with the potential for 7000 jobs, generating savings of over £80m for residents
- 1.3. In parallel the Government has been developing its flagship 'Green Deal' programme to drive retrofit nationally.
- 1.4. The Green Deal is made up of two parts which are:
 - The Energy Companies Obligation (ECO) - energy companies with more than 250000 customers are obligated to pay for their carbon emissions by funding energy efficiency improvements in homes to the value of approximately **£1.3bn a year** (defined by set conditions). Significant amounts of this money could be available for Kent residents.

- 'Green Deal' - a new finance mechanism which allows householders to make energy improvements to their home with no upfront cost, paying for them through their energy bill

2. Kent and Medway Green Deal Partnership (KMGDP)

2.1. To enable Kent to maximise the amount of the £1.3bn a year 'ECO' funding levered into the county, the Kent and Medway Green Deal Partnership (KMGDP) has been set up. The KMGDP brings together, at a strategic level, all the key partners who would be essential in delivering a successful retrofit programme. The partnership is chaired by Graham Harris, Managing Director of Dartford Borough Council.

2.2. The purpose of the KMGDP is not only to ensure maximum 'ECO' funding for Kent residents but also secure additional benefits from a large scale programme of retrofit. This is not simply about physical measures, but low carbon regeneration with retrofit at its core and includes the ability to:

- save residents money, tackle fuel poverty and improve the health of vulnerable residents – young and old
- maximise benefits for local businesses and SMEs, generation of job opportunities and higher levels of local economic growth
- improve the links between industry, skills and training providers including apprenticeships
- develop opportunities around research and development activities and support for the supply chain

2.3. To this end a two phase programme of activity has been developed by the KMGDP:

Phase 1: Kent County Council, on behalf of the KMGDP will engage with an ECO funding provider to help facilitate early pilot projects. Each pilot will be approximately 200 dwellings in size located in communities of around 4000 homes over the next 12-18 months. The estimated cost of the pilots is around £11-12m, but the expansion to 5000 homes over the initial eco period (to March 2015) will result in far greater value (up to £40m). It is anticipated that the total cost of these pilots will be covered by the Eco Provider.

Agreed pilots are: Swanscombe, Northfleet/Singlewell, Sittingbourne/Sheppey, Ramsgate, Aylesham. A Medway pilot area is still being agreed. There will be cross cutting priorities for rural areas and affordable warmth.

Phase 2: Roll out of the process across Kent and the establishment of a long term relationship with an eco funder and/or Green Deal Provider

2. Next Steps

2.4. An Expression of Interest has now been sent to potential providers and is available on the Kent Portal with a closure date of the 16th November. Decisions are expected to be made in December based on criteria agreed by the KMGDP.

2.5. The next steps for the KMGDP will be to:

- Develop a Memorandum of Understanding for KMGDP partners
- Set up a KMGDP Project Board
- Fully engage with all key partners in the pilot areas including KCC Members

3. Recommendations

The Environment, Highways & Waste Cabinet Committee are asked to:

- 1) Note and provide comment on the Kent and Medway Green Deal Partnership and actions identified

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