

## External Wall Insulation Opportunity

### Summary

We have the opportunity to make use of external funding and resource to improve some of the lower performing and least efficient housing within the borough. By externally insulating these properties (that sit within the more deprived areas of the borough<sup>1</sup>) the project will save 40 tonnes of carbon dioxide (CO<sub>2</sub>) per year. In addition combined savings to residents and society will be around £23k each year.

This project proposal is for the council to provide a fixed 50% of the funding needed to externally insulate 37 properties. Funding from the council of £182.5k will allow a £365k of investment to take place, improving the housing stock and providing a total benefit to residents and the economy of £23k per year<sup>2</sup>.

### Background

As an older town the housing age of construction means that Watford has a high proportion of solid wall properties. Over 40% of the housing stock is estimated to be solid walled. These properties are harder to heat and keep warm. Nationally around one in five households find it difficult to meet their heating and fuel costs<sup>3</sup>.

Watford has been active in housing improvements for many years, with successful and award winning external wall insulation projects<sup>4</sup>, helping to improve the boroughs housing stock. Over the last 10 years around £6.5 million of work has led to over 700 properties in the Watford area benefiting from Solid Wall insulation, with a council contribution of less than £1/2 million. This work was completed using Energy Company Obligation funding (ECO) from the larger utility supply companies as well as grant funding and resident contributions. ECO availability has steadily been reducing for solid wall insulation in recent years, with financing also diminishing. This trend is set to continue following the governments [ECO3 consultation](#) due to enact 30th September 2018. This proposal is therefore time dependant to make use of available funding before these changes.

Recent updates to the [Private Sector Housing Renewal Policy](#) (that was informed from the BRE stock model report) were agreed at [cabinet in March 2018](#);

In an effort to focus resources and maximise benefit the policy aims for 70% of its activity to be proactive and project based, contributing to the Councils vision in the Corporate Plan. The policy meets these priorities; namely the number one priority to manage the borough's housing needs as well as its priorities to champion smart growth and economic prosperity (by helping homes to become more efficient, with cheaper bills and to provide for the boroughs vulnerable and disadvantaged communities). The policy forms part of the Councils Housing Strategy 2015-2020.

“The aim of this policy is to improve and maintain housing standards to support an accessible private sector housing stock in an environment which promotes health, wellbeing and sustainability; which is targeted to those most in need.”

## Detail

An opportunity has been negotiated to make use of some of the last remaining ring fenced ECO funding before the year end. This proposal combines ECO with redress funding (government energy company fines from previous unmet targets which was awarded to charities). The redress funding for this partnered project is provided by [National Energy Action](#) (NEA), using their approved contractor framework. This has the advantage of the best subsidised offer and in this case uses a contractor that has previously and successfully carried out solid wall insulation in Watford in the past (some of Boundary Way and the Harebreaks scheme)<sup>4</sup>. Evaluation from a previous scheme showed that 87% of residents thought that it had positively changed the perception of the area - "People are starting to take pride in how their house looks".

The rates are provided at a fixed cost per property with a fixed council liability (whereby works contracts exist between the contractor and each resident) in the following proportions;

COSTS							
Type	Total Cost	ECO/Redress	Resident contribution	WBC funds	Expected number	Total cost of works	Cost to WBC
3 bed semi	£9,925.00	£3,212.50	£1,750.00	£4,962.50	30	£297,750.00	£148,875.00
End of terrace	£9,925.00	£3,212.50	£1,750.00	£4,962.50	5	£49,625.00	£24,812.50
Mid terrace	£8,750.00	£2,625.00	£1,750.00	£4,375.00	2	£17,500.00	£8,750.00

£364,875.00	£182,437.50
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SAVINGS				
Type	Saving to residents <sup>1</sup>	Savings to society <sup>1</sup>	Savings to NHS <sup>1</sup>	Carbon dioxide (kgCO <sub>2</sub> /year)
3 bed semi	£7,350.00	£10,847.49	£605.13	32,700
End of terrace	£1,225.00	£1,807.91	£100.86	5,450
Mid terrace	£310.00	£723.17	£40.34	1,340

£8,885.00	£13,378.57	£746.33	39,490
Total benefit to Economy/year £23,009.90			

In addition to the financial savings this project meets policy objectives as well as delivering council priorities. Helping to:

- Manage the borough's housing needs
- Champion smart growth and economic prosperity by helping homes to become more efficient, with cheaper bills
- Provide for the boroughs vulnerable and disadvantaged communities

The project areas proposed for the scheme are the Harebreaks and Riverside Road areas. This is due to these areas having the correct archetype of properties suitable for the insulation as well as them being in some of the more deprived areas of the Borough. In terms of the index of multiple deprivation a LSOA in the Harebreaks and Riverside Road target area rank amongst the 40% most

deprived neighbourhoods in the country (whereas an area within Park ranks amongst the 10% least deprived neighbourhoods.<sup>1</sup>

In the case of the Harebreaks we are also making use of previous completed examples by the council and WCHT.

## References

1 – Index of Multiple Deprivation (IMD) data on Harebreaks LSOA 004C, Riverside Road 012B and Park 008D Park <http://dclgapps.communities.gov.uk/imd/idmap.html>

2 - based on direct savings to residents bills from the [Energy Savings Trust](#) plus savings to society and the NHS (from the Watford BRE Health Impact Assessment), by reducing the cost of incidences of excess cold to the 12% of residents expected to be over 65 years of age (from [Watford's monitoring report 2016](#)) that live in cold homes (HHSRS excess cold hazard to the average 1920 to 1945 age property).

3 – From the [English Housing Survey Energy Report](#)

4 – Previous examples of completed projects [Boundary Way insulation scheme](#)